



April 4, 2022

The Honorable Delores Kelly, Chairwoman
Senate Finance Committee
Miller Senate Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Kumar Barve, Chairman, Environment and Transportation Committee
The Honorable C. T. Wilson, Chairman, Economic Matters
Environment and Transportation Committee
Economic Matters Committee
6 Bladen Street,
House Office Building
Annapolis, Maryland 21401

*Re: Comments on MD HB307 & SB292, An Act Concerning Environment – Packaging Materials –
Producer Responsibility*

Dear Chairwoman Kelly and Chairmen Barve and Wilson,

The undersigned companies are members of the Consumer Goods Forum's Plastic Waste Coalition of Action, and we write to express our strong interest in seeing a model EPR program for packaging and paper products introduced in Maryland and elsewhere.

As leaders in the consumer packaged goods value chain, our companies are supportive of well-designed EPR systems as a solution for packaging waste and helping to create a circular economy. We have taken a leadership position to develop principles and key design parameters for optimal EPR programs, which you can review in [Building a Circular Economy for Packaging: A View from the Consumer Goods Industry on Optimal Extended Producer Responsibility](#). We are collectively advocating for EPR solutions in the U.S. and worldwide.

As described in our paper, we support well-designed EPR founded on the following principles:

- Strong environmental outcomes,
- Efficient, cost-effective and accountable,
- Shared financial responsibility,

- Convenient for consumers,
- Long-term financial sustainability,
- Allow producers to secure material for closed loop recycling, and
- Social inclusiveness and fairness, especially in developing markets with informal sector involvement.

These principles aim to shift from the status quo toward a waste and recycling future with better recycling rates, activated consumers, and circular use of materials, including recycled content in our packaging. Our companies are investing in the improvement of recycling systems around the world, innovating our packaging designs, and collaborating with suppliers, local communities, and customers to advance solutions that are good for consumers, the environment, and our industry.

We would like to draw your attention to particular elements of HB307, SB292, and the House amendments dated March 3, 2022 that represent a departure from optimal EPR. The Consumer Goods Forum members have significant concerns with HB307, SB292 and we therefore cannot support this legislation as written. Based on our extensive experience, we do not believe this current draft will produce the kind of environmental outcomes and stakeholder accountability that we all want to see. However, we are eager to continue to work with your committee over the next six months on the development of an optimal EPR bill that will truly achieve the goals of a circular economy for the state of Maryland.

As producers, our companies have learned through decades of experience that EPR systems can be an effective way to improve and manage recycling systems depending on a set of critical design features. Producers need to be empowered to run the program under the supervision of public authorities, with appropriate provisions for transparency, reporting, performance, auditing, and compliance. The areas of concern where HB307 and SB292 depart from optimal EPR are outlined in the sections below.

The Role of Producers in a Producer Responsibility Program

1. 9-1702.2 (B) The needs assessment should be funded and managed by the PRO in close consultation with the Department and consider input from the Advisory Council. As written, the PRO is limited in its ability to leverage the expertise and resources of its members to craft a best-in-class system.
2. 9-2404. (C) The PRO should propose goals for collection rates, recycling rates, and post-consumer recycled content. These goals should be presented to the Department for approval with opportunities for input by the Advisory Council.

Clear Scope and Definitions

1. 9-2401.(E)(1) All materials should be included in the scope of covered materials. It is important that all producers, including those of printed paper, have a vested interest in the performance and outcomes of the EPR system. A well-designed ecomodulation process would enable all producers the opportunity to pay reduced fees for environmentally friendly packaging designs, including the use of recycled content.
2. The bill should provide a clear definition for “packaging material waste”, which is difficult to measure and could present significant challenges for PRO members if left undefined.

Additional Provisions

1. Clear performance standards for recycling programs should be established and a determining factor when considering funding eligibility. Based on information learned from the needs assessment, the PRO should establish a minimum recyclables list and service standards for

service providers. The PRO should have the ability to enforce these standards to guarantee system performance and achieve strong recycling rates and environmental outcomes.

2. The legislation should be amended to ensure that the recycling system is managed by a single PRO. Multiple PROs create needless complexity and logistical challenges that can limit overall system performance, create conflict between PROs, and disrupt the management of the overall system.
3. The bill should focus solely on issues related to financing for improved curbside recycling. Goals related to important issues such as GHG emissions, composting, and reuse should be addressed separately using the appropriate policy tools.

Thank you for taking these points into consideration. Maryland has an opportunity to establish a best-in-class EPR system that could be a model for other states. We are eager to work together with you to improve this legislation.

Sincerely,

Ancor
Danone North America
Mars, Incorporated
PepsiCo
Reckitt
The Coca-Cola Company
Unilever United States

Please contact Alex Schenck, Sr. Manager, Environmental Policy at PepsiCo with any inquiries [alex.schenck@pepsico.com].