



July 19, 2019

Elena Bertocci
Environmental Specialist
Maine Department of Environmental Protection
17 State House Station
28 Tyson Drive
Augusta, Maine 04333

Re: Comments on Maine's *Resolve To Support Maine Recycling Programs (2019 Resolve Chapter 42)*

Dear Ms. Bertocci:

Per the Department's request to stakeholders, the Glass Packaging Institute (GPI) offers the following comments and recommendations to a legislative framework on Extended Producer Responsibility (EPR) for packaging.

GPI is the North American trade association for the glass food and beverage manufacturing companies, glass recycling and other partners and suppliers to the industry. The industry works closely with local and state governments throughout the country on issues surrounding sustainability, recycling, energy and greenhouse gas emissions goals and mandates.

Glass Container Recycling

The glass container manufacturing industry has a significant stake in the effectiveness of glass recycling programs. Recycled glass is a key component of the manufacturing process. For every 10% of recycled glass included in the manufacturing process, energy costs can be reduced 2-3%. A corresponding reduction of plant greenhouse gas emissions also occurs when increasing levels of recycled glass are used to produce new containers.

The domestic glass container industry purchases 2.4 million tons of recycled glass each year, which translates into an average recycled content of 31% for bottles and jars. Recycled glass also constitutes a significant part of residential curbside recycling, and by weight can be anywhere from 15-25% of the total volume. Recent studies have demonstrated that keeping glass in local recycling programs is important to residents—who understand and buy glass packaging for its ability to be recycled and other premium attributes.

Maine’s existing bottle-deposit recycling program creates high glass recovery rates, glass that is generally free of contaminants and in high demand from the two primary end users, the glass container and fiberglass industries. The 2017 redemption rate of 84% demonstrates its tremendous success. Our industry values the quality recycled glass generated from Maine’s bottle-deposit program.

While, L.D. 1431 exempts covered bottle-deposit beverage containers from the EPR framework, it would apply to curbside collected materials, which include non-deposit materials, for example, jars and similar glass containers for food. GPI offers these comments to emphasize the importance of glass in traditional curbside recycling programs.

EPR Program Goals

Brands and packaging manufacturing companies should be involved in setting performance and recovery targets for EPR programs. While many companies and organizations have established their own sustainability goals, creation of a state EPR program at the state level should be transparent and involve all industries impacted.

While EPR programs can increase the amount of recyclables collected, markers for the success of an EPR program should not be tied to collected volume. The principle reason is that single stream recycling programs indisputably increase contamination levels for all recyclables collected.

This is particularly true for glass. Aggregated loads (referred to as three-mix) coming from the facilities that separate recyclables (materials recovery facilities or “MRFs”) can contain as much as 50% non-glass residue—including solid waste and other non-recyclables—when they arrive at the glass processor. Recycling contamination rates vary and largely are a function of a community’s recycling practices. This contamination results in processors resorting to landfill disposal of considerable amounts of both recyclable and non-recyclable materials.

Because of the ubiquitous contamination in single-stream recycling programs, Maine should include a quality component, threshold or similar metric for participating industries and stakeholders within the EPR framework. As China’s National Sword policy has clearly demonstrated, quality, not quantity, determines markets and value for the recyclable commodities market.

Funding Consideration for an EPR Program

Developing a funding mechanism for a statewide EPR program is complex and requires input from all stakeholders. While funding provided by industry can be used to support the program (at least 80%, per L.D. 1401), municipalities should also provide some funding or resources to support program operations.

Costs should be shared in an equitable manner among the brands and/or their covered packaging entities. All covered packaging across a particular category should pay an equal amount. For example, any fee associated with a 12-ounce aluminum beer can should be equal to any fee for a 12-ounce glass bottle.

A flat-fee equitable system avoids the State of Maine, directly or indirectly, from picking packaging winners and losers. Any other fee structure, like ones tied to the ever-changing recyclable commodity resale value (RCRV) can make one packaging option more financially attractive than its competitors - regardless of its recyclability, utility, or market demand. And, because contamination rates are directly related to a community's recycling habits, Maine should create a fee-structure that does turn on the quality of a community's recycling practices.

The RCRV for recycled glass varies throughout the country and depends on the quality of the glass recovered. The cleaner the recycled glass, the more money received for it. Glass is also uniquely different from other recyclable commodities and is disproportionately affected by RCRV metrics. Recycled glass is not shipped to overseas markets, and therefore, records on its values are not monitored as closely (and reliably), as other materials, such as fiber, PET and steel.

RCRV for commodities vary month to month (in some cases, weekly). Attempting to account for these fluctuations to determine fees in an EPR scheme results in the winner-loser effect and creates arbitrary unfairness. Avoiding these metrics in an EPR scheme reduces negative impacts on packaging options or choices, lowers the State's risk of generating legal challenges, and diminishes antitrust risks for industry.

Program Revenue

Maine should direct a significant amount of the revenue from any EPR program towards grants to improve the parts of the recycling infrastructure that directly impact quality. By improving the quality of the recyclables being collected, the State can realize additional revenue and encourage developing markets for recyclables.

Thank you for your consideration of our comments. GPI and its member companies look forward to additional opportunities to engage with the Department and legislature, as EPR framework is developed.

Sincerely,



Joseph J. Cattaneo
Executive Director