



American Forest & Paper Association

AF&PA Summary of Testimony on SB 901

Submitted to the House Environment & Transportation Committee

March 27, 2025

Position: Oppose SB 901 – Packaging and Paper Products – Producer Responsibility Plans

The American Forest & Paper Association (AF&PA), on behalf of our Maryland members and their employees, opposes Senate Bill 901 and respectfully urges the Committee to reconsider advancing this legislation.

Paper Recycling Already Works

- Paper and paper-based packaging have among the highest recycling rates in the country (65–69% in 2023).
- The paper industry is already investing in recycling infrastructure and market-driven solutions, committing more than \$7 billion nationally to expand capacity and recovery of fiber by 9 million tons.
- Imposing EPR on paper duplicates costs, disrupts efficient systems, and diverts private-sector investments already delivering results.

SB 901 Prematurely Bypasses a Statutory Process

- SB 222 (2023) established a needs assessment and advisory council process, which has not been completed as intended.
- The advisory council had only 21 days to review SB 901 before submitting initial recommendations—before the needs assessment was even released.
- Maryland should wait to learn from Oregon’s July 2025 EPR launch, unlike previous states that moved forward without implementation insights.

Inclusion of “Paper Products” is Problematic

- Paper products were initially excluded but are now inconsistently included in the bill compared to packaging, expanding the scope into commercial streams without stakeholder consensus.
- We recommend excluding “paper products” from the bill or amending the definition to reflect supply chain realities and avoid unfair, duplicative fees.

Key Requests:

1. Do not impose EPR mandates on paper packaging/products already achieving high recovery rates.
2. Honor the intent of SB 222 and delay further legislation until the needs assessment is appropriately reviewed and used to inform a program tailored for Maryland’s unique needs.
3. Exclude or narrow the scope of paper products to ensure policy fairness and feasibility.
4. Revise the “producer” definition to align with product branding and distribution.

March 27, 2025

The Honorable Mark Korman, Chair
The Honorable Regina Boyce, Vice Chair
House Environment and Transportation Committee
Maryland House of Delegates
250 Taylor House Office Building
Annapolis, Maryland 21401

RE: Opposition to Senate Bill 901 – Packaging and Paper Products – Producer Responsibility Plans

The American Forest & Paper Association¹ (AF&PA) appreciates the opportunity to share our perspective on SB 901 on behalf of our members and their employees who are an integral part of the circular economy. **In Maryland, the forest products industry employs over 6,000 individuals producing packaging, sales displays, corrugated boxes and other products with an annual payroll of about \$351 million.**²

AF&PA respectfully opposes SB 901, which creates an extended producer responsibility (EPR) program that requires producers to establish or participate in a producer responsibility organization to sell or distribute paper packaging or products in Maryland. The paper industry has a demonstrated, measurable record of success in making paper packaging more circular and sustainable through market-based approaches.

EPR policies are typically applied to hazardous, hard-to-recycle materials with low recovery rates, such as batteries, paint, mattresses, and electronics. Paper-based packaging and paper products, which are highly recycled with widely accessible collection programs and robust end markets, do not fit this model. Imposing EPR beyond packaging to paper products could duplicate costs and disrupt efficient recycling streams already in place without furthering the legislative goals. We urge policymakers to focus on improving recovery for low-recycling materials rather than imposing mandates and fees on paper producers that have heavily invested in recycling infrastructure.

As the Committee considers this legislation, we ask them to reflect on the following:

- Is EPR an appropriate policy mechanism for addressing the recycling challenges and opportunities in the same way for paper packaging, paper products, plastics, glass and metal materials?
- Have opportunities to make informed and impartial policy intended by previous needs assessment legislation been appropriately developed?
- If this legislation advances, how should paper products—initially excluded from the bill—be fairly incorporated to reflect supply chain realities and ensure equity with other materials?

