American Forest & Paper Association

March 26, 2025

The Honorable Denise Tepler and Victoria Doudera
Chairs, Joint Standing Committee on Environment and Natural Resources
Cross Building, Room 216
Augusta, ME 04333

RE: Support for LD 56 and 69; Opposition to LD 1122 – Measures concerning fees charged for providing paper carryout bags.

Dear Committee Chair Tepler, Chair Doudera, and Members of the Joint Standing Committee on Environment and Natural Resources,

The American Forest & Paper Association (AF&PA) and the Maine Forest Products Council (MFPC) support the proposed legislation repealing the fee charged on paper carryout bags – LD 56 and LD 69 – on behalf of our members and their employees who are an integral part of the circular economy. Conversely, we must respectfully oppose LD1122, increasing the fee on carryout paper bags from $0.05 to $0.10.

Introduction to AF&PA and MFPC

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 recyclable 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 4.7 percent of the total U.S. manufacturing GDP, manufactures about $435 billion in products annually and employs about 925,000 people. The industry meets a payroll of nearly $80 billion annually and is among the top 10 manufacturing sector employers in 44 states.

For 65 years, MFPC has served as the voice of Maine's forest economy, representing more than 300 members from all facets of the forest products industry. Their members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers, truckers, commercial landowners sustainably managing more than 8 million acres and more.

In Maine, the industries employ more than 12,500 individuals, with an annual payroll of approximately $1.013 billion. The estimated state and local taxes paid by the forest and logging, wood products, and pulp and paper industries totals $5.5 million annually.[1]

Paper Recycling Works

[1] Data sources: U.S. government, AF&PA, and Fastmarkets RISI. Figures are the most recent available as of March 2025.

Paper recycling is an environmental success story. Paper is one of the most widely recycled materials in America, and paper recycling rates in the U.S. have consistently increased in recent decades. The paper industry recycles nearly 60% more paper today than it did in 1990, when the industry set its first recycling rate goal.

In calendar year 2023, U.S. pulp, paper and paperboard mills consumed 31.3 million tons of recovered paper to manufacture new products, and the U.S. exported another 14.8 million tons for use in manufacturing new pulp, paper and paperboard around the world.

Additionally, the paper industry is working to capture even more paper from the waste stream for recycling. Since 2019, our industry has announced or is expected to complete projects by 2025 that will use more than 9 million tons of recycled paper. These projects include building new mills, converting or expanding existing mills, and updating machinery and equipment.

Impacts of Bag Fees

Offering bags and containers 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, such as rent, electricity, insurance and employee wages. Government taxes imposed on products increase costs for consumers who can least afford it-and can create distortions in the free flow of recyclable commodities like paper. Taxes and fees burden hard working citizens by increasing the costs of basic necessities for all and disproportionately impacting fixed- and low-income consumers. These consumers can ill afford to pay an additional tax on paper bags while struggling to cover increasing costs of essential products, and they need affordable packaging options to protect their food purchases from damage and contamination. Paper bags are a clean, hygienic, and convenient choice to meet those needs while also being reusable, compostable, and 100% recyclable.

Conclusion

We encourage Maine to promote measures which support paper and paper-based products. We stand ready to assist you and serve as a resource as you continue the dialogue on this important issue. Please direct any question regarding this matter to Ryan Carroll, AF&PA's Senior Director, Government Affairs at Ryan_Carroll@afandpa.org or Krysta West, Deputy Director of MFPC at kwest@maineforest.org.