



February 5, 2021

Delegate Kumar P. Barve
Room 251
House Office Building
Annapolis, Maryland 21401

Chair Barve and Members of the Committee,

On behalf of the members of the Product Management Alliance (PMA), we appreciate the opportunity to express the Product Management Alliances' position on HB 36 - Environment – Packaging, Containers, and Paper Products – Producer Responsibility

My name is Kevin Canan, and I serve as the Executive Director of the Product Management Alliance (“PMA”). By way of introduction, the PMA is a coalition comprised of trade associations and corporations that represent a broad array of consumer products. Our mission is to support market-based extended producer responsibility (EPR) efforts, as well as voluntary incentives for increased recovery and sustainable products and package design.

PMA’s members have long strived to voluntarily recover post-consumer packaging. The PMA understands and appreciates that the sponsors of this legislation desire to seek ways to improve the recovery rates of consumer packaging. However, we believe the legislation is unnecessary, and we are very concerned that the proposed legislation, if implemented, simply would add costly and unnecessary mandates in Maryland. This type of restrictive legislation is likely to have a chilling effect on manufacturers and retailers doing business in Maryland, and as a result business very well could be lost to neighboring states.

While your goal of reducing waste is laudable, EPR programs would set up a confusing and bureaucratic system of recovery for the residents of the state with similar types of products having very different end-of-life recovery schemes. In addition, the implementation of such programs may actually hinder waste reduction and result in less reduction in waste overall.¹ For example, packaging for major appliances is usually removed when the product is delivered and installed in the home. The companies that are in the business of installing appliances are profit-driven and, therefore, have a large incentive to recycle any part of this packaging that has value. Almost all of this packaging has value or is recyclable after it is used -- approximately 46 percent of the packaging (by weight) for major home appliances is wood crates or pallets (much of this, if any, actually reaches consumers), 40 percent of the packaging in appliances delivered for

¹ Schwartz, Joel and Dana Joel Gattuso. 2002. Extended producer responsibility: Reexamining its role in environmental progress. Reason Public Policy Institute. Available at: <http://www.reason.org/files/513cbdab3d05aaa322e4fbfb3a0ee1c5.pdf>

dismantling is corrugated cardboard, and 8 percent is paper. Also, expanded polystyrene (EPS), if compacted, is recyclable and has value. For example, one company in California uses compacted EPS to produce picture frames. For small appliances, approximately two-thirds of the packaging is corrugated cardboard and 15 percent is paper.

PMA members and businesses utilize sophisticated programs in place that continue to increase the amounts of products recovered and recycled through voluntary initiatives. Today their recovery rates are high, and they are continually striving to increase these numbers. The existence of these efforts illustrate that new legislative mandates on producers are not necessary to reduce waste and increase recycling and the use of recycled content.

Thus, we urge the Committee to **strongly examine voluntary, market-based recovery efforts** for increased recovery of consumer packaging and oppose HB 36. The members of the PMA, and the industries they represent, recognize the desire of the public and policymakers for environmentally responsible business practices. That is why many of our member companies are voluntarily involved in waste recovery programs, and support recycling where it is economically and logistically feasible.

We hope to have a positive and constructive working relationship with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'KCC', with a long horizontal flourish extending to the right.

Kevin C. Canan
Executive Director

Product Management Alliance
1000 Potomac Street, NW
Suite 200
Washington, DC 20015
(888) 588-6878
info@productmanagementalliance.org
www.productmanagementalliance.org