

Dear Members of the Environment and Transportation Committee,

I am writing to request a favorable report on HB36: Extended Producer Responsibility / Product Stewardship for Packaging & Paper Products with the amendment to remove bottles from the bill.

The Problem:

- Taxpayers and local governments are bearing all of the cost of managing waste and recycling, and it is becoming unmanageable and unsustainable
- There are limited incentives for brands and producers to use recycled content while creating new packaging AND/OR to create packaging and products that are recyclable
- Oftentimes (depending on oil prices) it is actually cheaper for them to create products with virgin materials
- Recycling rates have stagnated in Maryland over the past few years. Too few products are recyclable. The majority of waste is landfilled or incinerated, which has harmful environmental and public health impacts; plus, it is expensive for local governments to operate. Recycling is better for the environment and can be profitable for local government.
- Single-use products and packaging litter Maryland and its waterways, and overwhelm its waste management systems

The Solution: Reduce waste, implement cost sharing, and make brands and producers part of the solution.

- Decrease the volume of solid waste and litter upstream by steering producers to meet recyclability standards and environmental design criteria
- Through fees, incentivize producers to use materials and products that are more readily recyclable or compostable and disincentivize them from using materials and creating products that have limited end-of-life management options
- Provide clear, standardized education to consumers about recycling
- Require that the creators of plastic and packaging waste - the producers and brands - help local governments foot the bill for management of remaining waste and recycling

What this bill does:

- Defines covered products as packaging and containers and paper products, with certain exemptions

- Defines producers as businesses who manufacture, sell, import, or distribute the covered material(s) in the state of Maryland
- Requires producers of covered products to submit a product stewardship plan to MDE
- Producers may band together to create a nonprofit product stewardship organization so that they can work collectively on a stewardship plan
- Requires the stewardship plan to develop and execute on the following (once approved):
 - Membership: list of all brands and producers covered by the stewardship plan
 - Performance goals for recycling rates, post-consumer recycled material content rates, proportion of covered products that are readily recyclable or compostable
 - Implementation plan: describe how performance goals will be met or exceeded
 - Methods of financing: i.e., fee structure for members, reimbursement plan for local governments, and incentives / disincentives to encourage producers to reduce waste and improve recyclability, ultimately improving product design
 - Stakeholder engagement: collaboration with local governments., haulers, recyclers, etc.in the creation of the product stewardship plan and reimbursement system
 - Public outreach and education to promote proper end-of-life management and prevent litter
 - Staffing: how the staffing and administration of the product stewardship plan will be handled
- Maintains existing municipal waste and recycling systems
- Holds producers accountable through reporting requirements, civil penalties, independent audits, and regular reviews and reauthorizations of the product stewardship plan(s)

FAQs

1) What is Extended Producer Responsibility (EPR)?

EPR is policy implemented by national or state legislation and regulation that assigns responsibility for end-of-life management of specific products and packaging to the companies or producers that put these products into the marketplace.

2) Are there already laws on EPR for packaging and paper products?

EPR for packaging and paper products is being implemented all over the world, including Canadian Provinces and most of Europe and Asia. In some countries, it's been around as long as 30 years. Many businesses who manufacture, sell, import, or distribute packaging and paper products in Maryland are multinational corporations who are already subject to ERP to laws like HB36 in other countries that they operate in. There are no laws governing EPR for packaging and paper products on the books in the U.S. yet, however many states are currently considering

legislation similar to Maryland's, including: Connecticut, Indiana, Illinois, Maine, Massachusetts, New York, Oregon, Rhode Island, and Washington. EPR laws for things like electronics, mattresses, batteries, paint, pharmaceuticals, and products that contain mercury do exist in the U.S. and have for years. There are over 30 existing EPR laws in the books in the Northeast alone, requiring companies that put the aforementioned products on the market to fund and properly manage their disposal.

3) Why is EPR being used as a tool to support recycling?

In most cases, the cost of residential recycling is borne by municipalities and their taxpayers, and the majority of what is recycled is packaging and paper products. EPR provides financial relief to local governments by re-allocating the costs of managing packaging and paper to the companies that put these materials/ products in the market. Producers will reimburse local governments for costs associated with existing processes for collecting, transporting, and processing covered materials and products, and will create grants for local governments interested in advancing their recycling infrastructure. EPR also improves recycling outcomes by steering producers - through recycled content goals, recycling goals, and incentives/ disincentives - to use less packaging and develop packaging that is more readily recyclable. These goals will also support recycling markets, making it possible for recycling to be profitable for local governments.

4) How are EPR programs financed?

Businesses who manufacture, sell, import, or distribute packaging and paper products pay fees to the product stewardship organization (higher fees if their product/ packaging is not recyclable, lower fees if their product is readily recyclable). These fees are used to fund staffing for the product stewardship organization, oversight by MDE, and reimbursements and grants for local governments. Ultimately, the producers pay for the management of their own packaging - including collecting, transporting, and processing - instead of taxpayers / municipal governments.

5) Will costs be passed on to consumers?

There is no evidence to suggest that the costs of products would increase. Experience in the Canadian provinces has demonstrated that the costs of consumer products did not increase as a result of the implementation of EPR for Packaging & Paper Products.

Thank you for your consideration.

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