



American Forest & Paper Association

February 18, 2025

The Honorable Brian Feldman, Chair
The Honorable Cheryl Kagan, Vice Chair
Senate Education, Energy, and Environment Committee
Maryland Senate
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Opposition to Senate Bill 901 – Requiring certain producers of packaging materials, individually or as part of a producer responsibility organization, to submit a certain packaging materials producer responsibility plan to the Department of the Environment for review and approval on or before April 1, 2027, and every 5 years thereafter, in accordance with certain requirements.

The American Forest & Paper Association¹ (AF&PA) appreciates the opportunity to share our perspective on SB 901 on behalf of our members and their employees who are an integral part of the circular economy. **In Maryland, the forest products industry employs over 5,600 individuals producing packaging, sales displays, corrugated boxes and other products with an annual payroll of about \$395 million.**²

AF&PA respectfully opposes SB 901, which creates an extended producer responsibility (EPR) program that requires producers to establish or participate in a producer responsibility organization to sell or distribute paper packaging for use in Maryland. The paper industry has a demonstrated, measurable record of success in making paper packaging more circular and sustainable through market-based approaches.

EPR policies are typically applied as a solution for hazardous, hard-to-handle materials with low recycling rates, such as batteries, paint, mattresses, or electronics. For highly recycled material like paper packaging with widely accessible collection programs and robust and resilient end markets, EPR could disrupt efficient and successful paper recycling streams in an attempt to improve the least effective streams. We respectfully ask policymakers to focus on improving recycling for materials with low recovery rates, instead of creating mandates and fees for paper packaging producers that could direct capital away from investing in recycling infrastructure. We ask that Maryland consider the opportunities to learn from other states on the verge of implementation, in addition to completing the valued work under SB 222, to ensure the most informed consideration of EPR for Maryland.

¹ The American Forest & Paper Association (AF&PA) serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recyclable resources, generate renewable bioenergy and are committed to continuous improvement through the industry's sustainability initiative — [Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future](#). The forest products industry accounts for approximately 5% of the total U.S. manufacturing GDP, manufactures about \$350 billion in products annually and employs about 925,000 people. The industry meets a payroll of about \$65 billion annually and is among the top 10 manufacturing sector employers in 43 states.

² Data sources: U.S. government, AF&PA, and RISI. Figures are the most recent available as of December 2022.

Paper Recycling Works

Paper recycling is an environmental success story. Paper is one of the most widely recycled materials in America, and paper recycling rates in the U.S. have consistently increased in recent decades. The paper industry recycles nearly 60% more paper today than it did in 1990, when the industry set its first recycling rate goal. **In 2023, between 65 and 69 percent of paper and 71 and 76 percent of cardboard available for recovery in the United States was recycled.**³

In calendar year 2023, U.S. pulp, paper and paperboard mills consumed 31.3 million tons of recovered paper to manufacture new products, and the U.S. exported another 14.8 million tons for use in manufacturing new pulp, paper and paperboard around the world.

Additionally, the paper industry is working to capture even more paper from the waste stream for recycling. Since 2019, our industry has announced or is expected to complete projects by 2025 that will use more than 9 million tons of recycled paper. These projects include building new mills, converting or expanding existing mills, and updating machinery and equipment.

This success has been driven by the paper industry's commitment to providing renewable, sustainable, and highly recycled products for consumers. Recycling is integrated into our business to an extent that makes us unique among material manufacturing industries – our members own 114 materials recovery facilities and 80 percent of paper mills use some amount of recycled fiber. **Any EPR system must fully and fairly credit the early, voluntary action our industry has taken to advance the recycling rate of our products and strictly prohibit the use of fees generated by one material to subsidize development of recycling infrastructure for competing materials with lower recycling rates.**

Maryland already has a well-developed and widely accessible paper and paperboard recycling system with 95.1% of the population having access to curbside recycling.⁴ This level of access is some of the highest in the nation, negating the need for an EPR program. Identifying successful parts of existing programs will allow the state to replicate proven solutions with lowered risk for all stakeholders.

Continuing innovation and meeting customer needs are important parts of the way our members do business. Through research among our members and best practices in the industry, AF&PA developed a tool to help packaging manufacturers, designers and brands create and manufacture packaging that meets their recyclability goals. The *Design Guidance for Recyclability* is intended to serve as a data-driven resource to support ongoing innovation.⁵

Unintended Outcomes of EPR Policies

EPR policies must be carefully designed to avoid creating fees or mandates that could disrupt efficient and successful paper recycling streams and directing private sector funds away from

³ <https://www.afandpa.org/priorities/recycling>

⁴ Data source: AF&PA, *2021 Access to Recycling Study*.

