

Extended Producer Responsibility (EPR) for Packaging Materials

HB307/SB292



The Problem

- ◆ Maryland taxpayers pay to manage and dispose of waste, including packaging. **Local governments and taxpayers have no say in decisions made by producers about packaging type.**
- ◆ Packaging waste is increasing due to over-packaging. Yet, Maryland's recycling infrastructure is outdated, fragmented, and insufficient.
- ◆ The market value of recycled content has plummeted since China's National Sword policy in 2018.

Baltimore City: \$598,325 in **revenue** in 2010 → \$1,636,136 **loss** in 2019
Charles County: \$30,000 in **revenue** in 2015 → \$700,000 **loss** in 2019
Frederick County: cost increased by 99% from 2017 to 2020

Example: Packaging choices impact local gov't budgets.

Montgomery County lacks the infrastructure to recycle #6 plastic cups. Therefore, #6 cups **cost** the county \$135 per ton to remove from the recycling stream and incinerate. On the other hand, **nearly identical** #1 plastic cups can easily be recycled and **sold for a profit** of \$375/ton. However, producers have no incentive to choose #1 over #6 cups.

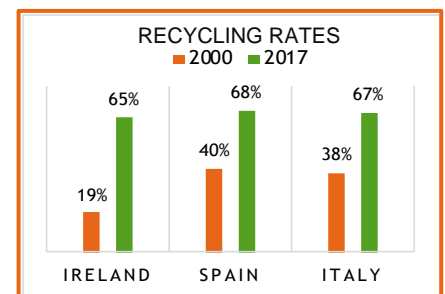
The Solution: EPR for Packaging

EPR for packaging **shifts costs of recycling from taxpayers and local governments to producers** of packaging and **requires producers to make smarter packaging choices.**

- ◆ Provides reimbursement for recycling operations and funding to modernize recycling infrastructure to meet local governments' needs.
- ◆ Sets environmental goals for reducing packaging, using postconsumer recycled content in packaging, and improving recyclability and recycling rates of packaging.
- ◆ Creates more reliable markets for recycled content to increase profits for local governments.

Evidence for EPR

- ◆ EPR for packaging exists in countries around the world and many Canadian provinces.
- ◆ Nations with well-established EPR for packaging programs have higher recycling rates (70-80% in Europe vs. 50% in U.S.) and lower rates of contamination in the recycling stream (8% in British Columbia vs. 25% in the U.S.).
- ◆ Europe receives \$5.5 billion annually from packaging industry to fund recycling.
- ◆ EPR for packaging is taking off in the U.S. with bipartisan support:
 - ◆ Legislation was passed by Maine and Oregon in 2021 and is being considered at the federal level and in at least 11 other states (CA, CO, CT, HI, IL, IN, MA, MD, NY, VT, WA).
- ◆ In a 2020 statewide survey, many Maryland counties specifically requested the development of markets for recycled materials, funding for recycling programs, and/or EPR programs.

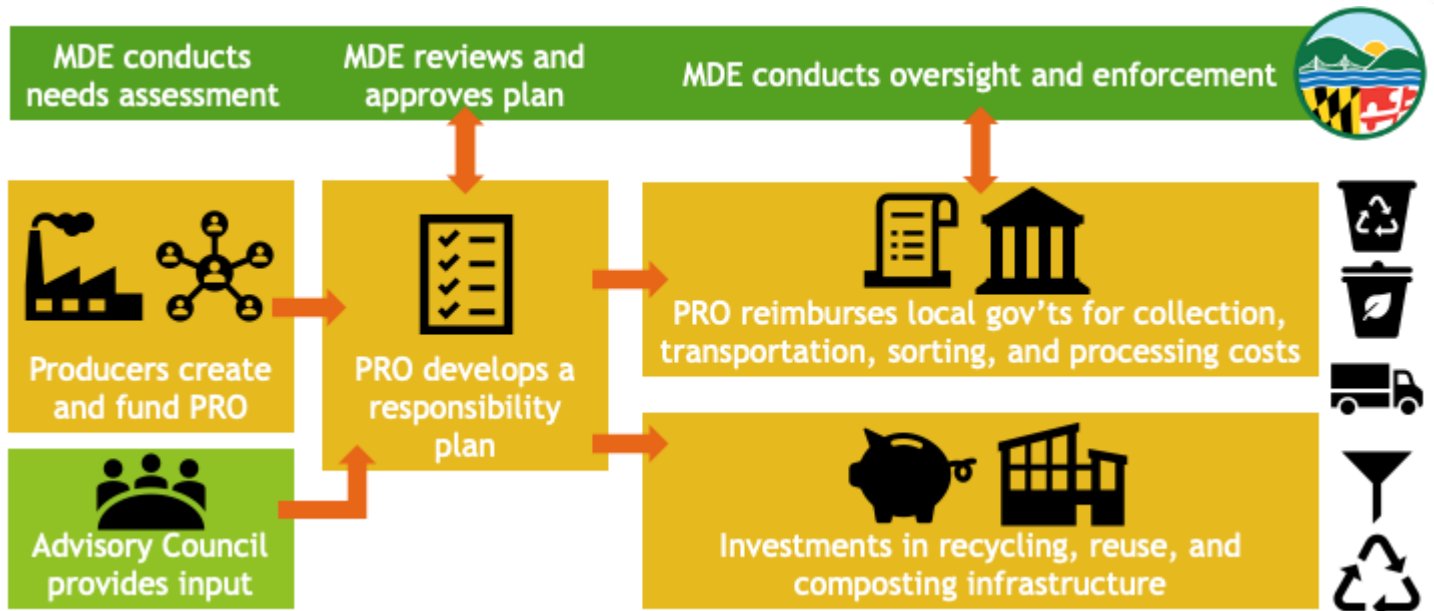


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How It Works



- ◆ **Maryland Department of the Environment (MDE)** conducts a needs assessment in partnership with local governments on recycling infrastructure and processes in the state.
- ◆ Producers that make packaging choices (e.g., Amazon, Walmart, Unilever, Procter & Gamble) create a **Producer Responsibility Organization (PRO)**. Each PRO creates a **Producer Responsibility Plan** approved by MDE. The plan must detail:
 1. Performance goals for reducing packaging, using postconsumer recycled content in packaging, and improving recyclability and recycling rates of packaging
 2. How the PRO will fund the modernization of recycling infrastructure and reimburse local governments for recycling operations
- ◆ An **Advisory Council** comprised of stakeholders (e.g., local gov't, collectors, processors, PROs, environmental advocates, residents) provides input on the plan.

Why It Matters

This bill will:

- ✓ Make better use of taxpayer dollars, save local governments money, and increase profits from recycling
- ✓ Improve recycling infrastructure and strengthen recycling markets
- ✓ Reduce packaging waste

