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AMERIPEN
American Institute for Packaging and the Environment

Testimony
in Favor of
Maryland House Bill 284
Producer Responsibility for Packaging Materials

House Environment and Transportation Committee
February 22, 2023

Chair Barve, Vice Chair Stein and Members of the Maryland House Environment and Transportation Committee.

AMERIPEN – the American Institute for Packaging and the Environment – appreciates the opportunity to offer testimony in favor of House Bill 284 (Love) that would establish a packaging producer responsibility program in Maryland. We are pleased with the progress that has been made on this bill with the sponsor, Delegate Sara Love, and other stakeholders on this important issue. HB 284 strikes the right balance between state oversight and flexibility for the packaging producers who will fund and run the program and reflects reasonable compromises from all sides. With our support we raise two issues further below for consideration as this legislation moves forward.

AMERIPEN is a coalition of stakeholders dedicated to improving packaging and the environment. We are the only material neutral packaging association in the United States. Our membership represents the entire packaging supply chain, including materials suppliers, packaging producers, consumer packaged goods companies and end-of-life materials managers. We focus on science and data to define and support our public policy positions and our comments are based on this rigorous research rooted in our commitment to achieve sustainable packaging, and effective and efficient recycling policies. We have several member companies with a presence in Maryland, and many more who import packaging materials and products into the state. The packaging industry supports more than 15,000 jobs and accounts for nearly \$4.8 billion in total economic output in Maryland.

Packaging plays a vital role in Maryland, ensuring the quality of consumer goods as they are manufactured, shipped, stored and consumed, protecting the health and safety of Marylanders who consume, use and handle those products. Packaging has value and none of it belongs in landfills, roadsides or waterways. We need to recover it to be recycled and reused, and no one knows better how to do that than the AMERIPEN members who design, supply, produce, distribute, collect and process it. They are driving innovation, designing for better environmental performance to boost recycling and evolve the recycling infrastructure.

AMERIPEN supports policy solutions, including packaging producer responsibility, that are:

- **Results Based:** Designed to achieve the recycling and recovery results needed to create a circular economy.
- **Effective and Efficient:** Focused on best practices and solutions that spur positive behaviors, increase packaging recovery, recapture material values and limit administrative costs.
- **Equitable and Fair:** Focused on all material types and funded by shared cost allocations that are scaled to make the system work and perceived as fair among all contributors and stakeholders.

We are in favor of House Bill 284 because we believe it reflects the above principles and creates a collaborative approach between all packaging value chain stakeholders to help design, run and participate in modernized packaging recovery and processing solutions in Maryland that will drive results and create a more circular economy for packaging. We look forward to continuing to collaborate with Delegate Love, Senator Malcolm Augustine who is sponsoring companion legislation (Senate Bill 222), and other stakeholders to continue to advance this important policy in Maryland and set an excellent example for other states to replicate. Below are two issues for consideration that could be addressed as the bill moves forward.

Compostable Materials and Composting – aligned with House Bill 284, AMERIPEN supports inclusion of composting and compostable packaging in packaging producer responsibility programs. This includes increased appropriate infrastructure to handle compostable packaging and additional consumer education to increase participation in composting programs that take packaging while reducing contamination. However, there is interest in striking the right balance for establishing proportional fees for compostable packaging to support infrastructure for packaging composting and for recyclable packaging to support infrastructure for recycling packaging. We believe this issue merits further consideration, can be solved, and we would be pleased to collaborate with other interested stakeholders to explore amendatory language to address it.

Needs Assessment – Section 9-1702.2(B) in the bill requires the Office of Recycling within the Maryland Department of Environment to conduct a statewide recycling needs assessment once every ten years, with reporting on the first assessment due April 1, 2025. AMERIPEN fully supports these needs assessments to identify specific packaging recovery, recycling and composting system needs before producer responsibility organization (PRO) funding allocations are determined and made. However, we encourage consideration of an amendment to this section of the bill to allow the Department to hire a third party to carry out the needs assessment. The Office of Recycling would not incur any additional expense for this approach, since the same section of the bill requires the PRO to pay a fee to the Office to cover the costs associated with conducting the needs assessments. Additionally, we would welcome the opportunity to be involved in additional discussion about the proper cadence for future needs assessments after the initial one is done. It may make sense to do it more frequently than once every ten years, also recognizing that this will mean a more frequent expense incurred by the PRO.

AMERIPEN also wants to recognize that Delegate Love, Senator Augustine, and Comptroller Lierman have done a very commendable job in working toward pragmatic solutions for packaging producer responsibility in Maryland and this is reflected in the current text of the legislation. No bill is perfect, and so we will encourage and be involved in a continued dialogue with all stakeholders to work together toward practicable solutions this session that will move the ball forward to improve packaging recovery and recycling in Maryland. We are encouraged by the recent engagement of other stakeholders and look forward to working soon on further amendments with all those who present credible solutions for their issues of concern.

In conclusion, AMERIPEN supports policy solutions, including packaging producer responsibility, that are results based, effective and efficient, and equitable and fair. We believe House Bill 284 satisfies those principles and is a balanced approach that reflects reasonable compromises from all sides. We therefore encourage this Committee to pass the bill so we and other stakeholders can together continue the dialog to find solutions on legitimate issues so together we can increase packaging recovery and recycling in Maryland in a shared, meaningful, and responsible way.