

CONSUMER BRANDS ASSOCIATION

Maryland House Committee on Environment and Transportation

HB700 Environment – Products and Packaging – Labeling, Marketing, and Advertising for Recycling Friday, February 18, 2022

Statement of Michael Gruber

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Powering every day.

Thank you for the opportunity to submit testimony on HB700, which would alter the use of certain resin identification codes and prohibit environmental marketing claims on packaging. The Consumer Brands Association is strongly opposed to the bill as we believe it will exacerbate existing challenges within the fractured recycling system and undermine forthcoming revisions to the Federal Trade Commission (FTC) Green Guides.

The Consumer Brands Association (Consumer Brands) represents the world's leading Consumer Packaged Goods (CPG) companies. The industry plays a unique role as the single largest U.S. manufacturing employment sector, delivering products vital to the wellbeing of people's lives every day. From household and personal care products to food and beverage products, the CPG industry plays a vital role in powering Maryland's economy, contributing \$26.4 billion to the state's GDP, and supporting more than 262,000 jobs.

The industry is focused on identifying policy and market solutions to the waste and recycling crisis. Accordingly, a wide range of actions are underway to innovate and redesign packaging, reduce environmental impact, and build a more circular economy. Consumer Brands acknowledges that the information conveyed to consumers about environmental benefit claims and particularly plastic packaging must be truthful and accurate as well as evolve with marketplace conditions. Moreover, without national recycling standards, plastic resin labeling on products distributed nationally may not be applicable to the recycling capabilities in each of the nearly 10,000 recycling jurisdictions across America.

Consumer Brands is concerned that the bill's definitions of "recyclable" would unintentionally limit the future capacity of Maryland's recycling system. If enacted, Sections 9-2403 and 9-2404 would prohibit the sale of countless products that are recyclable in many other states but would not qualify as recyclable under Maryland's strict new thresholds. The bill's recyclability definitions raise serious concerns about how any new recyclable materials could be introduced into improved recycling systems as the law would forever pose a barrier to entry into Maryland. Furthermore, the definitions put CPG manufacturers in an untenable position of having to navigate conflicting regulations for products distributed throughout the nation, which may also contribute to consumer confusion and indifference about recycling.

We urge you to be mindful that the FTC is slated to update its Green Guides (see <u>86</u> <u>Fed. Reg. 35239</u>), which serve as legal guideposts for dozens of other states. Revisions to the federal guidelines are based upon consumer perception and understanding of environmental claims as well as changes in the marketplace. Slated to begin this year, FTC's forthcoming work to shape environmental sustainability claims for next generation packaging will be shaped by interested parties from across the country.

The process will involve the FTC publishing a request for information via Federal Register Notice and a solicitation for comment on how to best update the guides to

promote consumer protection and provide guidance to the industry. As such, we strongly recommend that the bill's authors and other Maryland stakeholders participate in the upcoming Green Guides revisions. The update deserves to be influenced, not only by Marylanders, but countless other citizens, environmental advocates and industry leaders.

Consumer Brands believes HB700 is a counterproductive approach to managing plastic packaging at a time when CPG stakeholders are advocating for producer-financed initiatives intended to strengthen state recycling infrastructure and material markets.

As part of shared responsibility in improving end-of-product-life systems, Consumer Brands is dedicated to supporting well designed programs that are intended to improve municipal recycling and other important components of post-consumer materials management mechanisms.

We urge you oppose HB700. Thank you for your attention and for the opportunity to comment. If there are any questions or if we can further assist you, please feel free to reach out to me at any time.

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