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Maryland's voice for forest, wildlife, and natural resource management

SB 222 and HB 284—Serious Impacts on Maryland's Forest Industry

Maryland's forest products industry uses a variety of "packaging materials" as defined in the legislation "FOR THE CONTAINMENT, PROTECTION, HANDLING, DELIVERY, AND PRESENTATION OF A PRODUCT THAT IS SOLD, OFFERED FOR SALE, IMPORTED, OR DISTRIBUTED IN THE STATE." This includes pallets, lumber wraps, plastic bags for mulch or bark, strapping, and plastic used to wrap wood shavings for the poultry industry. Under the bills, those firms that use such packaging materials is deemed to be a "producer" and there are then numerous requirements to be met under the legislation. Here is a summary of what the legislation would require of "producers".

- An annual registration fee of up to \$1,000 plus an unknown assessment levied by MDE to cover the costs of the program, plus reimbursement to local governments for the costs associated with managing the covered packaging materials.
- Development of a "producer responsibility plan" to be submitted and approved by MDE and which includes:
 - Performance goals for amounts of recycling and greenhouse gas reductions, among others,
 - A requirement that each producer reduces packaging material waste by 25% within 5 years,
 - A description of how the performance goals will be achieved including financing and staffing for the effort,
 - Requirements for public outreach, communications and education,
 - Description of the funding and process for reimbursing local governments for waste management.

Finally, the bills specify that any producer that fails to develop a plan approved by MDE before a yet to be determined date, "MAY NOT SELL, OFFER FOR SALE, DISTRIBUTE, OR IMPORT FOR SALE OR DISTRIBUTION PACKAGING MATERIALS FOR USE IN THE STATE UNLESS THE PRODUCER, INDIVIDUALLY OR AS PART OF A PRODUCER RESPONSIBILITY ORGANIZATION, HAS AN APPROVED PRODUCER RESPONSIBILITY PLAN ON FILE WITH THE DEPARTMENT."

The legislation allows individual producers to join together in a "producer responsibility organization" that can prepare a single plan on behalf of those producers who are part of the joint effort, but this results in the necessity of creating an expensive new trade association to complete this work. In addition to the costs of maintaining such an organization, there is a requirement for "FUNDING THAT WILL BE USED FOR IMPROVING REUSE, ORGANICS RECYCLING, AND RECYCLING SHALL INCLUDE INVESTMENT IN MARKET DEVELOPMENT AND EXISTING AND FUTURE REUSE, ORGANICS RECYCLING, AND RECYCLING INFRASTRUCTURE." There are also requirements for equipment upgrades, mitigation and the development of new waste management technologies. Finally, there are onerous requirements for reporting and data collection.

This is punitive legislation. All the individual forest products companies in Maryland are family-owned and relatively small, although most will exceed the \$5 million gross income level for exemption from the requirements. The costs of compliance with this legislation huge. Maryland Forests Association urges the General Assembly to forego passage of these bills.