



The Honorable Brian Feldman
Chairman, Senate Education, Energy and the Environment Committee
2 West Miller Senate Office Building Annapolis, Maryland 21401

February 18, 2025

Re: Favorable with Amendments Senate Bill 901- Environment – Packaging Materials – Producer Responsibility Plans

Dear Chairman Feldman and Members of the Committee,

On behalf of the members of the MD-DE-DC Beverage Association we are writing to ask for a favorable committee report on SB 901 amended to address the points raised below.

Our Association membership is in support of the establishment of a sustainable Extended Producer Responsibility program. We are an active participant in the EPR Advisory Council and hope to be a partner as this program is stood up in Maryland.

We believe that there are core principles inherent in a good EPR Program.

Core Principles:

- **Strong environmental outcomes.** This means any EPR system we support must include all packaging and printed paper.
- **Consumer Convenience.** Consumers must be able to properly and consistently recycle for the system to be effective.
- **Financially sustainable.** Proper roles for government and producers are critical to achieve financial sustainability and system efficiency. Government should provide oversight, setting the scope of the system and approving its design. The producer responsibility organization, or PRO, funds and runs the system, ensuring that all fees are used exclusively for running the system.
- **Access to Recovered Materials.** The producers funding the system should have first access to their recovered materials.

In 2024 Minnesota passed an extended produced responsibility law. [Minnesota's EPR law](#) covers packaging and packaging components, food packaging and paper products sold, offered for sale, distributed, or used to ship a product within or into their state. The anticipated benefits include more recycled and compostable packaging, improved curbside recycling, reduced costs, expanded infrastructure jobs and better education on recycling. A program like that in Maryland would net similar benefits.

For the convenience of this honorable committee and the bill sponsors, our testimony also includes our key issues of importance that we believe will aide in the long-term success of Maryland's EPR program.



Sincerely,

Tiffany Harvey

On behalf of the MD-DE-DC Beverage Association

Program Scope

- **Scope needs to be expanded from “packaging materials” to “packaging and printed paper” (or “packaging and paper products”)** – The bill only targets packaging materials, which comprise only a portion of the material recycled in local communities. Printed paper/ paper products (catalogues, junk mail, magazines, newspapers) comprise a significant share of what is in curbside carts and other municipal recycling systems and should be part of this program. Exempting printed paper only means that other producers or municipalities/taxpayers will have to pay the costs for those materials in the system.
 - **Minnesota’s scope covers packaging and paper products**
- **Covered services are inadequately defined** – the bill needs to align definitions for services provided and those eligible for producer funding; the bill’s scope and language are unclear and inconsistent in places. One specific concern is a reference to “converting” packaging material, which is outside the scope of typical EPR programs.
 - **Minnesota’s covered services (for covered materials): collection for recycling and composting, transportation; sorting and processing (MRFs); managing residuals, administration and outreach programs; costs of reuse or refill systems**

State vs. Producer Responsibilities

- **Goals:** While the PRO is required to include many goals in its plan, the Department is given authority for setting them. This is not a best practice and conflicts with the plan requirements.
 - **Minnesota does not have targets set in statute.**
- **Cost reimbursement:** The bill provides for excessive state intrusion into this critical area. The state can establish cost factors driving reimbursements reflecting “any socioeconomic or geographic factor.” Reimbursement for reasonable costs should remain the underlying principle that governs this component of the program.
 - **Minnesota does not provide a heavy hand to the state with regard to reimbursements. PRO proposes municipal reimbursement levels or directly contracts for services.**

Goals

- **The waste reduction goal is extreme and should not be included.**



- **Goals should be proposed in the PRO plan, based on the needs assessment**, and focus on a more practical list of parameters than those included. These include collection rates (picked up from households and public spaces and delivered to MRFs or similar facilities), recovery rates (material sold by MRFs or similar entities to end markets), and contamination rates (the difference between the other two). The PRO should also propose minimum recycled content requirements for materials collected under the program.
 - **Minnesota does not have targets set in statute. We recommend goals/targets to be set by the PRO and based on the needs assessment with approval or in consultation with MDE. Targets for: recycling; composting; reuse/return; waste reduction (similar to source reduction); recycled content (as applicable). PRO proposes material-specific targets**
- **Other goals are outside the control of a packaging PRO:** Language requires producers to develop goals for reuse, greenhouse gas reduction, and organics recycling. The ability of these producers to impact composting rates is negligible because so much of the organics stream is material other than packaging. Reuse and GHG impacts derive from individual producer decisions and the actions of service providers like haulers and municipalities over which the PRO has limited influence; these fall outside the range of appropriate goals to which a PRO should be held.
 - **Minnesota includes reuse and compost in goals to be set after the needs assessment.**

Program Effectiveness

- **Partial reimbursement limits effectiveness:** The bill limits reimbursement to 50% of collection costs, leaving local government responsible for at least half the cost of recycling. Limited funding means limited control, lack of improvement in the system, and failure to meet goals.
 - **Minnesota will reimburse at fifty percent for year one, seventy-five percent for year two and “at least ninety percent” thereafter.**
- **Lack of standards for municipal recycling:** Standards should include requiring recycling access for all households, development of a statewide recyclables list (part of the needs assessment), and requirements for parallel access (the same as disposal). If those requirements are tied to the reimbursement, then producers can effect and fund the necessary changes to meet goals. This bill lacks service standards for municipalities and emphasizes instead maintenance of the *status quo*. Following this approach will not lead to a better performing system, the PRO will not achieve its goals, and producers will function as little more than an ATM used to fund the current system.
 - **Minnesota will expand collection to all residential locations (as well as government buildings, schools and “small” nonprofits) and includes the recyclables materials list**



- **Promoting circularity:** Section 2 of the bill is a nod to circularity, but poses significant legal issues with interstate commerce. We recommend the plan include the following:
“Describe how the Organization will provide producers with the opportunity to purchase post-consumer recycled materials from processors at market prices if the producer is interested in obtaining recycled feedstock to achieve minimum post-consumer recycled content rates.”
 - **In Minnesota, the PRO proposes in its plan the process for producers to purchase materials at market prices**