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February 16, 2022

Senator Delores G. Kelley, Chair
Senator Brian J. Feldman, Vice-Chair
Senate Finance Committee
3 East -- Miller Senate Office Building
Annapolis, Maryland 21401

RE: Support for SB 292, Environment - Packaging Materials - Producer Responsibility.

Dear Chair Kelley, Vice-Chair Feldman, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of SB 292, which will create a packaging stewardship program for Maryland with sustainable funding from producers.

SB 292 will create a producer responsibility program for packaging throughout Maryland that will save municipalities and their residents millions of dollars in recycling and materials management costs. Based on two decades of rigorous research and practice, the Product Stewardship Institute (PSI) believes that SB 292 is critical to establishing a circular economy for Maryland that will modernize the recycling system and increase access to reuse, recycling, and composting across the state.

The bill contains all of the necessary elements of successful stewardship programs, including a producer responsibility organization (PRO), a stewardship plan, material fees that incentivize environmental performance, transparency and annual reporting, and performance targets. It also includes a multi-stakeholder advisory council to ensure meaningful input into the program from Maryland recyclers, local governments, environmental groups, and other organizations. SB 292 gives municipalities the opportunity to participate in the packaging stewardship program by requesting reimbursement from the PRO for their recycling costs, including up to 50% of collection costs and the full cost of transporting and processing packaging materials. The bill also covers the cost of state oversight and enforcement of the program and exempts small businesses from the obligation to participate and pay fees.

Under the current system, there is little incentive for producers to choose sustainable packaging because they are not held accountable for the impacts of the materials they use. To drive real transformation, producers must be responsible for both the upstream design and downstream management of

packaging materials. Producers that benefit from the sale of packaged goods are in the best position to make design choices regarding the materials they choose, including which consumer goods can be sold in reusable packaging, whether packaging materials should be recyclable or compostable, and the amount of post-consumer recycled content that is feasible in a given format.

PSI is a national nonprofit working to reduce the health and environmental impacts of consumer products from design and production through end-of-life. We work closely with 47 state agency members, hundreds of local government members, and more than 100 partners from companies, organizations, universities, and international governments. PSI created the model for packaging EPR that is central to SB 292 based on decades of research and partnerships with EPR practitioners around the world. Our model has also shaped the EPR policy at the center of the federal Break Free from Plastic Pollution Act, as well as bills in Washington, Colorado, New York, Massachusetts, Vermont, and other states around the country.

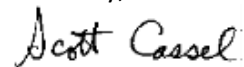
The need for a new recycling approach has never been clearer. With staffing and budget disruptions caused by the continuing COVID-19 pandemic and volatile commodity prices due to uncertainty in global markets, local governments are struggling to maintain recycling programs. Municipalities in Maryland have faced increases in residential trash and recycling volumes since the start of the pandemic and continue to grapple with high rates of contamination due to consumer confusion over complex packaging and inconsistent local recycling program guidelines. Many municipalities have been forced to dispose of recyclable material, suspend curbside service, or even stop recycling programs altogether.

This bill will provide sustainable funding from producers to relieve municipalities of the financial burdens they currently face in operating recycling programs and require clear, consistent consumer education on the proper end-of-life management of consumer packaging to reduce confusion and contamination. SB 292 will create jobs, reduce waste and greenhouse gas emissions, and significantly invest in the transition to a circular economy throughout the state.

We respectfully urge the Finance Committee to report out SB 292 favorably from the committee.

If you have any questions, please feel free to contact me at (617) 236-4822, or Scott@ProductStewardship.US.

Sincerely,



Scott Cassel
Chief Executive Officer/Founder

Cc: Senator Augustine