

Wednesday, February 22, 2023

Chairman Kumar P. Barve Environment and Transportation Committee Maryland State Senate

Re: Testimony from the American Cleaning Institute on HB 284 – Favorable with Amendments

Thank you for the opportunity to provide testimony on HB 284 which is being heard before your committee. The American Cleaning Institute (ACI) – the association for detergent and cleaning product manufacturers – has a vested interest in ensuring packaging such as that which is encompassed by this legislative proposal does not become waste. That is why we have a goal to eliminate all cleaning product packaging waste by 2040 and are already making great strides in creating more recyclable packaging, reducing our packaging usage and incorporating more recycled content into the packaging we do introduce to market.

Our members have been involved in the development and implementation of extended producer responsibility programs for packaging around the globe, and more recently here in the United States. We have learned from experience what makes a program successful and support efforts that are well-targeted toward reducing waste and conserving resources. We support the effort to minimize packaging use – as exemplified by our industry's goals and achievements thus far – and are hopeful of the program that is proposed in this legislation. We are pleased to indicate our support for this legislation with a few amendments:

- Adjusting Packaging Waste Reduction Metric As mentioned, our industry is investing in technologies that reduce our packaging waste by means of using recyclable materials and reducing the volume of our packaging. This legislation requires each participating producer to reduce their packaging waste by not less than twenty five percent within five years. While we support waste reduction provisions, we believe they should be proposed and established by the producer responsibility organization similar to the other performance goals that are to be developed.
- Protecting the State Recycling Trust Fund The state will be responsible for depositing fees and penalties from the producer responsibility organization into the State Recycling Trust Fund. This fund shall only be used for supporting local recycling initiatives and funding the responsibilities of the State under this plan. We are concerned that "unspent or unencumbered balance in the Fund that exceeds \$2,000,000 shall revert to the General Fund" and ask that funds collected be protected and only be used to support improved recycling infrastructure in Maryland.
- <u>Maintaining a Harmonized System</u> This legislation proposes a complete overhaul of the recycling system in Maryland that will address parts of the system that may be underperforming. Producers, state agencies, municipalities, consumers and all other

stakeholders will have a role to play in this new system. As such, we request that the language that maintains "the authority of the state or a local jurisdiction to regulate the sale or use of any packaging material" be removed so that a harmonized, statewide recycling program for packaging can be developed.

• <u>Delaying Producer Responsibility Organization Registration Date</u> – Four other states are in the process of developing rules and regulations for similar extended producer responsibility programs for packaging. We understand the complexity of establishing such a system. Therefore, we request that the Legislature consider delaying the July 1, 2024 date for a producer responsibility organization to register with the state.

Again, ACI is pleased to express our favorable with amendments position on this bill. We therefore need to indicate our opposition to HB31, HB342, and HB109 given that the intent of these bills are best captured in what is proposed in HB284.

We would like to reiterate that ACI members support efforts to reduce packaging waste. We hope the Legislature will take more time to contemplate ACI input on this bill. ACI looks forward to providing necessary input regarding the performance of our products and packaging to achieve desired policy goals.

Sincerely,

Brennan Georgianni

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