

Memorandum of Opposition HB 36

MPA - the Association of Magazine Media (MPA) opposes Extended Producer Responsibility (EPR) bills, including HB 36, that would establish new and unnecessary mandates upon a longstanding media industry that employs thousands of people and significantly contributes to trustworthy news and information dissemination in Maryland. We appreciate the opportunity to further explain our position below.

MPA represents about 500 magazine media brands. From global empires to small independent publications, MPA members inform, inspire and entertain more than 3.5 million Maryland citizens, with an average of 2.7 subscriptions per Maryland household. Our readers depend on our publications for reliable news and information – needed by society now more than ever. Further, magazines are an important part of the Maryland economy, and are part of the arts, sports and media industry that employs more than 32,000 people in Maryland. Over \$9 million total annual wages were paid to such industry employees in Maryland in 2019. In addition, the magazine industry supports thousands of indirect and induced jobs in Maryland.

EPR bills like HB 36 should not include paper products. However well-intended, such bills would punish magazines, newspapers and other paper users without improving recycling rates for paper products or increasing environmental protections. HB 36 exempts a “literary, text or reference bound book”, which begs the question of why magazines and newspapers would not be exempt simply because of format.

Magazine publishers and other manufacturers of paper products are already proactively engaged in sustainability initiatives these bills would not enhance. HB 36 simply transfers the costs of existing recycling systems from municipalities to publishers, resulting in major negative impacts to the magazine industry in Maryland, the Maryland economy, and to Maryland consumers. EPR legislation should not focus on products that are recyclable and biodegradable, with current recycling rates nearing maximum achievable levels.

Magazine publishers care about the environment

MPA’s long-standing engagement in environmental stewardship and initiatives stems from publishers’ desire to support and implement responsible, economically-sound environmental policies related to the full lifecycles of our magazine products, from raw materials to well-read copies. Although most magazine publishers provide content across a wide range of media streams, many of our readers still desire the tactile feel and enjoyment of physical magazine copies they can save and reuse over time. They may want to keep recipes, travel information for a longed-for destination, iconic cover pictures, and interesting long-form journalism.

Our readers expect us to be good stewards of the environment, and we are. Magazines are recyclable, made from environmentally certified paper, and biodegradable. Our paper is sourced from sustainable forests via certified chain of custody protocols, our inks are linseed oil based and non-toxic, our adhesives water soluble, and any protective packaging used is recyclable. Based on these facts and widespread availability of curbside and drop-off locations, magazines

are recognized as recyclable by the US Federal Trade Commission. MPA has engaged in several industry wide campaigns to promote recycling of magazines after use.

Magazines, newspapers and the broader paper industry are successful recyclers.

- Paper is 100% recyclable and has been recycled at rates exceeding 63% every year since 2009. Further, 100% of magazines unsold at the newsstand have perennially been recycled. Paper is doing a significantly better job than other industries. EPA's November 2020 recycling report indicates recycling rates of 8.5% for plastics, 17.2% for aluminum, 18.2% for rubber and leather, 25% for glass and 68.2% for paper.
- Approximately 80% of all U.S. paper mills utilize recovered fiber to make everything from paper-based packaging to tissue products to office paper and newspapers.
- After a period of negative market prices for recovered paper, the market is expected to slowly improve through 2023.

Including printed paper in EPR bills like HB 36 will not help the environment or achieve the bills' environmental goals. It will only hurt magazines and other paper products.

Available data shows the failure of EPR for paper. We urge Legislators to proceed with caution and make sure EPR programs really work.

- EPR programs in Europe do not include paper products. Several EPR programs in Canada do include paper products and the experience there is instructive. Rather than improving environmental performance and efficiency, the system in Canada demonstrates how simply shifting costs from municipalities to paper producers actually reduces the efficiency of the recovery system and increases costs. In British Columbia, recycling rates have stalled and are trending downwards while the fees have fluctuated wildly and increased markedly. The 2020 printing paper fee of \$175 US dollars per ton represented an 86% increase compared to 2019. In 2021, the rate has increased dramatically once again, to \$255 US dollars/ton, close to 50% over 2020 fees. These types of volatile fees will devastate many Maryland companies and industries, including the magazine industry, especially coming on top of the continuing economic impact and expenses related to the COVID-19 pandemic.
- Requiring paper to pay fees into a structure that combines all products together disrupts systems that have been working today and would require magazines and newspapers to subsidize producers of less environmentally-friendly materials, previously lacking successful recycling programs. Requiring differentiated fees based on material type hardly solves this problem.
- Paper is not toxic, hazardous or hard to handle. Inks and adhesives used by the magazine industry have no residual negative impacts on the recycling process. In contrast, other materials take years to decompose, release toxins into the environment and can release toxic pollution if burned.

First Amendment Concerns

Long-form magazine journalism is a trusted and compelling source of news and information of great value to readers and society on a vast range of topics, including environmental issues. It is important to protect this source of information. We are concerned that inclusion of printed paper in any EPR system would:

- Discriminate against printed media compared to other media formats by enacting an onerous regulatory regime and fees on print media in a manner that would discourage the dissemination of news and information in such formats;
- Impose a mandate for a consumer education campaign determined by government agencies, at publishers' cost, potentially compelling speech by print media.
- Establish an open-ended fee structure that could be used by the government to restrict speech.

What is the role for the paper industry? We will continue to do our part.

- The paper industry has traditionally been successful in growing recycling rates. China's departure from the market for recovered fiber disrupted the trend. Once the market for recovered paper recovers, existing systems will once again be successful, although it is notable that the movement from dual recycling streams to single stream programs has introduced much higher levels of contamination that will continue to affect market price and recyclability.
- Magazines and newspapers can be part of the solution to educate consumers. MPA members have run multiple campaigns in the pages of our magazines, raising awareness about the recyclability of magazines and providing resources for consumers to obtain additional information on magazine recycling. Once the market for recovered paper improves, it may be time for another such campaign.

We appreciate your consideration of the information contained in this memo, and we urge the legislature to oppose HB 36 and other EPR bills that include printed paper. If you have any questions or comments, please contact Rita Cohen, Senior Vice President at rcohen@magazine.org or (202) 369-1237 or Leslie Dunlap at leslie@dcindc.com or (202) 468-1663.