¹ The American Forest & Paper Association (AF&PA) serves to advance public policies that foster economic growth, job creation and global competitiveness for a vital sector that makes the essential paper and packaging products Americans use every day. The U.S. forest products industry employs more than 925,000 people, largely in rural America, and is among the top 10 manufacturing sector employers in 44 states. Our industry accounts for approximately 4.7% of the total U.S. manufacturing GDP, manufacturing more than \$435 billion in products annually. AF&PA member companies are significant producers and users of renewable biomass energy and are committed to making sustainable products for a sustainable future through the industry's decades-long initiative — [Better Practices, Better Planet 2030](#).

² Data sources: IMPLAN, 2023 Data, using inputs provided by AF&PA, In 2023 Dollars.

Is EPR an Appropriate Policy Mechanism for Paper Packaging and Products?

Paper Recycling Works

Paper recycling is an environmental success story. Paper is one of the most widely recycled materials in America, and paper recycling rates in the U.S. have consistently increased in recent decades. The paper industry recycles nearly 60% more paper today than it did in 1990, when the industry set its first recycling rate goal. **In 2023, between 65 and 69 percent of paper and 71 and 76 percent of cardboard available for recovery in the United States was recycled.**³

In 2023, U.S. pulp, paper and paperboard mills consumed 31.3 million tons of recovered paper to manufacture new products, and the U.S. exported another 14.8 million tons for use in manufacturing new pulp, paper and paperboard around the world.

Additionally, the paper industry is investing capital that will divert even more paper from the waste stream for recycling. Since 2019, our industry has announced or is expected to complete projects through 2025 designed to use more than 9 million additional tons of recycled paper. These projects include building new mills, converting or expanding existing mills, and updating machinery and equipment that would increase domestic recovered paper consumption by 29 percent over the 2023 level.

This success stems from the paper industry's commitment to producing renewable, sustainable, and highly recycled products. Recycling is deeply integrated into our business, as our members own over 100 materials recovery facilities (MRFs), and 80% of paper mills use some amount of recycled fiber.

Continuing innovation and meeting customer needs are central to our business. Through industry research and best practices, AF&PA developed the *Design Guidance for Recyclability* tool to help manufacturers, designers, and brands create recyclable packaging.⁴

The Paper Industry Has Already Demonstrated Responsible Stewardship

The paper industry has already delivered much of the recycling benefit SB 901 seeks to mandate. Paper packaging and products are inherently recyclable and made from renewable resources. Our national network of member-owned MRFs enables a paper recovery and utilization rate far exceeding that of other materials. Our efficient material recovery infrastructure supports robust end market demand for recovered paper. The U.S. paper recovery rate of 65-69% is also approaching the practical maximum achievable, given that some paper products never enter the recovery stream.

Any EPR system must fully and fairly credit the voluntary, early actions taken by our industry to increase recycling rates. Otherwise, paper producers risk subsidizing the development of recycling infrastructure for materials with lower recycling rates.

³ <https://www.afandpa.org/priorities/recycling>

⁴ <https://www.afandpa.org/news/2021/afpa-releases-new-guide-further-advance-paper-recycling-0>

Unintended Outcomes of EPR Policies

Unless EPR policies are carefully designed, the result will be disruption to well-functioning paper recycling streams or diversion of private-sector funds from recycling infrastructure investments. For the paper industry, EPR simply imposes duplicative costs to a highly efficient recycling infrastructure already in place that delivers the highest recycling rate of all covered materials, with fees that will make recovered fiber less desirable to end markets.

Because recovered fiber markets are complex, efficient, and dynamic, mandated goals for “post-consumer” recycled content in specific products could disrupt the market forces of supply and demand. These artificial government mandates risk making markets for recovered fiber less efficient; preventing recovered fiber from going to highest value end use; raising the cost of production for new paper products; and narrowing available choices for consumers. Recycling policies should encourage the reuse of, and give credit for utilization of, all recovered fiber, not just “post-consumer” materials.

Has appropriate stakeholder input been considered?

