



Friday February 14th, 2025

Chairman Delegate Marc Korman and
Members of the Environment and Transportation Committee
250 Taylor House Office Building
251 Taylor House Office Building
Annapolis, Maryland 21401

Subject: HB0069 Environment - Plastic Products - Postconsumer Recycled Content Program
Organization: Mercury Plastics MD, Inc., a Maryland manufacturer of plastic products.
Position: Opposed

Impact of HB0069 on Small and Medium-Sized Manufacturers in Maryland

HB0069 presents several unintended consequences for small and medium-sized manufacturers in Maryland. While the bill aims to increase the use of Post-Consumer Recycled (PCR) material in plastic manufacturing, it does not fully account for the challenges faced by manufacturers in implementing these requirements.

Current Industry Efforts Toward Recycling

Manufacturers are already under pressure from customers to increase PCR usage in the specified product families. Many are actively working to enhance PCR consumption across their operations but face significant obstacles not considered in the bill.

Recycling and sustainability are priorities for manufacturers, not only for environmental benefits but also for cost efficiency. Industrial recycling processes capture recyclable material at the source and reintroduce it into the production cycle. For example, Mercury Plastics captures and grinds over 90% of its unused plastic material on-site. The ground material is tested, blended with other industrial recycled material, PCR and virgin resin, and extruded into high-quality recycled raw material in Illinois. This controlled process ensures quality while maximizing recycled content.

At Mercury Plastics, **0% of plastic waste ends up in Maryland landfills**. All unsuitable plastic is sent to recycling facilities. Additionally, we recycle wood, corrugated materials, paper, steel, and aluminum, while solar panels offset approximately 35% of our energy consumption. Even the heat generated by our equipment is recycled to reduce energy usage.

Challenges Posed by HB0069

1. **PCR Supply Chain Limitations** – The PCR industry is inefficient and poorly organized, with insufficient supply to meet the bill’s mandated percentages.

2. **High Costs** – PCR material costs **100–105% of virgin plastic**, compared to **60–70% for industrial-grade recycled material**.
3. **Increased Waste and Production Costs** – Contaminants in PCR reduce production yield, increasing labor, energy consumption, and recycling costs.
4. **Material Degradation** – Each heat cycle makes plastic less malleable, requiring higher percentages of virgin material and chemical modifiers to maintain quality.
5. **Inconsistent Quality** – The variability in PCR quality makes it unreliable for consistent manufacturing processes.

Observations

Maryland manufacturers have had **little to no input** in discussions about this legislation. The mandated PCR percentages will create unnecessary hardship, as **most manufacturers in Maryland are not meeting these expectations**. Prematurely enforcing high PCR content requirements may paradoxically increase the use of virgin material, as industrial recycling processes that reduce virgin content are more effective.

Proposed Solutions

1. **Collaborate with Manufacturers** – Allow manufacturers to work with legislators to set realistic, achievable goals. Industry leaders already share material and sourcing data and can provide practical recommendations. Establish a team including 60% or more of plastic manufacturers to make recommendations.
2. **Phase in Requirements Based on Market Readiness** – Increase PCR content percentages only as the supply chain improves and material quality stabilizes.
3. **Engage the Business Community** – Manufacturers are willing to assist in crafting effective legislation that supports sustainability without imposing undue burdens.

By working together, we can achieve the environmental goals of HB0069 without jeopardizing Maryland's manufacturing sector.

Kind regards,



Carl Livesay, General Manager



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