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#### Submitted via MainePackagingEPR@maine.gov

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The Honorable Melanie Loyzim Commissioner Maine Department of Environmental Protection 17 State House Station 32 Blossom Lane Augusta, Maine 04333-0017

The Association of Home Appliance Manufacturers (AHAM) appreciates the opportunity to participate and provide comments on the Packaging Stakeholder Meeting. AHAM represents more than 150 member companies that manufacture 90% of the major, portable and floor care appliances shipped for sale in the U.S. Home appliances are the heart of the home, and AHAM members provide safe, innovative, sustainable and efficient products that enhance consumers' lives.

The home appliance industry is a significant segment of the economy, measured by the contributions of home appliance manufacturers, wholesalers, and retailers to the U.S. economy. In all, the industry drives nearly \$200 billion in economic output throughout the U.S. and manufactures products with a factory shipment value of more than \$50 billion.

In Maine, the home appliance industry is a significant and critical segment of the economy. The total economic impact of the home appliance industry to Maine \$437.4 million, more than 3,200 direct and indirect jobs, \$66.5 million in state tax revenue and more than \$138.3 million in wages.

AHAM respectfully submits the following recommendations for the draft rule:

#### Packaging Recycled Outside of Residential System Should be Exempt

Large appliances are delivered to a consumer's home and, as part of the installation, the packaging material is not left in the home but taken by the installer. The installers load the packaging in the delivery truck and return those materials to be recycled through commercial (non-residential) recycling systems. Producers who can provide records to validate packaging recovery outside of residential systems should have those materials exempted. Existing law in Oregon exempts packaging if a producer can demonstrate that their packaging is recovered as a function of the distribution chain and is recycled at a responsible end market.

Oregon Law (SB582) states the following:

A producer may demonstrate to the department that a material is exempt from the requirements for a covered product if the material:

(A) Is collected through a recycling collection service not provided under the opportunity to recycle;

(B) Does not undergo separation from other materials at a commingled recycling processing facility; and

(C) Is recycled at a responsible end market.

The revised Ontario regulation allows for two deductions and home delivered appliances are one of them. This is a common deduction in Canada.

Allowable deductions are those Blue Box materials that are:

Collected from an eligible source at the time a related product was installed or delivered. For example, packaging that is supplied with a new appliance and is removed from the household by a technician installing the new appliance.<sup>12</sup>

## Producers Should be able to Participate in a Collective and/or Individual Program

Producers must have the ability to participate in an individual and/or a collective program that provides the ability to fully discharge their obligation. An individual or collective approach for the recovery of certain materials, such as materials that do not enter the residential or curbside packaging waste stream, should not subsidize a waste collection and recycling program that they are not part of.

## Source Reduction Requirements Should Account for Previous Reductions in Packaging

Future packaging laws and regulations should not penalize companies that have proactively source reduced packaging. These proactive actions should be rewarded and considered as part of the source reduction targets.

### Include Full Life Cycle Effects of Packaging Material when Assessing Fees

Packaging material fees or "eco fees" must take into account the life-cycle impact of the material. The use of packaging material that is easily and readily recycled should be incentivized as compared to lightweight, non-biodegradable materials. Alternatives to existing packaging materials or material source reduction involve tradeoffs. For example, plastic-based products will generally be lighter and less volume than fiber-based packaging.

In addition, there are already inherent financial incentives for manufacturers to reduce costs and amounts of packaging, especially for home appliances that have non-consumer facing packaging, because the packaging is not used for marketing purposes. It is purely an additional cost to the product to ensure the product arrives at the home without being damaged. The methodology used to set fees should be consistent with established practices to determine fair allocation of costs based on the complexity required to collect a certain material.

# Impacted Packaging Producers have Program Lead

Recovery programs that place responsibility for recycling and/or disposal of post-consumer packaging with producers must ensure producer's involvement is not limited to merely

<sup>&</sup>lt;sup>1</sup> <u>https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/SB582</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.circularmaterials.ca/faq/</u>

subsidizing the status quo of inefficient recovery and recycling programs. If producers are responsible for all of the costs to dispose/recycle in a given jurisdiction, then producers must have the authority to exercise proper oversight without being required to give preferential treatment to existing partners, collectors, or municipal programs during the program's design and implementation. Requiring responsibility without authority is a dysfunctional management structure.

To the greatest extent possible, AHAM requests Maine harmonize its stewardship program including definitions and the process for reporting and remitting, with existing state programs. Harmonization of recycling policies will encourage economies of scale, efficiencies and convenience for consumers, while streamlining compliance.

AHAM appreciates the opportunity to provide additional comments on stakeholder exemptions. Manufacturers of consumer products need flexibility in choosing appropriate materials for packaging their products to avoid situations that cause product breakage and damage during transport (which ultimately increases the lifecycle impact of the product) as well as to deter theft of smaller, high value electronics from retail establishments. Please feel free to contact me with any questions or to further discuss AHAM's recommendations.

Sincerely,

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