AF&PA has actively engaged throughout the legislative consideration, passage, and implementation of SB 222 (2023), which established an advisory council of diverse stakeholders—including AF&PA—to develop legislative recommendations for a packaging extended producer responsibility (EPR) program. AF&PA appreciates the opportunity to serve on this advisory council and share best practices from the paper industry’s strong track record as a responsible producer. However, as demonstrated in the timeline attached to this testimony, the process outlined in SB 222 has not been followed as intended. Instead, stakeholder engagement has been expedited, limiting the availability of critical information necessary to evaluate how an EPR program may align with Maryland’s specific needs.

SB 222 required the Maryland Department of the Environment (MDE) to provide the legislature with a needs assessment evaluating Maryland’s current waste management system by July 30, 2024. The advisory council established by SB 222 was required to submit its recommendations to the legislature by December 1, 2024. Under this timeline, the advisory council would have had 125 days to review and incorporate the needs assessment into its recommendations. The importance of this needs assessment was reinforced by an advisory council vote on December 5, 2024, where members voted 11-4 in favor of requesting additional time to develop recommendations due to the assessment’s unavailability.

However, in practice, the advisory council was required to submit initial recommendations on February 18—just 21 days after the introduction of SB 901. The needs assessment was not released until February 26, by which point it had minimal influence on – and was not able to adequately inform – the advisory board’s discussions. This is reflected in the final advisory council recommendations, submitted on March 3, which include only a single-page reference to the needs assessment. The compressed timeline under which the advisory council was forced to operate has significantly constrained the ability to conduct a comprehensive and informed policy review. While stakeholder engagement has technically occurred, the process has deviated significantly from the framework set forth in SB 222. The result is a policy development process that lacks the depth of analysis originally intended and necessary to ensure well-founded legislative action.

Finally, advancing this legislation without sufficient deliberation risks proceeding without a full understanding of the evolving national EPR landscape. While five states have passed EPR legislation, none have fully implemented their programs. However, Maryland has a unique opportunity to learn from Oregon’s experience as its program launches on July 1, 2025—an opportunity not available to any other state that has previously considered EPR. Additionally, recent developments in other states warrant attention. In California, in its third year of EPR implementation, Governor Gavin Newsom recently directed CalRecycle to restart the development of regulations due to concerns about their expected costs to businesses and consumers. The ability to study the successes and challenges of an EPR program already in progress underscores the importance of a measured and informed approach. Moving forward with SB 901 at this time, without incorporating these real-world insights, risks enacting policy without fully understanding its long-term implications.

Should Paper Products Be Incorporated into SB 901?

SB 901 initially focused solely on packaging but was later amended to include paper products. This increases our concerns that the paper industry will be unfairly subsidizing recycling improvements for lower-performing materials. Additionally, the bill creates inconsistent program scopes by covering only residential packaging but extending paper product coverage to both residential and commercial streams—despite broad stakeholder input opposing commercial-sector expansion.

While EPR programs have not been implemented in the U.S. yet, Europe has years of EPR experience, and in most cases, printing paper products are not included in EPR laws. This is because the volume of this type of paper is low and declining, the administrative costs to manage a vast number of producers in complex printing paper supply chain is high compared to insignificant gains, and robust end markets already exist for recovered printing paper.

We therefore request that “paper products” be excluded from the material scope of SB 901.

Should the legislation move forward with the inclusion of paper products, we propose the following amendments.

Amendment to Definition of “Paper Products:”

AF&PA urges legislators to consider the following amendment to the “paper products” definition: (O)(1) “Paper products” means **printed** products made primarily from wood pulp or other cellulosic fibers **sold or supplied to the consumer for personal, noncommercial use**.

(2) “Paper products” does not include:

- (i) bound books; or
- (ii) products that are not accepted by materials recycling facilities or composting facilities because of the unsafe or unsanitary nature of the products.

