

Testimony in SUPPORT IF AMENDED to HB 36 Maryland House of Delegates Environment and Transportation Committee February 9, 2021

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Members of the Environment and Transportation Committee,

Good afternoon and thank you for the opportunity to present testimony regarding HB36: "Environment – Packaging, Containers, and Paper Products – Producer Responsibility." My name is Philip Rozenski and I represent the Campaign for Recycling and the Environment (CRE), a national association of consumer and commercial packaging manufacturers whose goal is to bring together our members, consumers, and lawmakers to find an effective, environmentally responsible, consumer-focused solution to reduce the amount of waste that goes into our landfills and litters our environment.

CRE aims to reduce packaging waste and improve our recycling infrastructure by supporting and advocating for Packaging Stewardship legislation to create a better system for industry, government, and consumers. Our members have extensive experience working on sustainability legislation globally, and HB 36 has a framework that represents the key principles of a successful Packaging Stewardship policy. HB 36 symbolizes a bridge from the existing recycling and composting infrastructure that works for only a few materials, to the sustainable infrastructure needed for the future of all Marylanders.

Packaging producers need to be incentivized and empowered to generate and use recyclable materials. Meanwhile, government needs to set broad direction and provide oversight to ensure a fair playing field. HB 36 addresses three key Packaging Stewardship reform criteria:

- **Funding**: Packaging producers charge small fees on the use of their products, which they provide to a nonprofit that is charged by industry with building and maintaining recycling infrastructure. Since packaging producers have their own money staked in the effort, they are incentivized to do so as effectively and efficiently as possible.
- Infrastructure: With the funding and initiative to do so, industry can embark on the development of processing and recovery infrastructure.
- Collective/Coordinated vision: State government provides broad guidance and oversight, and industry, through a nonprofit, executes on the guidance, aligning all stakeholders under one unified plan.

Because of the inclusion of these key principles in HB 36, CRE is pleased to see that the bill sponsors carefully considered the elements of real reform necessary to solve this collective need. The sponsors clearly considered feedback from industry and other important stakeholders and offered goals that are respectful of industry and government realities.

CRE is also encouraged to see the establishment of a PSO board that reflects all major stakeholder voices. With the PSO in place, industry can develop the recovery and processing infrastructure that sustainably manages packaging. One area of improvement we think could benefit the functioning of the PSO is to gather additional feedback on clause 9–2308 (B) IF A PENALTY IS IMPOSED ON A STEWARDSHIP ORGANIZATION UNDER THIS SECTION, EACH PRODUCER PARTICIPATING IN THE STEWARDSHIP ORGANIZATION IS JOINTLY AND SEVERALLY LIABLE FOR THE PAYMENT OF THE PENALTY. We feel this clause as written could dissuade important stakeholders from participation.

Packaging Stewardship creates a better system for all materials that not only protects our environment but is economically sustainable and self-funding. CRE is encouraged by the framework of HB 36 and looks forward to working with the Committee. For these reasons, CRE supports HB 36 if amended, and urges the Committee to consider the proposed changes listed above. If we can provide further information or answer any questions, please do not hesitate to contact me at 618-402-4244.