



March 10, 2015

The Honorable Joan Carter Conway
Chair, Senate Committee on Education, Health and Environmental Affairs
2 West
Miller Senate Building
Annapolis, MD 21401

Testimony in Support of Senate Bill 684

Dear Chair Conway:

On behalf of the Glass Packaging Institute (GPI), I am pleased to offer the following testimony in support of Senate Bill 684, which creates a refundable, beverage container recycling refund program for the state of Maryland.

GPI is the North American trade association for the glass container manufacturers, glass recyclers, and suppliers of materials, equipment and transport to the industry. Collectively, the industry directly employs 18,000 Americans in glass container manufacturing and related recycling industries.

When glass plants can increase the levels of recycled glass as part of the overall batch mix, they can reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions.

GPI estimates that 65%-80% of recycled glass used in the glass container manufacturing process is sourced from the 10 states with beverage container recycling refund programs. These programs achieve on average, a 76% recovery rate for included beverages. Demand for quality, recycled glass by the glass container and other manufacturers across the country are very strong, with available and ready markets.

A prime reason for the success of container recycling refund programs is that collected containers are kept separate from other recyclables, drastically reducing contamination and providing them the best opportunity to return to a manufactured product.

Out of the 4 billion beverage containers that are sold Maryland annually, it is estimated that only 25% are being reused or recovered. This is roughly 10% less than the national average. The goal of Senate Bill 684 is to recover and reuse 70% of the beverage containers included in the program. Water, soft drinks, beer, sports drinks, juices, teas, wine, and liquor would be covered in the program, each with a five-cent, fully refundable deposit.

Senate Bill 684 takes a progressive, public/private approach towards implementing beverage container recycling. It establishes a private-for-profit entity with financial and operational responsibility for recycling the covered beverage containers, as well as managing the related collection and logistical infrastructure.

This approach to beverage container recycling has proven successful in Oregon, where beverage container cooperatives have run a fiscally sound program since 2009 under guidance and direction from the distributors.

Senate Bill 684 would not be a recycling program run by the Maryland government. It is also important to note that no state or local taxes or fees would be utilized to subsidize or support the program.

To run the program, Senate Bill 684 creates the Maryland Beverage Recycling Organization (MBRO) comprised of Maryland beverage distributors and beverage producers. The MBRO would manage the annual deposits and report on the sale of commodities from the beverage containers. **The MRBO would receive two-cents per container redeemed, and share profits from the program, (utilized from the unredeemed deposits) among its members.**

The legislation also provides for an easier consumer experience when they return their containers, as well as reducing the burden on retail outlets. Smaller retail stores would not be required to redeem or collect the containers sold with a deposit. Consumers would be provided multiple avenues in order to receive their deposit back.

Senate Bill 684 also includes a provision that would enable counties and municipalities to be reimbursed for any loss of recyclable material revenue.

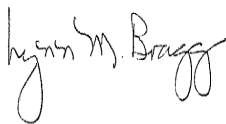
For example, it would provide revenue back to the municipalities for those containers that were previously recycled curbside, but are now subsequently recycled through the program. **The revenue would be based upon the commodity value of the recyclables previously collected curbside.**

This provision is key, as municipalities and county recycling programs would continue to be made “whole”, and existing single stream program can continue to operate side-by-side with the beverage container recycling program, with no financial stress.

To ensure continued success of the program, the bill also establishes the Maryland Recycling Advisory Commission (MRAC). The objective of the MRAC is to advise the state, counties and municipalities on recycling issues, and would be comprised of county and state agency representatives.

GPI would like to thank you in advance for your thoughtful consideration of our comments to Senate Bill 684. Please consider GPI and its member companies a resource and advocate for recycling related issues.

Sincerely,



Lynn M. Bragg
President

Cc: Members, Maryland Senate Committee on Education, Health and Environmental Affairs