This definition of “paper product” avoids capturing materials that are unlikely to be found in the paper recovery stream. Unprinted paper is an intermediary product and, until it is converted into

its final use, does not enter the residential material recovery stream. By assessing paper manufacturers or distributors of these products entering Maryland, they are unfairly charged for a material that is unlikely to be found “in the bin.”

Due to the complexity in the supply chain among paper manufacturers, brand owners, distributors, and retailers, the legislation must recognize that unprinted paper shipments to a printer or converter often lack the identity of the final use or owner of their products. This lack of transparency makes it challenging, if not impossible, for paper manufacturers to determine whether their production is destined for conversion to exempted products or producers. This language more appropriately addresses the consideration of paper products by ensuring the paper that ends up in a final covered product be subject to the requirements of the program.

Amendment to Definition of Producer as it Relates to Paper Products

Similarly, AF&PA urges legislators to consider the following amendment to the “producer” definition:

(P)(1)(ii)(IV) For paper products that are magazines, catalogs, telephone directories, or similar publications, the producer is the publisher;

(V) For a paper product not described in item (IV) of this paragraph:

~~1. If the paper product is sold under the manufacturer’s own brand, the producer is the person that manufactures the paper product;~~

~~1.-2. If there is no person described in item 1 of this item,~~ The producer is the person that is the owner or licensee of a brand or trademark under which the paper product is used in commercial enterprise, sold, offered for sale, or distributed in the state, whether or not the trademark is registered in the state;

~~2.-3. If there is no person described in item 1 and 2 of this item, the producer is the brand owner of the paper product the producer is the person or enterprise who causes the paper product to be sold or distributed the State;~~ or

~~3.-4. If there is no person described in items 1 through 3 2 of this item within the United States, the producer is the person that imports the paper product into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the paper products in the state.~~

The current producer hierarchy misplaces the primary responsibility on manufacturers of paper materials, even though they do not control how the final product is branded, marketed, or sold to consumers. Without this change, paper manufacturers could be unfairly held responsible for fees meant to apply to final product producers, resulting in potential double-charging and increased costs throughout the supply chain. This approach prevents shifting compliance burdens onto upstream suppliers who do not have direct control over product branding or end-market distribution. This revision preserves accountability while recognizing the realities of how paper products move through the supply chain. It ensures that fees are applied equitably without penalizing manufacturers who only supply raw materials or unbranded paper products.

Conclusion

SB 901 should take a more solution-oriented approach by focusing on materials with low recovery rates rather than imposing broad mandates on highly successful paper recycling systems. The paper industry has already implemented producer responsibility, investing in collection infrastructure, end markets, and product design to maximize fiber recovery. These market-driven efforts have made paper recycling a nationwide success story, with high recovery rates and continuous reinvestment in recycling capacity.

We urge the Committee to avoid measures that divert private-sector funds away from recycling investments or force paper producers to subsidize less successful materials. Furthermore, EPR legislation should not be advanced without the statutorily required needs assessment, as prescribed in SB 222 (2023). The advisory council was given neither the time nor the necessary data to provide fully informed recommendations and proceeding with SB 901 before the assessment is properly reviewed undermines the legislative process.

Additionally, no U.S. state has implemented an EPR program to date, and Maryland has an unprecedented opportunity to learn from Oregon's program launch in July 2025. Rushing forward now, rather than incorporating insights from real-world implementation, limits opportunities to avoid unintended consequences and imposing unnecessary costs on a system that is already working.

Finally, the inclusion of paper products—initially outside the bill's scope—creates serious concerns about double counting, misattributed fees, and an unequal program scope between paper products and packaging. If the bill moves forward, these fundamental flaws must be addressed to ensure fairness and consistency.

We look forward to continuing our work with the State of Maryland to advance effective, evidence-based recycling policies. Please direct any questions regarding this matter to Frazier Willman, Manager, Government Affairs, at Frazier_Willman@afandpa.org.

Maryland EPR Legislation: Rushed

