



February 21, 2023

The Honorable Judy Aron, Chair
House Committee on Environment & Agriculture
New Hampshire General Court
Concord, NH 03301

RE: Letter of Information on House Bill 253 – An Act establishing a committee to study imposing a tax on manufacturers based on the cost to dispose of single-use products and product packaging materials

Dear Representative Aron and Members of the Committee:

On behalf of the American Forest & Paper Association (AF&PA)ⁱ, we appreciate the opportunity to share our perspective on legislation under consideration by the Committee: House Bill 253, which would study the establishment of an extended producer responsibility (EPR) program for single-use products and packaging.

AF&PA supports the legislation's intent to study the potential impact of such a program and we seek to offer pertinent information on the subject. The study would cover all single-use products and packaging, but in covering all of those materials, several highly disparate commodities would be considered together. EPR programs have been suggested for products that are perceived as difficult to process, have low recycling rates, or where healthy end markets for their reuse do not exist; but none of these issues apply to paper-based packaging.

Paper Recycling Works

Paper recycling rates in the U.S. have consistently increased in recent decades, with 68 percent of paper recovered for recycling in 2021.ⁱⁱ The paper industry recycles about 50 million tons of recovered paper every year — totaling more than 1 billion tons over the past 20 years. According to the EPA, more paper by weight is recovered for recycling from municipal waste streams than plastic, glass, steel, and aluminum combined.ⁱⁱⁱ The paper industry has planned or announced around \$5 billion in manufacturing infrastructure investments by the end of 2024 to continue the best use of recycled fiber in our products, resulting in an over 8-million-ton increase in available capacity.^{iv}

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.

Continuing innovation and meeting customer needs is an important part 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.¹

Unintended Consequences of EPR Policies

EPR policies must be carefully designed to avoid creating fees or mandates that could disrupt efficient and successful paper recycling streams or that direct private sector funds away from investment in recycling infrastructure. Legislation often requires funding which would be used to pay the costs of municipalities and entities providing solid waste management services. But this is merely a cost-shifting mechanism common in other EPR programs that does not create added value or develop 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 in manufacturing 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 paper fiber can be reused 5-7 times to make new products. Virgin pulp supply is needed to sustain and grow the recovered fiber cycle. The paper and wood products industry promotes and uses sustainable forestry best practices because it depends on sustainable forest growth. These best practices include forest certification programs that provide standards, or guidelines and structure, for sustainable forest management and fiber sourcing. In North America there is a mosaic of healthy forests, wherein growing, harvesting, replanting, and regrowing forests occurs as a standard practice. Forest lands in North America have been stable for more than 100 years. Our industry responsibly uses every part of the tree to make essential products for everyday life. Using paper and wood products incentivizes regeneration and replanting trees after harvest and keeping land in forests, decreasing the likelihood of conversion to other uses like parking lots, subdivisions, or pastures.

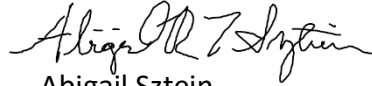
Focus On Solutions

Paper recycling has enjoyed decades of success because of the industry's investments, consumer education, the wide availability of well-developed recycling programs, and the efforts of millions of Americans who recycle at home, work, and school every day. The paper products industry is proud to be part of the recycling solution by providing renewable, sustainable, and highly recycled products for consumers. We respectfully ask policymakers to focus on improving recycling for materials with low recovery rates that contaminate the recycling stream.

¹ <https://www.afandpa.org/news/2021/afpa-releases-new-guide-further-advance-paper-recycling-0>

We encourage the Committee to avoid measures that might penalize the forest products industry from continuing to engage in the state economy and we look forward to continuing our work with the State of New Hampshire. Please contact Abigail Sztein, Director, Government Affairs at Abigail_Sztein@afandpa.org with any questions.

Sincerely,



Abigail Sztein

Director, Government Affairs

ⁱ 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 recycle 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 five percent 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 approximately \$65 billion annually and is among the top 10 manufacturing sector employers in 43 states.

In New Hampshire, the forest products industry employs nearly 5,000 individuals, with an annual payroll of over \$196 million.

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

ⁱⁱⁱ https://www.epa.gov/sites/default/files/2021-01/documents/2018_ff_fact_sheet_dec_2020_fnl_508.pdf

^{iv} The Recycling Partnership; Northeast Recycling Council. Last updated: December 2021