

February 14, 2025

Dear Chair Feldman and members of the Education, Energy, and the Environment Committee,

On behalf of the <u>Association of Plastics Recyclers (APR)</u>, I am submitting comments as **Informational only on SB 901 – Environment - Packaging Materials - Producer Responsibility Plans.** APR understands that the sponsor plans to update this draft with feedback from the Maryland Advisory Council and other stakeholders. It is our hope to move to a more favorable position based on the bill changes.

<u>The Association of Plastic Recyclers (APR)</u> is a US-based non-profit and the only North American organization focused exclusively on improving the recycling of plastics. APR represents over 90% of the processing capacity for post-consumer plastic packaging — **our members include the businesses that recycle most of the plastic packaging after it has been collected and sorted by Maryland's recycling programs.** APR understands the challenges facing the industry and the solutions needed to scale recycling effectively as a key solution to reduce plastic pollution and waste and move toward a more sustainable, circular economy.

PACKAGING EPR IS A NEEDED SOLUTION TO INCREASE PLASTICS RECYCLING

EPR is the <u>most proven</u>, <u>effective policy</u> to improve recycling for packaging and paper. Increasing plastics recycling requires both more convenient access to recycling services and greater participation in recycling programs. While Maryland has a strong program compared to other US states, there are still significant volumes of recyclable plastics and other materials ending up in landfills, incinerators, and in the environment each year. EPR is a needed solution for all states.

The US could recycle <u>nearly 50% more plastic bottles today</u> using our existing recycling capacity if there were more bottles collected from communities, including in Maryland. Many plastics recyclers are not running at full capacity because the US is not collecting enough bottles, milk jugs, and other common plastics for recycling from households and businesses. APR supports EPR policies as a priority solution to collect more plastic packaging to be recycled and used in US manufacturing.



BEST PRACTICES AND LESSONS FROM OTHER STATES

APR supported EPR laws passed in Minnesota and Colorado and has been actively engaged with the packaging EPR implementation in Oregon, Colorado, and California. Maryland has a distinct advantage in adopting EPR at this time: The state can benefit greatly from the improved statutory language to find harmonization with other programs, from the two program plans written by Circular Action Alliance (CAA) so far to better understand the implementation process, and from the state agency management and oversight of programs. All this will help Maryland build upon recognized best practices to develop a more efficient and successful program.

<u>Specifically, APR recommends the packaging EPR laws passed in Minnesota and</u> <u>Colorado as strong models for success</u>, and will work with Senator Augustine on specific recommendations for this bill.

SUGGESTIONS ON ADVISORY COUNCIL RECOMMENDATIONS

APR greatly appreciates the diligent work of the Advisory Council in providing recommendations on the bill structure. In addition, APR appreciated the opportunity to present to the board in October to provide insights and answer questions on the specifics of plastics recycling. Since there is no representation of the plastics recycling industry on the council, APR provides the following considerations based on the council's initial recommendations:

EPR Program Goals: Recommendation 1

<u>The primary focus of the legislation should be to improve the amount and quality of</u> <u>recycling for packaging and paper products in the State.</u> This is the most direct result of EPR for packaging legislation based on decades of experience around the world. This goal should be the primary focus of the program implementation to start. Having a clear, singular focus will provide the most efficient startup and implementation, which will build a strong foundation and allow for future growth. Additional goals can be layered into the program once it is established and as it evolves over time.

Packaging EPR programs to date have not shown to invest enough resources toward the goal to "stimulate or support responsible end markets." Because packaging EPR is limited to a subset of packaging and does not address the majority of uses for recycled plastics, it has limited ability to stimulate the robust markets to improve plastics recycling. <u>APR recommends complementary legislation, such as HB 69, to support more manufacturing demand for recycled plastics.</u>



Stakeholder Engagement by MDE and Advisory Council: Recommendations 3&4

Roles of MDE and the Advisory Council should include ensuring adequate stakeholder engagement and input from the broader network of entities impacted by this legislation, and that CAA, MDE or others are adequately responding to feedback.

Market Development: Recommendation 8b

The PRO Program Plan should include a dedicated fund and strategies for market development programs to increase the use of recycled plastics in manufacturing.

Recycled Content Targets: Recommendation 9

APR supports the inclusion of targets for recycled content in this bill. However, recycled content reporting for plastics needs to be specific to resin type and product formats in order to build stronger markets to recycle more volumes and types of plastics. Setting targets by material type, i.e. for just plastics or just paper, is too broad. Companies are likely to only use recycled content in some products to meet the targets, rather than increasing across a wide variety of packaging uses. Greater use of recycled content is critical to supporting new programs to recycle more types of plastics packaging such as film plastics.

Implementation Timeline: Recommendation 10

APR supports a faster timeline for full EPR implementation. Maryland has nearly completed the Needs Assessment, CAA has already been approved as the PRO, and CAA has drafted Program Plans in two states to date. A faster approach will bring economic and environmental benefits to Maryland communities sooner, and could be structured as such:

- Producer registration within one year
- 18 months to complete Program Plan after registration deadline
- 6 months to review and revise Plan with Advisory Council and MDE feedback
- Program launch 6 months after final plan approval.

DEFINITIONS

The Advisory Council discussed several definitions, and APR provides the following feedback on the proposed definition of Responsible End Market as this is a specific area where there has been much debate and lessons learned in other states.

1. APR recommends removing the word "end" because in many cases, the market is not the final buyer, especially for plastic. The "market" is commonly a plastics reclaimer that processes the materials after the MRF, but still relies upon a manufacturer to buy the recycled pellet or flake to be made into a new product.



Recycling does not end at the plastics reclaimer, so calling them the "end market" is misleading.

- 2. APR proposes an amended definition to identify the market and establish their role in being a responsible business. Responsible market means and entity that
 - (a) First produces and sells or transfers recycled organic product or recycled content feedstock that meets the quality standards necessary to be used for the creation of new or reconstituted products.
 - (b) Complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;
 - (C) Meets the minimum operational standards adopted under the PRO Program Plan to protect the environment, public health and worker health and safety.

MOVING FORWARD

Thank you for your leadership to improve recycling of plastics. APR staff are available at your convenience to discuss these comments and share further technical, regulatory, and policy information upon request. Please contact Allison Kustic, State Government Relations Manager, at <u>allison@plasticsrecycling.org</u>.

Sincerely,

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State Government Relations Manager The Association of Plastic Recyclers (APR)