

Bill Title: House Bill 1239 Environment – Plastic and Glass Products – Postconsumer Recycled Content Program

Committee: Environment and Transportation

Date: March 7, 2022

Position: Report Favorably with Amendments

Dear Chairman Barve and Honorable Members of the Committee:

On behalf of Eastman, thank you for the opportunity to provide comments on House Bill 1239 - Plastic and Glass Products – Postconsumer Recycled Content Program (HB 1239). As attention increases on the waste crisis, it is vital that a representative government, advocates, and private industry collaboratively develop solutions to reduce where it makes sense, reuse when possible, and recycle the rest. As a private industry stakeholder and materials supplier and recycler, Eastman supports legislation like HB 1239 **when it provides flexibility for the department to approve alternative methods of calculating recycled content.**

Founded in 1920, Eastman is a global specialty materials company that produces a broad range of products found in items people use every day. As a globally inclusive and diverse company, Eastman employs approximately 14,500 people worldwide and serves customers in more than 100 countries. In Maryland, Eastman operates a manufacturing facility in Chestertown where we produce materials used in building and construction, medical applications, and consumer goods.

The current pattern of consumption and disposal of plastics is not sustainable. Approximately 300 million tons of plastic are produced each year globally. At the end of use, 40 percent goes to landfills, 25 percent is incinerated, and 19 percent is disposed in unmanaged dumps or otherwise makes its way into the environment. Only 12 percent is recycled.

During **material-to-material** molecular recycling processes, waste plastics are broken down into their molecular building blocks, becoming indistinguishable from molecules made from virgin fossil feedstocks. That is great news for material quality, but it makes it impossible to trace the exact molecules to the end products so that brands can easily make recycled content claims. Brands, therefore, need an accounting method for recycled content that they (and their customers) can trust to accurately track recycled content through complex manufacturing processes. Mass balance is the solution.

Mass balance is a vetted and standardized system used across a variety of industries to calculate how materials flow through complex manufacturing processes. It ensures that the amount of recycled content allocated to a product is balanced with the amount of recycled materials fed into the manufacturing process. Third-party organizations such as the International Sustainability and

Carbon Certification (ISCC) and UL Environment certify the accuracy of recycled content claims based on mass balance.

Mass balance is a well-established accounting method in several industries. For instance, many agricultural industries such as coffee, cocoa, and cotton use mass balance to account for sustainably sourced and/or third-party certified content in end products. Mass balance is also used to provide origin certification to renewable energy, which is then mixed with conventional energy in our electrical grids. Electrons generated by solar energy look and act just like those generated by coal, so renewable energy certificates (RECs) are an accounting system to ensure no one takes more credit than they've earned for being green. This is an example of mass balance at work.

Eastman deploys two advanced recycling technologies, which recycle a broad array of plastics, keeping them from being incinerated, landfilled, or ending up in our environment. Further, Eastman's recycling technologies have a preferred greenhouse gas and overall sustainability footprint compared to traditionally manufactured plastic. I have attached a white paper we have prepared to provide some additional detail on the waste plastic issue and recycling.

As HB 1239 is considered in committee, Eastman respectfully asks that the following amendment be included to give the department the ability to approve other methods of calculating recycled content beyond a material balance approach. This amendment was adopted in New Jersey when they enacted similar legislation earlier this year.

Amendment 1

On page 5, in line 8 after "PRODUCT" insert "OR ANOTHER METRIC, AS DETERMINED BY THE DEPARTMENT."

Eastman commends the State of Maryland, the Environment and Transportation Committee, and the sponsor for pursuing the development of a responsible recycling policy.

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Eastman