

HB 824

Beverage Container Deposit Program

1

The Problem is Overwhelming

- Every year, over 4 billion beverage containers are sold in Maryland
- Only 25% or 1 billion are sold back to industry to be reused
- The remaining 3 billion end up in landfills, our waterways and on our beaches and highways

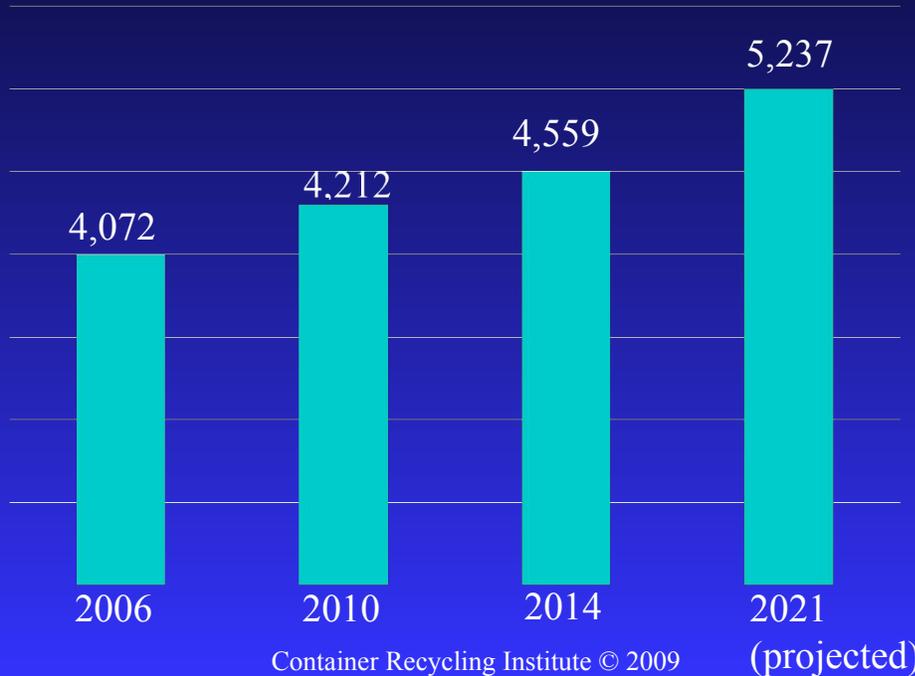


Source: 2010 Beverage Market Data Analysis (BMDA), Container Recycling Institute 2013. Sales derived from: Beverage Packaging in the U.S., 2011 Edition," Beverage Marketing Corp., Dec 2011.

2

The Problem of Litter Will Grow as Beverage Sales Increase

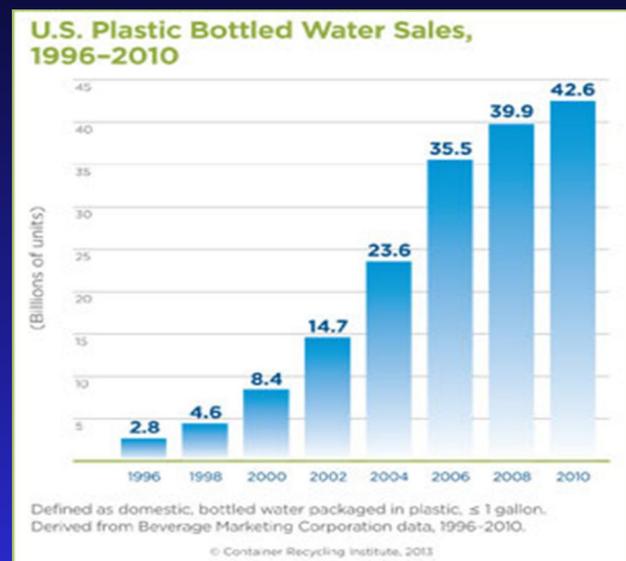
25% Growth by 2021 to More Than 5 Billion Beverage Containers
(in millions of units)



3

Plastic Bottles Are Increasing

- As of 2010, an estimated 100 billion plastic bottles are produced in the U.S. every year.
- As of 2010, 42.6 billion plastic water bottles were sold in the U.S.



Why Beverage Containers?

- They are often consumed on the go - the industry estimates that one third of all soft drinks sold are consumed away from home.
- They compose 40-60% of litter.
- They consume enormous amounts of energy in the manufacturing process.
- Greenhouse gas emissions can be avoided by recycling beverage containers rather than manufacturing new ones.

