



February 18, 2016

The Honorable Thomas M. Middleton
Chair, Senate Committee on Finance
3 East
Miller Senate Office Building
Annapolis, MD 21401

Testimony in Support of Senate Bill 367

Dear Chairman Middleton and Members of the Committee:

On behalf of the Glass Packaging Institute (GPI), **I am pleased to offer the following testimony in support of Senate Bill 367, the Maryland Redeemable Beverage Container Recycling Refund and Litter Reduction Program**, 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 beverage 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 4.8 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 367 is to recover and reuse 70% of the beverage containers included in the program. Carbonated and uncarbonated beverages, beer, sports drinks, juices, teas, and liquor would be covered in the program, each with a five-cent, fully refundable deposit. Milk products and wine would be exempt from the program.

The legislation also provides an easy consumer experience when they return their

containers, as well as reduces the burden on retail outlets. Smaller retail stores (under 5,000 square feet) 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, including redemption centers located across the state.

Senate Bill 367 takes a forward-looking approach towards implementing beverage container recycling. A significant amount of the unredeemed deposits would be allocated back to participating distributors of covered beverages, as well as counties for any documented loss of recyclable material revenue from curbside programs. 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.

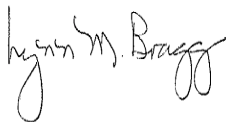
Other revenue generated from the unredeemed deposits would be provided to the Chesapeake Bay Trust for environmental grants, as well as grants for statewide litter reduction and environmental programs.

Lastly, the recycling program established in this bill would not impose local or state fees and taxes to subsidize or support it.

GPI would like to thank you in advance for your thoughtful consideration of Senate Bill 367.

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 Finance