



Committee: Environment and Transportation

Testimony on: HB 342 Environment – Plastic Products – Postconsumer Recycled Content Program

Position: Support

Hearing Date: February 22, 2023

The Maryland Chapter of the Sierra Club strongly supports HB 342. It would prohibit producers of plastic beverage containers, rigid plastic food containers, and rigid plastic household cleaning and personal care products from selling, offering for sale, or distributing the products in Maryland unless the products are produced using a certain minimum percentage of post-consumer¹ recycled (PCR) content. The timeline for adoption and the target percentage of PCR content differ across products.

Recycled content mandates like HB 342 require a minimum percentage of recycled content in new plastic containers, creating a steady demand for recycled plastic that replaces cheaper virgin plastic and prevents the negative environmental impacts of production of virgin plastic. According to the U.S. Environmental Protection Agency (EPA) about 40% of plastic in the municipal solid waste stream is plastic packaging, and almost all of it is made from virgin plastic.² Mandating recycled content for new containers conserves resources, diverting waste from landfills and incinerators. It reduces the demand for virgin materials and the greenhouse gas emissions and energy associated with their extraction and manufacture. It provides stability and viability in the marketplace for recyclers, as well as incentives to improve the overall quality of PCR materials and redesign products to be more recyclable.³ Recycled content mandates are thus a major policy tool for developing recycling markets in Maryland – the objective of HB 164 “Recycling Market Development,” which was enacted in 2021.⁴

Concerns about plastic pollution have led multinational corporations to set voluntary recycled content targets for 2025 as high as 50% for plastic packaging, but progress has been slow and there are no financial consequences for missing the targets (Exhibit1).⁵ HB 432 would make all producers selling or distributing the covered containers in Maryland accountable for reaching recycled content targets and would create a level, competitive playing field across producers. Producers would also be responsible for financing the program’s oversight by the Maryland Department of the Environment (MDE). They would have to register annually with MDE and pay a registration fee; registration fees and penalties would be placed in a special account in the State Recycling Trust Fund that can only be used by MDE to cover the costs of planning, implementing, administering, monitoring, enforcing, and evaluating the program. The registration fee would be calculated annually to cover the estimated costs for the following year and assessed on each producer in proportion to its share of the total amount of plastic sold in the state in each product category.

¹ “Post-consumer” material is generated after a product is made, sold, used, collected, and sorted. “Pre-consumer” or “post-industrial” materials are generated as a byproduct of a manufacturing process.

² U.S.EPA. 2020. *Advancing Sustainable Materials Management: 2018 Facts and Figures Report*.

³ Balkan, Elizabeth. 2021. *Policy Guidelines for Recycled Content Mandates*. ReLoop. September; Resource Recycling Systems (RRS). 2022. *Recommendations for Recycled Content: Requirements for Plastic Goods and Packaging*. Commissioned by the Ocean Conservancy.

⁴ https://mgaleg.maryland.gov/2021RS/chapters_noln/Ch_289_hb0164T.pdf

⁵ Ellen MacArthur Foundation. *Global Commitment Signatory Reports*, 2022.

The success of the program in increasing recycled content in new products will depend on both demand- and supply-side policies.

- On the demand side for recycled content, it is important to have appropriate targets – “aggressive, but not technically infeasible.”⁶ Recycled content targets should increase incrementally over time to match increased supply. HB 342’s recycled content targets increase gradually over a decade, from 15% to 50% recycled content for plastic beverage containers and from 15% to 40% recycled content for rigid plastic food containers; for rigid plastic household cleaners and personal care products, the ramp to 40% recycled content is longer. The targets and timelines are consistent with those of the European Union and four US states that have already enacted these bills – California, Maine, New Jersey, and Washington (Exhibit 2). Achievements are confirmed via third-party independent certification.
- On the supply side, availability of recycled content can be achieved by policies that incentivize redesign of products to be more recyclable, including via packaging producer responsibility laws, and adoption of deposit return systems (“bottle bills”). The latter, which achieve a high collection and recycling rate, are particularly critical to provide a large volume of clean, uncontaminated, food-grade recycled plastic content that can be used in the manufacture of new beverage containers, in support of a circular economy.⁷

HB 342 has benefitted from consultations with activists and government agencies in states that have already adopted mandatory recycled content laws.⁸

In 2012, Maryland enacted a statewide goal of diverting 60% of all waste by 2020.⁹ However, only 42.25% of municipal solid waste was diverted that year.¹⁰ Meeting the 2020 goal or a more ambitious one will require producers to create post-consumer materials of high quality and incentives to increase post-consumer content in new products. HB 432 is a key policy for achieving that objective for plastic packaging, stimulating recycling markets, reducing waste and greenhouse gas emissions, and providing an incentive for product redesign for recyclability. We respectfully request a favorable report on HB 432.