5

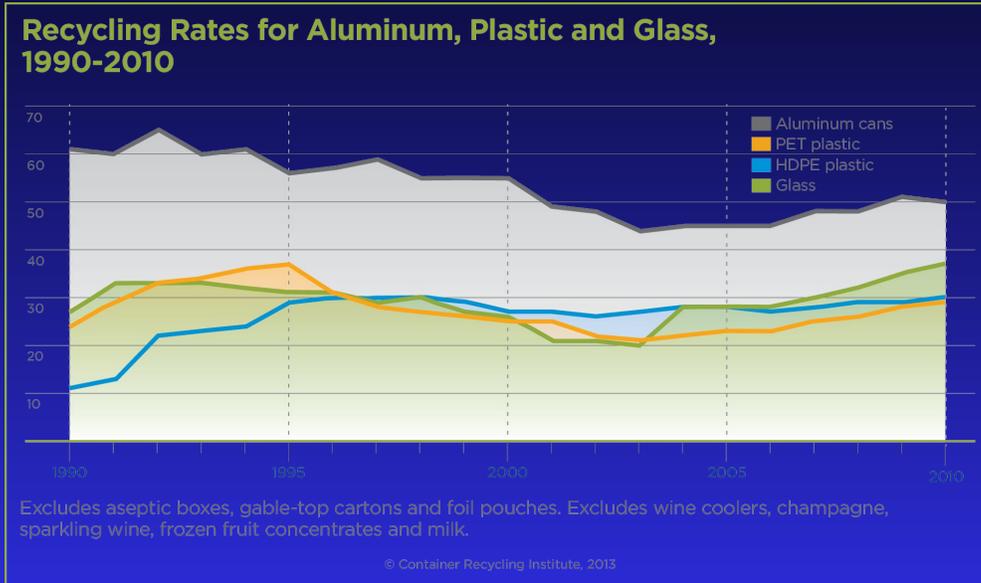
The Impact of Beverage Containers

- Make up 10% - 24% of litter in MD (by weight)
- Costly clean up – cost of litter cleanup in 3 large MD counties is more than \$16M a year
- In 2014-2015, an estimated 18,900 tons of beverage containers were buried in the Prince George's landfill
- In 2014, Baltimore County disposed of an estimated 24,411 tons of beverage containers as refuse



6

Container recycling rates have only increased slightly, despite continued growth in population served by curbside recycling.



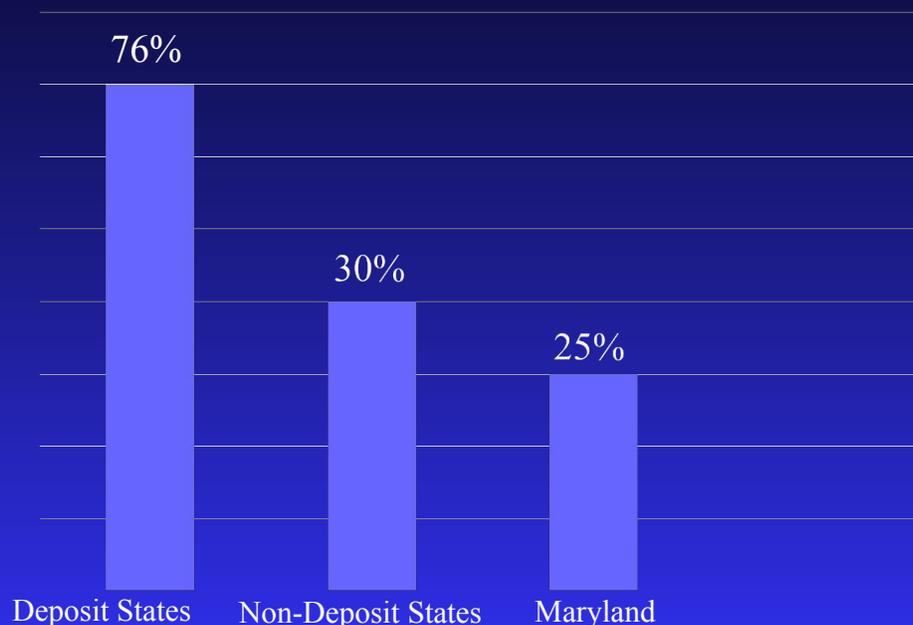
Source: CRI's Beverage Market Data Analysis, 2013 data

Container Recycling Institute © 2009

7

Maryland Needs to Do More...

