



SENATE FINANCE COMMITTEE
SB 394: Statewide Container Recycling Refund Program
February 20, 2014
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IN FAVOR

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On behalf of the Glass Packaging Institute (GPI), I am pleased to provide the following testimony and support for Senate Bill 394, 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 NO_x, SO_x, 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 glass containers to ensure that as many as possible are re-melted in the production of new glass containers in a "closed-loop" recycling system.

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 80% 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 become a new container again. Accordingly, GPI members are vigorously engaged at the local, state and federal levels to improve collection systems, the usability of quality of recyclables for manufacturers and better link collection systems with end markets.

Through the creation of a beverage container recycling refund program for most types of beverage containers, Senate Bill 394 has enormous potential to increase the beverage container recycling rate within Maryland, assisting in important reductions in energy use and emissions levels for in- state and nearby manufacturers.

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. By increasing the amount of recycled glass utilized in the manufacturing process at these facilities, emissions levels are reduced significantly, decreasing emissions that may be sent downwind to Maryland and helping to protect the Chesapeake Bay Watershed.

With a beverage container recycling refund program in place, this high level of recycling is achievable, as states with these programs often achieve recovery rates of 80% and better.

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 glass is removed from the process.

A Study recently commissioned by the Glass Packaging Institute (GPI), and conducted by Resource Recycling Systems (RRS), released earlier this year examines some elements of both beverage container recycling refund systems and single stream recycling programs. As all ten states with beverage container recycling refund programs also have single stream operations for curbside recyclables in place, GPI wanted to better understand how these programs work together.

The “Optimized Bottle Bill” (OBB) Study, found that in conjunction, single stream collection systems and beverage container recycling refund programs have the potential to increase overall statewide recovery of recyclables by at least 11%, while at the same time, increasing recovery rates of included beverage containers by 162%.

As sustained funding for recycling and solid waste programs in all states and counties remain a top priority, the OBB Study also examined the potential fiscal impact to each.

The Study found that if unredeemed deposits are reinvested into the recycling infrastructure, then OBBs may increase recovery while also creating a sustainable funding source for recycling. Though MRFs and communities experience a reduction in material and thus material revenue, OBBs experience system-wide funding equality by returning otherwise reduced revenue to MRFs and, through those MRFs, to communities. Through an appropriate administrative and revenue funding structure, Maryland has the potential to create a sustainable and successful recycling program.

For the Committee’s information, Delaware has been the only state to repeal its beverage container recycling 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 beverage container recycling refund program in place - further limiting its effectiveness.

While the Maryland Department of the Environment has recently cited a recovery rate of 41% for beverage containers targeted by the program, there is no evidence to demonstrate where these containers end up. For glass, much of the containers counted as “recovered” while be sent through a recycling recovery process, only to be contaminated to the degree where they eventually end up in a landfill as alternate daily cover, or unusable for the viable end markets that exist. 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, container manufacturers in a closed loop system.

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 recycling 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, they often do not capture the containers most likely to end up as litter – those used at work, school, or on the road.

The most successful and robust beverage container recycling 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, depending on system parameters, these programs create 11-38 times more jobs than a curbside recycling system for beverage containers. (*Morawski and Morris, Returning to Work: Understanding the Domestic Jobs Impacts from Different Methods of Recycling Beverage Containers, December 2011*)

Additionally, the CRI report finds that, ton for ton, beverage container recycling refund programs create at least five times more jobs in container collection, sorting and transport than in garbage collecting, hauling and landfilling. The CRI Report concluded that the principal reason beverage container refund recycling programs create more jobs is that they recover more of the “target” material. On average, states with these programs recover approximately three times more beverage containers, than states without these programs.

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.

Sincerely,



Lynn M. Bragg

President