⁵ <https://www.afandpa.org/news/2021/afpa-releases-new-guide-further-advance-paper-recycling-0>

investment in recycling infrastructure. SB 901 requires packaging producers to provide funding to pay for the collection of readily recyclable materials, but this is a cost-shifting mechanism common in other EPR programs that does not create added value or end markets for recyclable materials. The paper industry already contributes to economically sustainable recycling programs by purchasing and utilizing material sourced from residential collection programs to manufacture new products.

Recycling programs in the U.S. are operated by local governments, which have more freedom to tailor recycling programs to the needs of local communities. The record of highly centralized, command-and-control EPR programs in Canada and Europe offers no real proof of advantages over the market-based approaches and locally operated programs prevalent in the U.S.

Recycled Content

Recovered fiber markets are complex, efficient, and dynamic and are not served by regulations or prescriptive approaches to specify the use of recycled fibers or dictate what type of recovered fiber is used in products. The performance goals for “post-consumer” recycled content in packaging as part of the program plan could be contrary to sustainability goals and is a distinction that is not recognized in international third-party certification programs such as the Forest Stewardship Council or the Sustainable Forestry Initiative. Rather than drive increased paper recycling, content goals intended to incentivize recycled content in paper packaging could: make markets for recovered fiber less efficient; prevent recovered fiber from going to highest value end use; raise the cost of production for new paper products; and narrow available choices for consumers.⁶ It can also result in unintended consequences such as an increase in transportation costs and emissions due to shipping recovered fiber in cases where virgin fiber can be sourced more locally.

Current efforts have achieved strong gains in paper recycling and are expected to continue in the future. **Putting pressure on producers to arbitrarily change content in paper packaging interrupts the market-based utilization of recovered fiber, prevents recovered fiber from flowing to its highest value end-use, is counterproductive both economically and environmentally, and is inconsistent with the precepts of sustainability.**

Maximizing Opportunities for Informed Policymaking

AF&PA has engaged throughout the advocacy, passage, and implementation of SB 222 (2023), which established a diverse advisory council of stakeholders, including AF&PA, to consider legislative recommendations for a packaging EPR program. AF&PA appreciates the opportunity to serve on this advisory council and share best practices from the paper industry’s track record as a responsible producer. However, this process is ongoing, and the conclusions of this council deserve both time and the needed information to provide insightful recommendations.

This perspective was reinforced by the council during their December 5, 2024, meeting with an 11-4 vote requesting more time to provide recommendations because providing final recommendations in time for the 2025 legislative session would result in a substandard final work

⁶ https://www.afandpa.org/sites/default/files/2022-09/AF%26PA-RecycledContentMandates_8152022_0.pdf

product. The council has repeatedly stressed the importance of reviewing the needs assessment of Maryland's current waste management system. This resource, valuable to the council and policymakers alike, is currently unavailable. Considering SB 901 while the advisory council has requested both more time and needed resources risks the state advancing policies without a full understanding of their consequences.

The concern for advancing without a full scope of understanding is enhanced by the realities of the national EPR landscape. **While five states have passed EPR legislation, not a single state has initiated their EPR program.** However, this year, Maryland can learn from Oregon as its program starts July 1. This is a unique opportunity not afforded to any other state that has considered EPR. **The potential to study the best practices and challenges of an EPR program in progress further highlights how this is an inopportune time for Maryland to advance SB 901.**

Conclusion

SB 901 should take a more solution-oriented approach focused on problematic materials in the commingled residential collection stream. Paper recycling has enjoyed decades of success because of the industry's investments, consumer education, the wide availability of recycling programs, and the efforts of millions of Americans who recycle every day. The paper packaging industry is proud to be part of the recycling solution by providing renewable, sustainable, and highly recycled products for consumers.

We encourage the Committee to avoid measures that might penalize paper packaging and existing successful recycling programs. Furthermore, we encourage the Committee to only consider such legislation once the statutorily required needs assessment is available. It is important the advisory council established by SB 222 has the chance to digest and integrate insights from the assessment into their recommendations, without the pressure of pending (or possibly enacted) legislation. These recommendations, and this Committee's consideration of EPR legislation, are better served by observing the initiation of Oregon's program throughout 2025.

We look forward to continuing our work with the State of Maryland. Please direct any questions regarding this matter to Frazier Willman, Manager, Government Affairs at [Frazier Willman@afandpa.org](mailto:Frazier_Willman@afandpa.org).
