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Environment and Transportation Committee

Chair Land Use and Ethics Subcommittee

Joint Committee on Administrative, Executive, and Legislative Review

> Joint Committee on Ending Homelessness

Joint Committee on Pensions



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Testimony in Support of HB 36: Extended Producer Responsibility for Packaging and Paper Products Environment and Transportation Committee February 9, 2021

What this bill does

Our work this interim with the Workgroup on Waste Reduction and Recycling has demonstrated the need for comprehensive approaches to upgrading our recycling abilities and encouraging upstream changes by producers of single-use plastics and packaging to create products that are more recyclable and produce less waste. This bill, creating an Extended Producer Responsibility system in Maryland for packaging, will do much to address both of these issues.

I am introducing House Bill 36 to support local governments and to address the waste crisis in Maryland by extending producer responsibility to packaging and paper products. Extended Producer Responsibility (EPR) is a concept that already applies to many products in Maryland, such as batteries, products that contain mercury, and various electronics. EPR shifts the costs and responsibility of waste management and recycling from taxpayers and local governments to the producers of the packaging. This year, there are bills proposing EPR for mattresses and paint. The biggest difference between this bill and the paint stewardship program, for example, is that under HB36 we retain municipal waste and recycling systems for collection, transportation, and sorting and simply ask producers to contribute financially, whereas other EPR programs that you may be familiar with require the producers of the targeted products to set up a takeback program themselves.

HB36 is focused specifically on producer responsibility for <u>packaging and paper products</u>. This bill will require producers of covered products - packaging, containers, and paper products - to submit <u>product stewardship plans</u>. A product stewardship plan is a comprehensive plan detailing how a producer or - more likely - a group of producers will: achieve waste reduction goals, create more eco-friendly packaging, help finance local recycling and waste systems, contribute to advancements in local recycling and waste infrastructure, and help educate the public on proper end-of-life management of packaging and paper products.

While the producers may submit product stewardship plans individually, this bill allows and encourages producers to work together to create a nonprofit <u>product stewardship organization</u> so that they can work together to craft these plans and achieve these goals.

Product stewardship plan(s) will be submitted to the Department of the Environment for review, amendments, and eventually, approval. Once approved, the producer will be required to submit an <u>annual report evaluating their progress on their plan</u>. If a producer fails to submit a plan or does not receive approval, they will not be allowed to produce or import these materials for distribution in Maryland or they will be subjected to significant fines.

By requiring producers to create comprehensive product stewardship plans, HB36 will increase cost-sharing of waste management, making brands and producers part of the solution to our waste problem.

Why this bill matters

This bill will provide <u>substantial financial relief</u> to local governments for their existing recycling and waste management systems, plus advancements in recycling infrastructure. It will also create jobs, increase recycling rates and bolster recycling markets, promote sustainability, and protect Maryland's environment

When China and other countries <u>restricted</u> plastic imports, the market for materials like paper and plastics shrunk overnight. This has resulted in higher costs for local governments, many of whom were already in a challenging financial situation. Between 2017 and 2019, the value of <u>recyclables have</u> <u>declined an average of 41%</u>. A market where local governments and taxpayers bear all of the cost of managing recycling and waste from materials like plastic and paper packaging is unsustainable.

Producer responsibility legislation ensures that producers bear partial financial responsibility for end of life management of the products that they create, providing financial relief to Maryland's local governments. In addition, this bill calls on producers to help local governments advance their recycling systems to keep up with rapidly changing materials that existing infrastructure may not be able to handle. This has implications for taxpayers as well. <u>A recent review</u> of a proposed producer responsibility law showed that "EPR [for packaging and paper products] in Washington would save between \$90 to \$121 per household per year and create between 1,650 and 2,600 new, local jobs in the state."

<u>The study in Washington</u> also found that producer responsibility for packaging and paper products could achieve significant waste diversion, including a 20% reduction in landfilled packaging and paper products. The increased recycling generated by this producer responsibility legislation would remove the CO2 equivalent of "between 120,000 to 138,000 vehicles from the road every year." Further, despite our best efforts, Maryland's plastic recycling rate in 2017 was only <u>13</u>%. Research shows that

producer responsibility can help us achieve a much higher recycling rate by having producers meet minimum recycled content goals and by creating an incentive structure to reward producers making readily recyclable or compostable packaging. <u>EPR for packaging and paper would help us meet our</u> <u>environmental sustainability goals here in Maryland, and create a more sustainable financial future for</u> <u>our local governments.</u>

Why should you vote for this bill

We must require the creators of packaging to provide relief to local governments and taxpayers who had no say in the packaging they were handed - in managing it. Requiring producers to address recyclability, change the way they design packaging, and requiring cost-sharing will decrease waste and decrease the burden on taxpayers and local governments. This legislation will free up resources so that we can provide the services our citizens demand and deserve. With its potential to provide financial relief to local governments, create jobs, increase recycling, and reduce emissions, we respectfully request that you vote favorably on HB 36.