



**American
Forest & Paper
Association**



**Renewable
Bag Council**

**American Forest & Paper Association (AF&PA)
and Renewable Bag Council (RBC)
Testimony in Opposition to Senate Bill 620
Community Cleanup and Greening Act of 2015**

March 10, 2015

AF&PAⁱ and the RBCⁱⁱ appreciate this opportunity to share our perspective on legislation under consideration by the Education, Health and Environmental Committee and the Finance Committee on S.B. 620. AF&PA and the RBC are active on this issue in states and localities across the country. Paper bags are a commodity that is highly recycled, recyclable, compostable, and renewable. **We urge the Committees to oppose this bill which sets a dangerous precedent by mandating that consumers pay a penalty for choosing paper products and paper-based packaging in the marketplace.**

Consumers who are sensitive to environmental concerns choose paper bags. Responding to consumer demands, many retailers have already voluntarily transitioned to paper. Not only are paper bags made from recycled paper, they are highly recycled themselves and are a fixture in community recycling programs throughout the state and the rest of the country. In fact, Maryland residents frequently use paper bags as their containers when recycling other paper products such as newspapers, magazines, envelopes, and printer paper—all items that are accepted at the curb in the state. According to the U.S. Environmental Protection Agency, the paper industry has exceeded 63 percent recovery for recycling for the past five years. In 2013 63.5 percent of the paper and paper-based packaging used in the U.S. was recovered for recycling – more than 50 million tons.

Paper is the only bag option that is commonly accepted for recycling at curbside in Maryland, where 92 percent of citizens have access to curbside and 100 percent have drop-off recycling access. Imposing a tax on paper discourages consumers from using bags that are recyclable, biodegradable, compostable, made of recycled material, and reusable. Taxes on products unnecessarily increase costs for consumers, are regressive in nature, and create distortions in the free flow of recoverable commodities.

Offering a paper bag free of charge at the point of purchase is a natural part of customer service. Many services are included in the price of the goods consumers already buy: rent, electricity, insurance, employee wages. Once there is an obligation to pay fees for bags, those fees are likely to increase over time. This tax will be regressive, increasing the cost of basic necessities for low-income citizens who are dependent on public transit and cannot practically expect to bring reusable bags every time they go to a retailer.

The bag taxes generate additional revenue for retailers on the already strained budgets of their customers. With HB 551, at most, only half of the paper bag tax collected will go to environmental or educational causes, the rest goes to the store, which already has the cost of distributing bags factored in the price of the goods for sale. Legislation to require stores to recover the cost of bags is not necessary because no existing law prohibits retailers from charging for paper bags voluntarily.

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From a raw material perspective, paper bags are made from a renewable resource – managed forests – that provides habitats for animals and removes large amounts of carbon dioxide from the air we breathe. Today the U.S. has 20 percent more trees than it did on the first Earth Day celebration more than 40 years ago and one-third of the U.S. is forested - 751 million acres. Privately owned forests supply 91 percent of the wood harvested in the U.S.

Despite the tremendous progress that has already been made, the paper industry has no intention of resting on its laurels. In March 2011 we announced a voluntary industry fiber recovery goal to exceed 70 percent by 2020. This goal is part of the most extensive set of quantifiable sustainability goals set by a major U.S. manufacturing industry. *Better Practices, Better Planet 2020*—AF&PA’s sustainability initiative—is a proactive commitment to the long-term success of our industry, our communities, our environment, and the nearly 900,000 men and women who make the paper and wood products vital to the lives of people around the world.

The six goals targeted within *Better Practices, Better Planet 2020* focus on increasing paper recovery for recycling, improving energy efficiency, reducing greenhouse gas emissions, promoting sustainable forestry practices, improving workplace safety, and reducing water use.

We thank the Committees for the recognition of the value of paper bags as a sustainable packaging option for Maryland consumers and encourage the Committees to avoid measures that penalize paper. As always, we stand ready to assist you and offer our expertise as a resource as you begin to shape policy on this important issue.

For additional information, please contact Abigail Turner, Manager of State Government Affairs, AF&PA at (202) 463-2596 or abigail_turner@afandpa.org.

ⁱ The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry’s sustainability initiative - [Better Practices, Better Planet 2020](#). The forest products industry accounts for nearly 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states. In Maryland, the forest products industry operates 46 manufacturing facilities and employs more than 6,000 individuals with an annual payroll of over \$300 million, and produces \$1.5 billion in product each year. The estimated state and local taxes paid by the Maryland forest products industry totals \$28 million annually.

ⁱⁱ The Renewable Bag Council (RBC) is comprised of manufacturers and converters of renewable, recycled, recyclable, and compostable Kraft paper used for checkout bags at grocery and retail outlets throughout Washington and across the United States. The RBC is affiliated with the American Forest & Paper Association (AF&PA). Visit the RBC online at www.renewablebag.org or follow us on Twitter @[renewablebag](https://twitter.com/renewablebag).