



March 4, 2024

Senator Brian J. Feldman, Chair
Senator Cheryl C. Kagan, Vice Chair
Senate Education, Energy, and the Environment Committee
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Support for SB 642, An act creating the Maryland Beverage Container Recycling Refund and Litter Reduction Program

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Upstream **in support of SB 642**, which will establish a beverage container deposit return system for Maryland with strong targets and incentives for reuse and refill.

Upstream is a US-based non-profit and leading change agency for the reuse movement in the US and Canada. We spark innovative solutions to help people, communities and businesses shift from single-use to reuse. We believe deposit return systems (DRSs), also known as recycling refunds, are crucial to accelerating the new reuse economy.

SB 642 will establish a DRS with strong reuse and refill targets for beverage containers in Maryland. Specifically, the bill requires at least 10% of beverage containers to be returned and refilled by the end of 2034. The bill also requires a beverage container stewardship organization to establish a fee structure for participating producers that incentivizes investments into reusable and refillable container systems, and for the organization's stewardship plan to describe anticipated investments made to improve reuse. These requirements and financial incentives are crucial to scaling reuse among beverage companies.

The beverage sector is ready for reuse. Today, beverage reuse systems operate at scale around the world, and virtually all of them use DRSs to get their containers back:

- In Germany, 82% of beer is sold in reusable bottles, and 99% are returned for reuse. Overall, 54% of beverages sold in Germany are in reusables.
- In Ontario, Canada, 85% of beer is sold in reusable bottles, with 97% returned and an average reuse rate of 15 cycles.
- Reusables account for significant portions of beverage sales in Mexico (27%), Columbia (54%), Brazil (24%), China (22%), Vietnam (31%), Thailand (20%), India (34%), Nigeria (43%), and the Philippines (59%).

Reusable beverage containers are better for the environment. After a third use, reusable glass bottles are already less impactful than single-use glass, PET or aluminum cans. Used 25 times and then recycled, reusable glass bottles create 85% fewer climate emissions than single-use glass; 57% fewer than aluminum cans; and 70% fewer than single-use PET. Refillable PET bottles can save up to 40% of the raw materials and 50% of the greenhouse gas emissions compared to the production of single-use PET bottles. Refillables also benefit the ocean: **Oceana estimates that a 10% increase in the share of beverages sold in refillables could result in a 22% decrease in marine plastic pollution.** This would keep 4.5 to 7.6 billion plastic bottles out of the ocean each year.

Fifty years of data on DRS laws in the U.S. demonstrate that refundable deposits are effective at boosting collection and recycling rates, creating local economic development opportunities and jobs, generating clean streams of recyclable materials through source-separation, preventing roadside litter and plastic pollution, and catalyzing reuse. **The time has come for every state to establish a DRS.**

Upstream's vision is for 30% of consumer goods to be sold in reusables by 2030. To realize this vision, we need consumer brands to have real skin in the game when it comes to designing, packaging, and selling their products. **SB 642 will put the responsibility for redesigning, reusing, and recycling beverage containers where it belongs - on beverage producers. We thank you for considering this bill and strongly encourage you to favorably report it from your Committee.**

For any questions, please contact me at sydney@upstreamsolutions.org.

Thank you for all you do,

Sydney Harris
Policy Director