Average Beverage Container Recycling Rates



Container Recycling Institute © 2009

8

Problems with Current Recycling in MD

1. There are different systems all over the state:
 - a. Some counties have single stream, some have dual stream.
 - b. Different counties accept different things.
 - c. Some have curbside, some don't
 - d. Some the county pays for it, some the individual pays
2. Current recycling rates vary across the state, from 9% in Dorchester to 55% in Montgomery & Prince George's.
3. There are high contamination rates with single-stream, resulting in more materials being un-recyclable, and therefore being incinerated or landfilled.
4. The market has gone down for plastics and counties lose money on glass recycling.
5. Counties are losing money on recycling:
 - a. Montgomery County pays about \$1 million/year to ship recycling out of state because they can't process it.
 - b. In 2019, Frederick County spent about \$6 million on recycling (\$3.5 to collect curbside; \$2-2.5 for processing; \$1 to ship the recyclables to the processing center in Elkridge)
 - c. Prince George's County went from earning a modest \$750,000 on the sales of its recovered paper, cans, bottles and plastic in 2017 to posting losses of nearly \$2.7 million by late 2018.

9

Counties	County Curbside Recycling Program?	Free or Subscription Based?	Subscription Cost	Single Stream	Dual Stream
Allegany	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Anne Arundel	YES	FREE	-	X	-
Baltimore City	YES	FREE	-	X	-
Baltimore County	YES	FREE	-	X	-
Calvert	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Caroline	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Carroll	YES	COUNTY SUBSCRIPTION	\$27.86 per month, includes both trash and recyclables for weekly pickup	X	-
Cecil	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Charliee	YES	FREE	-	X	-
Dorchester	NO				
Frederick	YES	FREE	-	X	-
Garrett	NO				
Hartford	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Howard	YES	COUNTY SUBSCRIPTION	\$325/yr including yard trimmings, or \$310 without trimmings	X	
Kent	NO				
Montgomery	YES	COUNTY SUBSCRIPTION (billed if home receives county trash collection)	paid on annual property tax bill, for homes in a municipality: \$20.97/yr (base systems benefit charge) and municipal solid waste charge varies by municipal: Garrett Park: \$330/yr, Washington Grove: \$130/yr, Gaithersburg: \$83.16/yr and for homes outside a municipality(per yr): \$213.28 + \$95 refuse collection	-	X
Prince George's	YES	FREE* (all homeowners pay fee on property tax bill for recycling and other waste management programs)		X	
Queen Anne's	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTOR		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
St. Mary's	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTORS		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Somerset	NO				
Talbot	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTORS		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Washington	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTORS	vs: Hagerstown charges \$100/yr for one bin or \$200 for both recyclables and trash	*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Wicomico	NO	SUBSCRIPTIONS THRU PRIVATE TRASH COLLECTORS		*DEPENDS ON PRIVATE SUBSCRIPTION	*DEPENDS ON PRIVATE SUBSCRIPTION
Worcester	NO				

10

Counties	Recycling Rate
Allegany	42.15%
Anne Arundel	40.99%
Baltimore City	23.95%
Baltimore County	39.20%
Calvert	22.84%
Caroline	53.47%
Carroll	47.40%
Cecil	55.16%
Charles	46.25%
Dorchester	8.77%
Frederick	42.12%
Garrett	48.31%
Harford	40.91%
Howard	44.06%
Kent	53.47%
Montgomery	55.91%
Prince George's	55.81%
Queen Anne's	53.47%
St. Mary's	29.91%
Somerset	35.57%
Talbot	53.47%
Washington	N/A
Wicomico	28.05%
Worcester	32.75%

Counties are losing money with recycling

[FREDERICK] COUNTY LOOKS AT FUTURE OF RECYCLING AS COSTS CLIMB INTO MILLIONS

[MONTGOMERY] COUNTY SPENDING ALMOST \$1 MILLION TO SHIP RECYCLING OUT OF STATE

RECYCLING ISN'T MAKING MONEY FOR ANNE ARUNDEL

BALTIMORE COUNTY HASN'T RECYCLED GLASS IN 7 YEARS

PRINCE GEORGE'S COUNTY WENT FROM EARNING A MODEST \$750,000 ON THE SALES OF ITS RECOVERED PAPER, CANS, BOTTLES, AND PLASTIC IN 2017 TO POSTING LOSSES OF NEARLY \$2.7 MILLION BY LATE 2018

Garthersburg expects 20% fee increase based on costs of recycling, processing

Beautiful cond. 70K orig. mi. \$10,500. More in stock!

