

**Testimony to the Maryland Senate Education, Energy, and the Environment and  
Committee**

**The Aluminum Association**

**March 5, 2024**

**Support for SB0642 with Amendments – Maryland Beverage Container Recycling  
Refund and Litter Reduction Program**

Thank you for the opportunity to submit testimony in support with amendments on Maryland Senate Bill 0642. My name is Curt Wells and I am the Senior Director of Regulatory Affairs for the Aluminum Association. The Aluminum Association is the trade association representing U.S. aluminum manufacturers and their suppliers, and Aluminum Association member companies supply 100% of the aluminum sheet that is produced in the US and used to make aluminum cans. In addition, Association member Constellium, a leading recycler of used beverage cans into can sheet that is used to make new aluminum cans, has its U.S. headquarters in Baltimore.

Demand for used aluminum cans to incorporate into new beverage can sheet far exceeds the supply due to a lack of consumer aluminum recycling. Our members that make aluminum sheet for beverage cans are ready, willing, and able today to incorporate substantially more used cans into their production of new aluminum sheet as it is their preferred raw material. However, aluminum is not produced in the US in sufficient quantities today to meet the demand and the country is heavily

reliant on imports of primary aluminum while there is a huge untapped supply of domestically sourced, stable, and low carbon secondary (or recycled) aluminum that can be made available through increased recycling.

The US aluminum industry is currently investing billions of dollars to expand the production of aluminum can sheet and would like to produce that aluminum can sheet with a higher amount of recycled content than the current industry leading 73%. Recycling refund programs such as that contained in SB0642 are the proven method of increasing that recycled content as research has demonstrated that in the US today, aluminum beverage cans sold in a recycling refund program have a 77% recycling rate as compared to 36% for those that are not.

Specific to Maryland, according to The Recycling Partnership's *2024 State of Recycling Report*, Maryland's residential recycling rate is only 21 percent. This equates to 678,000 tons of recyclable material lost to landfills or the environment annually. This Maryland recycling rate aligns with the Container Recycling Institute's determination that only 23 percent of the 5.6 billion beverage containers sold in Maryland in 2019 were recycled.

The proven policy solution for Maryland that incentivizes consumers to increase their recycling of beverage containers is through recycling refund programs, which place a recycling refund, or deposit, on beverage containers paid at the point of sale. Consumers see a value on the container and have the choice to return it for the refund or forfeit the refund and put it in a curbside recycling bin. As noted above, this solution is proven to substantially increase recycling rates for beverage containers in a short timeframe and also deliver by far the cleanest raw material for remanufacture into new containers.

Although the Association believes SB0642 as drafted is a good initial framework for increasing beverage container recycling rates in Maryland, it would be strengthened with the following amendments:

- Start the variable deposit at 5 cents for beverage containers 24 ounces or less and 10 cents for beverage containers greater than 24 ounces for several years with an automatic increase to 10 cents and 15 cents, respectively, to transition consumers into paying the refundable deposit.
- Make the beverage container stewardship organization responsible for installing, servicing, and maintaining the beverage container redemption mechanisms rather than issuing handling fees to redemption facilities, retailers, or other persons that accept empty redeemable beverage containers for redemption.
- Keep financial responsibility exclusively on distributors and importers and do not include a provision wherein container manufacturers are financially responsible when producers sell under their own brand or where there is a lack of identification of a brand.
- Add as a factor in determining producer fees the relative market value of the beverage container.
- Consider if mandating a state-specific UPC barcode is legal and is feasible given the realities with manufacturing, inventorying, and delivering of beverage containers.
- Remove the legally mandated increase in market share of reusable beverage containers that comes with the performance target and the lower producer fees for reusable beverage containers. Reusables should be eligible for participation in a recycling refund program but the program itself should remain container neutral as to material type and number of uses.

Maryland has before it an opportunity to demonstrate its environmental and policy leadership by creating an industry-led program in the form of SB0642 that incentivizes residents to recycle their aluminum beverage cans and significantly reduce litter in the state. Therefore, the **Aluminum Association urges committee members to amend SB0642 as per the suggestions above and then vote yes on the amended SB0642** in order to advance it for further legislative consideration.