

Testimony of Consumer Brands Association

MD HB 2284, “Reducing Packaging Materials—Producer Responsibility”

Maryland House Committee on Environment and Transportation

February 22, 2023

Thank you for the opportunity to submit testimony on HB284, which would establish an extended producer responsibility (EPR) program for consumer packaging in the State of Maryland. The Consumer Brands Association favors legislation of this kind and has worked throughout the nation to establish such programs which are in keeping with the principles of the consumer packaged goods (CPG) industry, can improve recycling, and provide benefit to consumers, taxpayers, industry and the environment. Consumer Brands Association is pleased to offer our support for HB284 and would suggest one amendment. While considerable work has gone into this legislation in previous sessions and this year, Consumer Brands would further seek to amend this bill to permit only one Producer Responsibility Organization rather than multiple.

The Consumer Brands Association (Consumer Brands) represents the world’s leading 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 items to food and beverage products, the CPG industry plays a vital role in powering Maryland’s economy, contributing over \$26 billion to the state’s GDP, and supporting more than 260,000 jobs.

The CPG industry is focused on identifying policy and market solutions to the waste and recycling crisis. Industry companies are taking a wide range of actions to innovate and redesign packaging, reducing the environmental impact of plastic packaging through greater recyclability and reuse. Our industry’s commitment is more impactful when shared across the entire value chain. Consumer Brands remains supportive of this concept and wishes to share our clear EPR principles that we believe will support the ultimate success of a packaging EPR model.

- 1. Promote Uniformity:** Standardize recycling regions of the state.
- 2. Fix the System:** Improve the underlying recycling system to deliver strong environmental outcomes, not simply layer additional funds on to an existing system.
- 3. Base on Data:** The System must be based on accurate data and science, including a needs assessment, with clear financial performance targets over a specified period of time.
- 4. Embrace PRO:** Allow for an industry funded and run producer responsibility organization (PRO) to assess fees on packaging and determine where and how those funds are spent and to manage that system. While there must obviously be legislative and regulatory oversight of the PRO, the organization must be managed in such a way as to allow the PRO to be as nimble as any commercial entity and to be able to evolve with the demands of the mission and the packaging and recycling marketplace.
- 5. Funds Only Recycling:** Dedicate new funds raised for recycling improvements solely to recycling, not to general funds or unnecessary administrative or extensive oversight costs.

6. **Bring Everyone to the Table:** Develop a system from a wide array of stakeholders, including state, local, and federal government, as well as packaging suppliers, the consumer goods industry, and the waste and recycling industries.
7. **Source Variety of Funding:** Include more than one source of funding, which should be additive and target specific challenges in the recycling value chain. No single funding source should replace or supplant other funding sources.
8. **Account for Materials:** Ally to and account for a range of material types in the waste stream.

Consumer Brands believes that strides have been made in the development of the EPR concept in the State of Maryland and that this model represents continued advancement of a comprehensive packaging EPR program. As part of a shared responsibility for funding and execution of effective end-of-product life systems, Consumer Brands remains dedicated to supporting well-designed EPR programs that are intended to improve municipal recycling and to recapture the recycled material our members want and need for post-consumer recycled content for their packaging. Again, this legislation satisfies much of this and we believe could be improved simply by limiting the PRO option to one. All producers funding the activities of a single organization, taking advantage of economies of scale to accomplish the tasks required of the PRO, seems like the most efficient approach. This legislation and the resulting regulatory guidelines will provide the structure which will determine the PRO's activities and responsibilities. Allowing multiple organizations to execute these responsibilities can only undermine the effectiveness and success of the PRO.

Thank you for your attention to our comments, Consumer Brands looks forward to remaining engaged in the Maryland process. If there are any questions or if we can further assist the committee, please feel free to reach out to me at any time.

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