\$18,98

LOADS

Roadst CD L PDL \$16.97 888.80

Autom Full pv #3TD6 www. 1-877-

MOTC Silver blk

CONVERT. 2dr, blk/blk lthr

HB 824

- Establishes a Beverage Deposit Container Program
- Establishes a 10-cent redeemable deposit
- Sets a redemption goal of 90%
- Covers many containers
- States redemption must be convenient
- Creates a Commission of stakeholders to determine the details of the program



13

What is a “Beverage Container Deposit Program”?

A Beverage Container Deposit Program:

- ❑ Requires distributors and retailers to collect a minimum refundable deposit, usually 5-10 cents on certain beverage containers
- ❑ Creates a collection infrastructure for beverage containers
- ❑ Makes producers and consumers responsible for their packaging waste

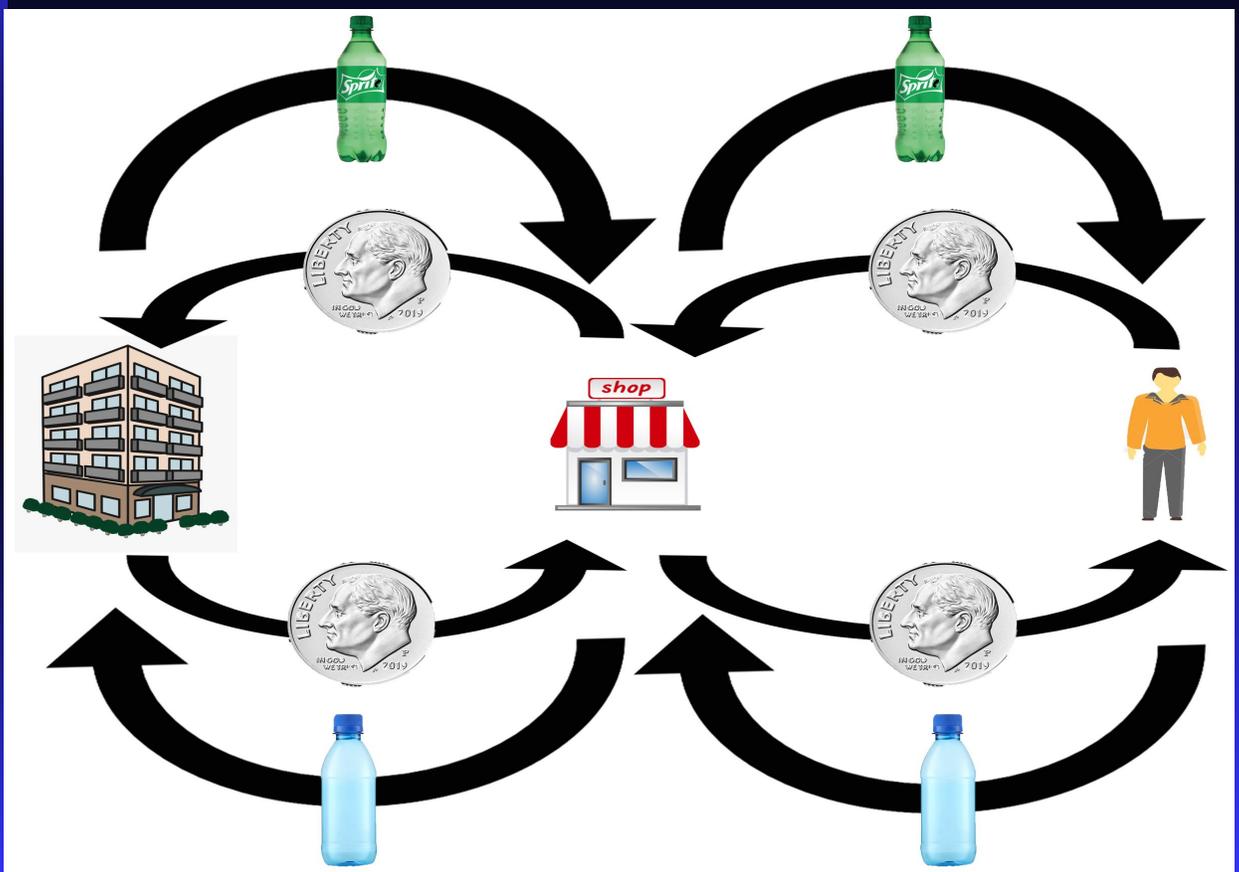
14

How do Container Deposit Programs Work?

