



**American
Forest & Paper
Association**

Statement in Opposition to

Maryland H.B. 718 House Environmental Matters Committee

February 21, 2014

On behalf of the American Forest & Paper Associationⁱ (AF&PA) and the Renewable Bag Councilⁱⁱ (RBC), we appreciate the opportunity to share our perspective on H.B. 718, legislation that authorizes Maryland counties to impose, by law, a specified fee on a store for the use of disposable carryout bags and requires a store to charge and collect a specified fee for each disposable carryout bag the store provides to a customer. **We respectfully oppose this bill and urge you to amend it to remove mandated fees on paper bags.**

AF&PA and the RBC are active on this issue in states and localities across the country. We believe that paper should be excluded from measures to tax retail bags on grounds that they wrongfully penalize our product—a commodity that is highly recycled, recyclable, compostable, and renewable.

Imposing an equal fee on both paper and plastic will not change most retailers' current preference for plastic. Retailers typically default to the use of plastic bags because one plastic carryout bag is cheaper on a per-bag comparison, despite the fact that a single paper carryout bag can accommodate more items. If this bill were enacted, it is likely that plastics would continue to be the default for customers. The bag fees present additional revenue for retailers on the already strained budgets of their customers.

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. It makes no sense to impose a fee on customers for a paper bag to transport those same goods home. Once there is an obligation to pay fees for bags, those fees are likely to increase over time.

The paper bag is a recycling success story. The typical paper bag offered at retail locations are highly recycled and are a key fixture within community recycling programs throughout Maryland. In fact, Maryland residents frequently use paper bags as their containers when recycling other paper products such as newspapers, magazines, paperboard boxes, envelopes, and printer paper. According to the U.S. Environmental Protection Agency, the paper bag boasts a national recycling rate of almost 50 percent. More than 60 percent of paper consumed in the U.S. has been recovered for recycling in each of the last three years – exceeding 66 percent in 2011.

The paper bag is also compostable as evidenced by the fact that paper bags are used throughout metropolitan areas in Maryland for municipal leaf mulching programs. Paper bags are made from a natural fiber, so they are biodegradable, making them ideal for composting applications.

Despite our progress, the industry continues to take tremendous steps forward in sustainable manufacturing. In March 2011 we announced a new, 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 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.

The environmental preference of paper is intuitive. The paper bag is made from a renewable resource – managed forests – that provides habitat for animals and removes large amounts of carbon dioxide from 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. 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.

AF&PA and the RBC respectfully request that paper be removed from the purview of this legislation. Thank you for your consideration and we look forward to working with the committee as it continues its dialogue on this important issue.

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ⁱ 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 approximately 4.5 percent of the total U.S. manufacturing GDP, manufactures approximately \$200 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 industry employs more than 3,180 individuals with an annual payroll of \$210 million. Visit AF&PA online at www.afandpa.org or follow us on Twitter [@ForestandPaper](https://twitter.com/ForestandPaper).

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), the national trade association of the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Visit the RBC online at www.renewablebag.org or follow us on Twitter [@renewablebag](https://twitter.com/renewablebag).