



February 26, 2020

The Honorable Kumar Barve
Chairman
Maryland House Environment and Transportation Committee
House Office Building, Room 250
Annapolis, MD 21401

**Re: Comments on House Bill 824 - Beverage Container Deposit Program:
Establishment and Advisory**

Dear Chairman Barve, Vice-Chair Stein, and Members of the Committee:

On behalf of the Glass Packaging Institute (GPI), I am pleased to provide the following comments on House Bill 824, which would establish a framework and support network for a refundable beverage container deposit recycling program (aka “bottle bill”).

Background

GPI is the North American trade association for the glass container manufacturers, glass recyclers, and suppliers of materials, equipment and transport to the industry. Our member companies produce the vast majority of US food and beverage glass containers purchased in grocery stores and retail outlets (about 27 billion bottles and jars annually). Collectively, the industry directly employs ~16,500 Americans in glass container manufacturing company operations throughout the country.

GPI member companies both process (clean up) and purchase recycled glass collected from municipal programs containers in Maryland, and across the Mid-Atlantic region. Recycled glass is a critical manufacturing input, 100% and endlessly recyclable, and is commonly used in the manufacture of new glass bottles and jars, as well as fiberglass insulation.

Energy and Emissions Benefits of Increased Recycled Glass Use

Using recycled glass to produce new bottles and jars provides clearly defined energy and associated greenhouse gas reduction benefits, recognized by the US EPA, US Dept. of Energy, the US Congress, numerous state and local agencies, in addition to Maryland itself.

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 due to the fact that recycled glass melts at lower temperatures in plant furnaces.

In 2018, the Maryland Department of the Environment issued a statewide waste

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reduction and recovery report. The Department's report highlighted the benefits of glass recycling, specifically noting...*"Glass recycling and source reduction benefits relate more to energy savings rather than GHG reductions (though there are GHG benefits, also). Glass can also be recycled with no loss in quality (unlike paper). Additionally, for every ton of glass recycled, 1,300 pounds of sand, 410 pounds of soda ash, 380 pounds of limestone, and 160 pounds of feldspar are saved."*

We appreciate this recognition, and add that associated greenhouse gas emissions are reduced anywhere from 4-6%, for every 10 percent of recycled glass added to the raw materials batch. Other packaging that experiences greater energy benefits and emissions reductions benefits due to recycled materials use, are significantly more energy-intensive than the glass container manufacturing process.

Use of recycled glass also extends the life of the plant's furnace, reducing the need for expensive retrofits, furnace replacements and associated downtime at the plants.

Bottle Bill Programs Provide Quality, Recycled Glass

Roughly 80% of recycled glass used in the glass container manufacturing process across the country is sourced from the 10 states with bottle bill programs. These programs, achieve on average, over a 70% recovery rate for covered beverage containers.

Demand for quality, recycled glass by glass container manufacturing companies across the country is strong, with available and ready markets. In fact, recycled glass purchased from these bottle bill programs often travels several states to glass container manufacturing plants and other end markets, highlighting this demand.

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

House Bill 824 Framework

We appreciate House Bill 824's thoughtful approach to a bottle bill framework and associated development. Strategically placed beverage container redemption centers, a higher deposit, and ensuring maintained drop-off and curbside recycling options, are important elements to the overall health of the recycling system.

We recommend extending the proposed Advisory Committee to include representatives from both the recycling "processing" and manufacturing end market industries for covered beverage containers. As two key stakeholder groups within the supply chain, they can share their perspective and first-hand insight concerning bottle bill programs.

While the glass container industry does not have a glass plant located in Maryland, the industry does have nearby plants and glass processing facilities in Pennsylvania, New Jersey and Virginia. By increasing the amount of recycled glass utilized in the manufacturing process at these facilities, air quality for Maryland residents, and the entire Mid-Atlantic region is improved.

Oregon, one of the ten bottle bill states, has experienced significant success in expanding its beverage container redemption centers, where a public-private beverage container recycling cooperative, the Oregon Recycling Beverage Cooperative (ORBC) runs a fiscally sound program, with leadership and direction from beverage distributors.

The Oregon program boasts a recovery rate of ~90% of covered containers, and consumers now return about 60% of their containers to the ORBC-run redemption centers, greatly reducing the burden on smaller grocery outlets.

The ORBC recommends four key best practices for other states seeking to implement a bottle deposit recycling program for their residents:

- Ensure a privately-run system where industry has control of costs and benefits
- Allow industry to use all unredeemed deposits to offset costs (pay employees, expand operations and other administrative functions)
- Industry should have control over scrap material (returned beverage containers)
- Prevent additional fees/payments within the system (as the Cooperative handles program obligations for 98% of the state's beverage distributors)

Please see APPENDIX A, for more information on this key program.

Thank you for your consideration of our comments, and we look forward to engaging on recycling policies and issues under consideration by the legislature.

Sincerely,



Scott DeFife
President

Enclosure