- ❑ Distributor collects deposit when it delivers containers to retailer
- ❑ Retailer collects deposit from consumer at point of purchase
- ❑ Deposit is refunded to consumer when container is returned
- ❑ Deposit is refunded to retailer when containers are returned to distributor

15

How does it work?





17

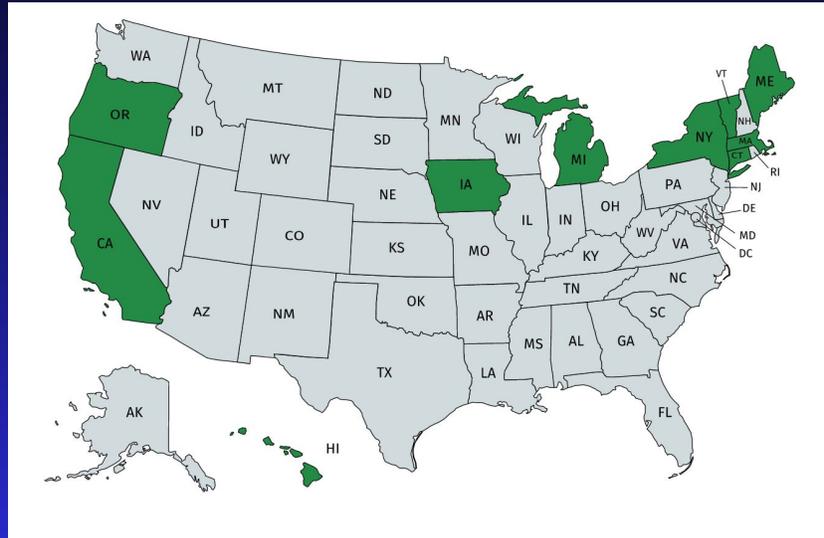
Key Commodities – Covered Beverage Containers



Aluminum, Plastic, Glass

U.S. States with Container Deposit Laws

Oregon
Vermont
Michigan
Maine
Iowa
Connecticut
Massachusetts
New York
California
Hawaii



19

Many states have proposed bottle bills over the years, but the beverage industry has defeated them.

- Arizona
- Arkansas
- California (amendment)
- Colorado
- Connecticut
- Delaware
- Florida
- Georgia
- Guam
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Louisiana
- Maine (amendment)
- Maryland
- Massachusetts (amendment)
- Michigan (amendment)
- Minnesota
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York (amendment)
- North Carolina
- Oklahoma
- Oregon
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Vermont
- Washington
- West Virginia

** The United States of America

20

Beverage Deposit Laws around the world:

- Australia
- Austria
- Barbados
- Canada
- Croatia
- Denmark
- Estonia
- Fiji
- Finland
- Germany
- Iceland
- Israel
- Kiribati
- Lithuania
- Federated States of Micronesia
- The Netherlands
- Norway
- Scotland
- South Korea
- Sweden
- Switzerland

21

Beverage Companies say they are addressing the issue. But are they?

Promises made & broken:

- In the early 1990s, Pepsi promised to phase out virgin plastic in its bottles by 1994. It never happened.
- In 2007, Coca-Cola invested \$60 million in a bottle recycling plant. The plant closed in 2014.

The beverage industry has invested millions in recycling - those programs haven't worked, and keep the onus on consumers without addressing the entirety of the problem:

- In 2019, Coca-Cola, PepsiCo and Keurig Dr. Pepper announced they are investing \$100 million to improve recycling collection and processing. And they will come out with new packaging reminding customers to recycle.

At the same time,

- Coca-Cola has announced goals for its packaging to be 100% recyclable by 2025 and to make bottles with an average of 50% recycled material by 2030.
- Pepsi wants 33% of its bottles to be made from recycled material by 2025
- Keurig Dr Pepper wants them in 30% of its packaging in 2025.

