

**HOUSE OF DELEGATES ENVIRONMENTAL MATTERS COMMITTEE
HB 1085: Statewide Container Recycling Incentive Program
March 8, 2013**

**Lynn M. Bragg
President
Glass Packaging Institute (GPI)**

IN FAVOR

On behalf of the Glass Packaging Institute (GPI), I am pleased to provide the following testimony and support for House Bill 1085, which would create a container deposit refund and recycling program for 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.

GPI's members recognize the importance of supporting sustainability initiatives including conserving energy, saving raw materials, reducing air emissions (including NOx, SOx, PM and greenhouse gases such as CO2) and being fully committed to "Reduce / Reuse" in all aspects of plant operations e.g. water, cardboard, lubricants, electricity, etc.

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. This is also true of other packaging and manufacturing industries. For glass, one ton of carbon dioxide is reduced for every six tons of recycled container glass used in the manufacturing process. Energy use at the glass plants also drop about 2-3% for every 10% recycled glass used in the manufacturing process.

Based on the forgoing, it should come as no surprise that GPI member companies are strongly impacted by the outputs of the municipal solid waste (MSW) and recycling streams. A top priority for GPI is to divert and recycle as many containers as possible for eventual re-melt in the production of new glass containers.

GPI has established a 50% recycled content goal for the manufacture of new glass containers. Success in achieving that goal is largely dependent on the strength of the recovery systems that generate recycled materials purchased by our industry. GPI estimates that roughly 65% of recycled glass comes from the 10 states with beverage container refund programs. A prime reason for the success of these 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. Accordingly, GPI members are vigorously engaged at the local, state and federal levels to improve collection systems, improve the usability and quality of recyclables for manufacturers and better link collection systems with end markets.

Through the creation of a container deposit refund program for most types of beverage containers, House Bill 1085 has enormous potential to increase the recycling recovery rate within Maryland, assisting in important reductions in energy use and emissions levels for in-state and nearby manufacturers. Further, adoption of House Bill 1085

means that the approximately \$2.7 billion aluminum, PET and glass beverage containers that currently end up in Maryland's landfills or as highway or waterway litter each year will be recovered, and sold in the commodities markets for (at today's prices) about \$54,000,000, rather than needlessly wasted.

While the glass container industry does not have a glass plant located in Maryland, the industry does have three plants in New Jersey, two in Virginia, along with several plants in Pennsylvania. Accordingly, there is already a ready and robust market for Maryland's recycled glass and, while we don't speak for aluminum and PET we do know that the market for recycled aluminum and PET is every bit as strong.

Importantly, House Bill 1085 establishes a goal of 75% recovery of containers within the program by December 31, 2019. With a container deposit refund program in place, this is high level of recycling is achievable, as states with these programs often achieve recovery rates of 80% and better. Additionally, the legislation recognizes the need for monitoring and program improvements over time, and establishes a cost effective Office of Recycling that would assist counties in recycling and facilitate the exchange of information among stakeholders.

For the Committee's information, Delaware has been the only state to repeal its container deposit refund program. According to the Delaware Department of Natural Resources and Environmental Control (DNREC), the program had limited oversight when it was in place, to the degree that an accurate recovery rate for covered containers in any year cannot be cited. The program also removed aluminum beverage containers from coverage in 1994 - an unprecedented move made by no other state with a container deposit program in place - further limiting its effectiveness.

In lieu of a container deposit program, the state instituted single stream recycling for its residents, financed in large part by a 4-cent non-refundable fee placed on glass beer bottles and smaller plastic carbonated beverages (the only two beverage container types still remaining in the previous refund program). The most recent recycling figures issued by the state show a 3,800 ton drop in collection of glass since the move to single stream. While some of the glass may now be included in overall single stream recycling numbers, that figure has not been parsed out to demonstrate anything other a reduction in glass recycling for the state.

GPI and its member companies are focusing on a variety of collection programs to get glass containers back to our plants. A key element that all of these programs share is the separation of the recyclables collected, which our industry has found greatly increasing the opportunities for their eventual reuse in the manufacturing process.

While the Maryland Department of the Environment cites a recent recovery of 41% of beverage containers targeted by the program, there is no evidence to demonstrate where these containers end up. For glass, and often for other aluminum and PET beverage containers, many of such containers counted as "recovered" must be sent through a recycling recovery process, only to be contaminated to the degree where they eventually ends up in a landfill as cover, or unusable for the viable end markets that exist. Accordingly, when evaluating recycling data presented in support of curbside collection it is very important to remember that such recycling data almost always means "collected" not actually recovered and recycled. In contrast, and as we mentioned earlier in this testimony, the vast majority of glass collected through refund programs remains

contaminant-free, able to be purchased by glass recyclers, and eventually by container manufacturers. This is also true for aluminum and PET beverage containers.

According to the “Impact Analysis of a Beverage Container Deposit Program in Maryland” report, issued by the University of Maryland, adoption of a beverage container refund program would have an impact on greenhouse gas (GHG) emissions and energy consumption. The report also cites a significant increase in the recycling rates for the materials and beverage containers covered in the program.

This Report also looks at curbside recycling programs, and notes that while they may be effective at addressing residential recyclables (at least from the collection perspective as discussed above), they often do not capture the containers most likely to end up as litter – those used at work, school, or on the road. The incentive provided by the refund program often captures these beverage containers that otherwise would not be recycled.

The most successful and robust beverage container refund programs not only provide environmental and energy related benefits, but may also contribute to increased employment in the greater recycling industry. A recently issued report by the Container Recycling Institute (CRI) found that, ton for ton, beverage container refund programs create at least five times more jobs in container collection, sorting and transport when compared to the garbage collecting, hauling and landfilling aspects of residential curbside programs.

The CRI Report concluded that the principal reason beverage container refund programs create more jobs is that they recover more of the “target” material. On average, states with these programs recover three times more beverage containers, than states without these programs (76% vs. 24%). In addition, a recent CRI study showed that not only do the 10 bottle bill states provide the vast majority of recovered beverage containers they also recover almost as much other recycled materials as the other 40 non-bottle bill states combined.

Unlike beverage container refund programs, curbside and drop-off programs do not have a demonstrated ability to reduce litter from public areas. However, curbside and drop-off programs can collect a broader spectrum of materials, and therefore work in conjunction with beverage container refund programs to achieve a greater overall improvement in recycling. Additionally, the wear and tear on capital-intensive sorting and processing machines at recycling recovery facilities can be greatly reduced if a portion of covered beverage containers are removed from the process.

GPI would like to thank the Committee for consideration of this critical legislation to increase beverage container recycling rates. Please consider GPI and its member companies a resource and advocate for recycling related issues.