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Attachments: Exhibits 1 and 2

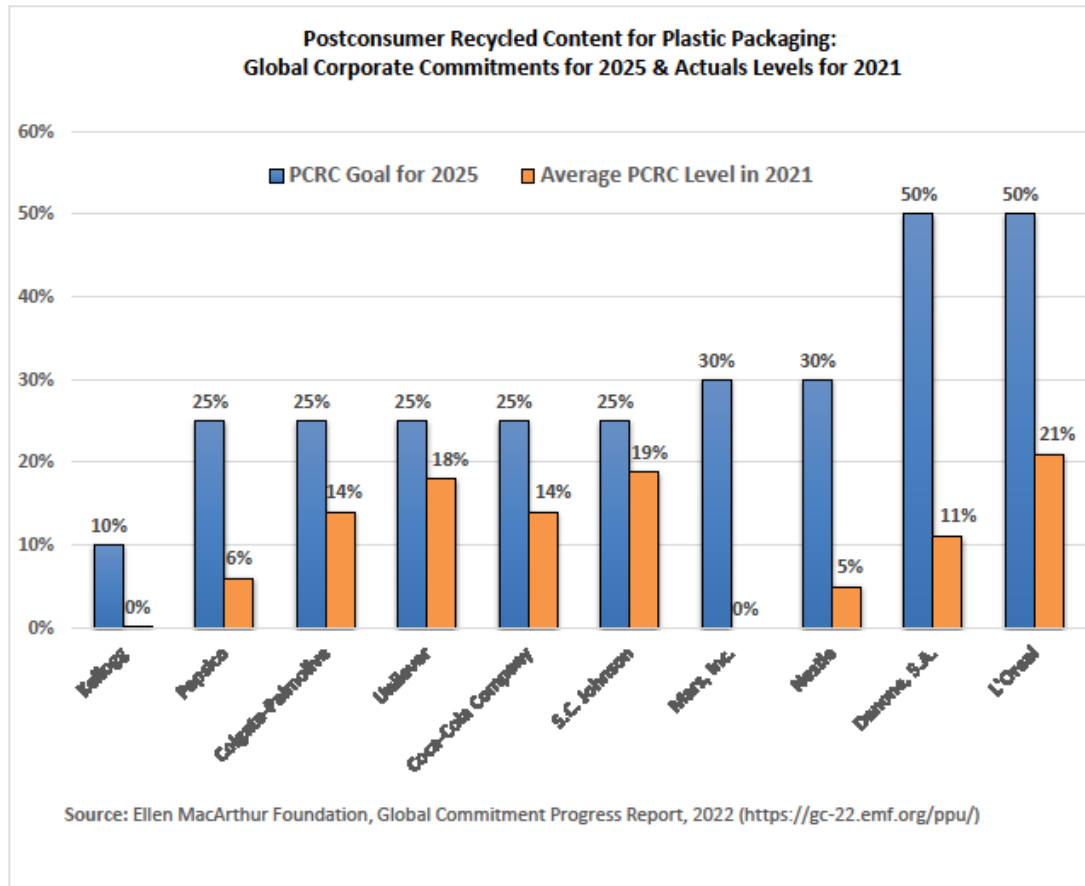
⁶ Balkan, *Op.Cit.* RRS, *Op.Cit.*

⁷ *Ibid.*

⁸ We are grateful to the New Jersey Department of Environmental Protection and the Washington State Department of Ecology for their valuable input and advice.

⁹ House Bill 929, “Environment – Recycling Rate and Waste Diversion – Statewide Goals,” sponsored by Dels. Stein, Frush, and Niemann.

¹⁰ Comprised of a 38.22% recycling rate and a 4.03% source reduction credit. MDE, Land and Materials Administration. 2021. *Maryland Solid Waste Management and Diversion Report 2021* (CY 2020 data).

Exhibit 1. Global Corporate Commitments for 2025 and Achievements as of 2021


Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

Exhibit 2. Timeline for plastic PCR content in four US states, the European Union, and Maryland’s HB 342

Plastic product	Jurisdiction					
	California ^a AB793 Enacted 9/24/2020 Effective 1/1/2022	Maine LD1467 Passed 5/7/2022 Effective 8/8/2022	New Jersey, S2515 Enacted 1/18/2022 Effective 1/18/2022	Washington state SB5022 Enacted 5/17/2021 Effective 1/2/2023	European Union ^b 6/2019	Maryland HB 342
Plastic beverage containers	2022: 15% 2025: 25% 2030: 50%	2026: 25% 2031: 30%	2024: 15% 2027: 20% (5% increase every 3 years) 2045: 50%	2023: 15% 2026: 25% 2031: 50%	2025: 25% 2030: 30%	2025: 15% 2028: 25% 2033: 50%
Rigid plastic food containers			“Rigid plastic containers” ^c			2027: 15% 2030: 30% 2033: 40%
Rigid plastic HH cleaning products & personal care products			2024: 10% 2027: 20% 2030: 30% 2033: 40% 2036: 50%	2025: 15% 2028: 25% 2031: 50%		2027: 25% 2031: 30% 2035: 35% 2039: 40%

Note: (1) This table presents PCR content targets for plastic containers the US states that match the container types proposed in HB 342. Some of the bills cover additional plastic products not in the Maryland bill or recycled content for products made of other materials. (2) RRS, *Op. Cit.* presents a 2019/2020 baseline level of recycled content in the U.S. and Canada as 11% for PET bottles and 17% for HDPE bottles. (PET=polyethylene terephthalate (#1 resin); HDPE=high density polyethylene (#2 resin)). These numbers apply to all bottles of those resins, including beverage bottles and bottles of other products.

- a. California has passed bills for PCR content on other plastic products in the past. The plastic beverage container targets are in their most recent bill, which covered all plastic beverage containers in the California Redemption Value program (their beverage container deposit law)
- b. For PET beverage bottles only.
- c. The New Jersey bill has target PCR percentages for all rigid plastic containers, not according to what they contain.