BUT:

- Wood Mackenzie, a consulting firm for the oil and gas industry, estimates plastic bottle collection rates would have to rise 38% by 2025, and 78% by 2030.
- This does not address the problem of contamination and how/where they will get the material they need to fulfill these promises.
 - Right now only 6% of U.S. bottles are made from recycled plastic

22

Myths and Facts about Bottle Bills

Myth: Deposit systems address a small portion of litter: 7 to 25 percent.

Fact: Beverage containers comprise 40-60% of litter.

Myth: Consumers prefer home curbside bins.

Fact: The two work together. Curbside bins take many things that deposit return systems don't; and curbside bins don't address away-from-home consumption.

23

<http://www.bottlebill.org/index.php/about-bottle-bills/myths-facts>

Myths and Facts about Bottle Bills

Myth: Deposit programs take money from localities.

Fact: This ignores the totality of the economics of recycling, including the negative commodity value of glass and all the collection, processing and landfilling costs. Separate studies by the Congressional Research Service, the Seattle Solid Waste Utility, DSM Environmental Services (for the State of Massachusetts), plus studies for the City of Cincinnati and Ontario, Canada *each* concluded that there would be savings to a locality if both a bottle bill and curbside were in place.

24

<http://www.bottlebill.org>

Why do some oppose CDL?

Opponents claim Bottle Bills:

- ❑ Increase costs to distributors and retailers
- ❑ Increase prices and lower beverage sales
- ❑ Only address a fraction of the waste stream
- ❑ Decrease jobs
- ❑ Are not compatible with curbside recycling
- ❑ Are inconvenient for consumers

Their Arguments are unfounded

- Cost increases can be recouped in minimal price increases that consumers barely notice, and gladly pay for their favorite beverages.
- CDL is effective for beverage containers because of litter and away from home use. It only addresses this portion of the waste stream because it only *targets* this portion.
- CDL and curbside collection are compatible, because CDL targets away from home recyclables.
- Consumers quickly become accustomed to returning their empties, and enjoy getting refunds.

Environmental Benefits

Increased recycling of beverage containers:

- Improves environmental and ecological habitats
- Conserves Maryland's natural resources
- Decreases waste diversion to landfills or incineration



27

Bottle Bills Reduce Litter

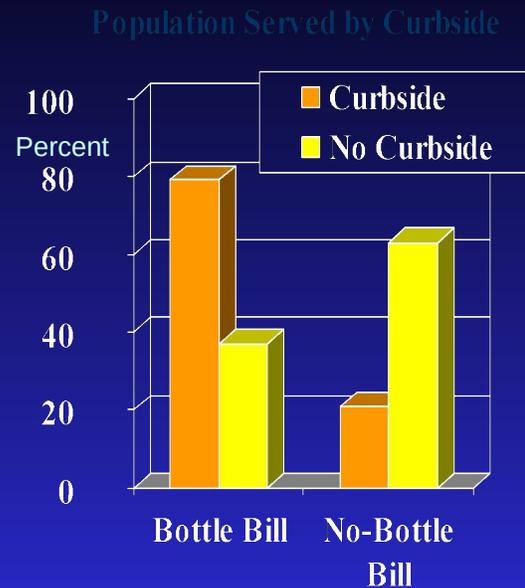
State	Beverage Container Litter Reduced	Total Litter Reduced
NY	70 - 80%	30%
OR	83%	47%
VT	76%	35%
ME	69 - 77%	35 - 56%
MI	80%	38%
IA	77%	38%

Source: "Trade-offs Involved in Beverage Container Deposit Legislation", US GAO, 1990.

Bottle Bills Complement Curbside Recycling

More people in bottle bill states are served by curbside recycling than in states without a bottle bill.

Curbside does not address bottles used on-the-go. Industry estimates more than 1/3 sold are consumed away from home.



Source: BioCycle 2001

Container Recycling Institute © 2009

29

Economic Benefits

- Cost savings for counties and municipalities
- Increases and provides for better quality commodities to sell
- Protects Maryland tourism
- Reduces landfill expansion
- Self-funding solution



Container Recycling Institute © 2009

30

Beverage Container Deposit Programs Work

States with Deposit Programs have much higher recycling rates.

States with Deposit Programs have seen a reduction in litter

- A 2018 study indicates that the amount of plastic found discarded along coastlines is 40% lower in states with bottle refund programs than in those without

Deposit Programs produce better quality recyclables

Deposit Programs prevent these containers from going into landfills and incinerators

31

Please Support HB 824

32