



February 5, 2021

Environment & Transportation Committee
Delegate Kumar Barve, Chairman; Delegate Dana Stein, Vice Chair
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

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

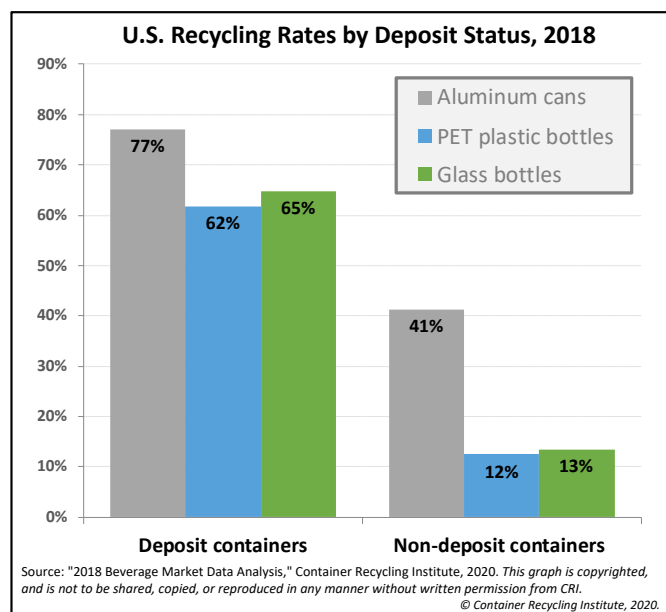
We are writing in support of House Bill 99, “An Act Concerning Beverage Container Deposit Program – Establishment and Advisory Commission.”

The bill would create a multi-stakeholder advisory commission charged with designing a framework for a beverage container deposit law in Maryland. The advisory commission would be required to submit its recommendations to the Maryland legislature by Dec. 31, 2021. The bill further charges the Department of the Environment to use these recommendations to establish a beverage container deposit program by September 1, 2022.

We applaud the bill for specifying a **minimum deposit of 10¢**, and for **setting a target of 90% redemption**. Michigan and Oregon, the two U.S. states with dime deposits, have achieved much higher redemption rates—89% and 81% respectively in 2018—than the deposit states with nickel deposits (where redemption rates range from 50% to 75%). *Ten cents is a strong financial incentive for people to return containers rather than throw them in the trash or litter them.* When consumers who purchased the beverage do not directly take bottles and cans in for refund, there are always other groups and individuals ready to step in and do the redemption for them as a means of generating supplemental income.

For almost 50 years, beverage container deposit laws, or “bottle bills,” have been successful in achieving recycling rates that are up to 3 times higher than those of bottles and cans without deposits. As the graphic at right shows, more than three quarters (77%) of aluminum cans with a deposit were recycled nationwide in 2018, in contrast to just 41% of cans lacking a deposit. The differences for bottles are more pronounced: 62% vs. 12% for non-deposit PET plastic, and 65% vs. 12% for non-deposit glass.

Increasing beverage sales nationwide has led to burgeoning bottle and can waste. **Based on national statistics, CRI estimates that 78% of the 5.2 billion beverage bottles and cans sold in Maryland in 2018 were wasted:** littered, landfilled, or incinerated. That level of consumption and wasting represents a significant burden on taxpayers: whether through city-run recycling programs or municipally-contracted trash pick-up and disposal.



Deposits have multiple benefits, including:

- **Achieving higher recycling rates** than municipal programs alone.
- **Transferring** the financial and operational responsibility for recycling from the local taxpayer to the producers of disposable beverage containers.
- **Adding value to local and regional economies** through the sale and processing of scrap materials.
- **Avoiding greenhouse gas emissions and reducing energy use** by displacing virgin materials in manufacturing.
- **Reducing litter** that is expensive for public and private entities to clean up, that causes injuries to people and domestic animals, and that adds to harmful ocean plastic waste.

If Maryland were to pass this deposit bill, CRI estimates that the state would recycle **almost 3 billion additional containers annually—or more than 200,000 tons of metal, glass, plastic and paper**—over and above the recycling currently taking place. By reducing the need to make new bottles and cans from virgin materials, this additional recycling would eliminate about 190,000 tons of greenhouse gas emissions: **an amount equivalent to taking more than 40,000 cars off the road for a year.**

We are optimistic that there will be strong markets for deposit containers generated in Maryland, in part because multiple global beverage brands have made public commitments to increase their use of recycled materials, as the below table shows.

Selected plastics reduction commitments by global brands		
Company	Timeframe	Commitment or target
Coca-Cola	by 2030	Equivalent of 100% of containers collected and recycled
Coca-Cola	by 2030	Average 50% recycled content in bottles
Danone	by 2025	100% of packaging reusable, recyclable or compostable
McDonald's	by 2025	100% of guest packaging from renewable, recycled or certified sources
Kraft Heinz	by 2025	100% of packaging recyclable, reusable or compostable
Nestlé	by 2025	100% of packaging recyclable or reusable

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These lofty goals can only be met through the increased availability of high-quality beverage bottles and cans for use as feedstock in new containers. Deposit programs consistently generate such high-quality bottles and cans. For example, deposit-grade PET bottles had an average value of 15¢ per pound in 2020, **twice the value of non-deposit, curbside PET** (7.3¢ per pound).¹

Deposits on beverage containers are now available to over 400 million people worldwide. With the announcement of 10 new deposit laws in 2019 and 2020 (including New Zealand,

¹ Annual average commodity price for 2020 sourced from RecyclingMarkets.net. Measured in the southwest region: the only US region for which deposit *and* non-deposit PET grades are tracked.

Singapore, Slovakia, and Belarus), **640 million people** will have access to deposit programs by 2023. This trend is projected to continue as more nations realize that deposits are a vital part of the solution to the problem of bottle and can waste.

We would like to make several suggestions to improve HB99:

1. **Broaden the list of beverages** targeted for deposit to include non-alcoholic non-carbonated beverages (such as sports and energy drinks, fruit and vegetable juices and drinks, ready-to-drink iced tea and coffee, kombucha, and other wellness drinks). The bill should also exclude milk and dairy substitutes, although the Commission might want to consider including flavored milks.
2. **Clarify how much authority** the Department of the Environment has to interpret the Commission's recommendations.
3. **Strengthen the bill by making the 90% redemption goal binding.** If an overall 90% redemption rate is not achieved by or maintained within a specified period of time (perhaps 2 years), there should be mechanisms in place to automatically increase the deposit value, increase the number of redemption centers available to the public, or both.
4. **Specify operational and financial responsibilities:** The bill is silent on whether the planned deposit program will be financed and operated by the beverage industry, or by the State of Maryland. If it is the fiscal responsibility of the beverage industry, then the State should have monitoring, oversight and enforcement authority, with meaningful penalties for non-compliance or violations.

These suggested improvements are among best practices in place in various U.S. states with deposit laws.

In sum, CRI strongly supports the passage of a beverage container deposit law in Maryland.

Please contact me with any questions you may have.

Sincerely,



Susan Collins
President, Container Recycling Institute

About the Container Recycling Institute: CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of beverage containers and other consumer-product packaging.