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May 10, 2021

The Honorable Stacy Brenner, Chair
Committee on Environment & Natural Resources
100 State House Station
Augusta, ME 04330

The Honorable Ralph Tucker, Chair
Committee on Environment & Natural Resources
100 State House Station
Augusta, ME 04330

RE: WestRock Opposition to LD 1541 and LD 1471

Dear Senator Brenner, Representative Tucker and Members of the Committee:

I am writing on behalf of WestRock to express our opposition to Extended Producer Responsibility (EPR) for paper packaging as contained in LD 1541 and LD 1471.

WestRock is a global leader in sustainable fiber-based packaging solutions with 50,000 team members at over 300 locations around the world. We also operate one of North America's largest recycling networks, managing over 8 million tons of recovered fiber annually. I am the General Manager of WestRock's Scarborough, Maine folding carton facility, where 80 individuals work to manufacture 100% recyclable paper packaging for critical goods (such as medicine and COVID tests) that Mainers rely on every day. Each year, WestRock invests over \$13 million directly in Maine's economy through salary, taxes, and in-state supplier spend. I'm proud to say that we have been safely operating throughout the pandemic as a CISA-designated critical infrastructure facility.

Paper recycling in the United States is a tremendous success story. Paper products in general had a 66.2% recovery rate in 2019. That rate has been above 63% since 2009. According to recent EPA data, this means that more paper is recovered for recycling in the United States than glass, plastic, steel and aluminum combined. The success of paper recycling in the United States is driven in large part by companies like WestRock that create a robust market demand for recovered fiber. Unlike some other materials, we do not need a third party to prompt us to recycle paper because recycling is a key part of our business model. Even with recent disruptions to certain recycling markets due to China National Sword, paper products remain a valuable and in-demand part of the recycling stream.

While EPR may be an appropriate program for certain hard-to-recycle materials with limited markets, it is not appropriate for paper products. A recent study by York University reported that costs for an EPR program in British Columbia increased by 26% while the program's performance increased by a mere 1%. EPR fees for paper packaging in the British Columbia system are in excess of \$300 per ton – this is an unsustainable cost that businesses will be forced to pass along to consumers. In fact, an additional study of proposed legislation in New York found that EPR could cost billions of dollars and increase grocery prices by 4-5%. With this in mind, it is clear that applying EPR to paper-based packaging can only be considered to be a regressive tax on the products that we make and sell here.

In conclusion, EPR is an expensive and ineffective solution to a problem that simply does not exist when it comes to paper. For these reasons, we must respectfully oppose both LD 1541 and LD 1471.

Sincerely,

A handwritten signature in black ink that reads "Joe Curesky". The signature is written in a cursive, flowing style.

Joe Curesky
General Manager
WestRock Scarborough