



January 31, 2022

The Honorable Kumar Barve
Chairman
Maryland House Environment and Transportation Committee
House Office Building, Room 250
Annapolis, MD 21401

Re: Testimony for House Bill 307 – Support with Amendments

Dear Chairman Barve and Committee Members:

The Glass Packaging Institute (GPI) offers the following comments for House Bill 307, which would create an Extended Producer Responsibility (EPR) program for packaging and printed paper. For reasons outlined below, we are neutral to HB 307 as drafted, because while we see hope for a stronger recycling system to emerge from this process, we are concerned with several components or key ingredients that are missing from the legislation. With amendments, we believe that the legislation could produce a quality system that the glass industry could support. Our comments reinforce the importance of, and consistent use, of recycled glass use by our industry, as highlighted in our testimony to the Committee last year (HB 36).

Background

Glass is a core, circular packaging material - reusable, refillable and endlessly recyclable. Public sentiment and surveys consistently place glass near the top of all recyclable packaging, understanding its recyclability, and as important, expressing a desire to continue glass recycling and keep it out of the landfill.

The glass container manufacturing industry has a significant stake in the effectiveness of glass recycling programs. For every 10% of recycled glass included in the manufacturing process, energy costs can be reduced 2-3 percent, with additional corresponding reductions in greenhouse gas emissions for every 10 percent recycled glass remelted to make new containers.

In addition to making the glass containers in the neighboring states of PA, VA, and NJ, GPI member companies also both process (clean up) and purchase recycled glass collected from municipal programs containers in Maryland, and across the Mid-Atlantic region. Recycled glass is a critical manufacturing input, 100% and endlessly recyclable, and is commonly used in the manufacture of new glass bottles and jars. Glass is a clear and sustainable option for brands and 98 percent of glass containers are for food and beverage packaging.

Concerns with House Bill 307

While the Producer Responsibility Organization (PRO) outlined in the legislation will determine many program metrics, recycling rates/goals, recycled content, and the systems for recovery, including the potential for a beverage container deposit program, there are key elements that are missing from consideration. The legislative direction for producer fee setting is overly specific, and places glass, a 100% and endlessly recyclable material, at a distinct disadvantage vis-à-vis very specific “fee setting” markers, or what the brands would pay depending upon the package they choose, without a solid basis for understanding why the State’s system is underperforming in the first place.

Fee Setting Outline for Covered Packaging

Specifically, the legislation directs the PRO to only consider the cost to transport, collect and process covered packaging, as part of the packaging fee assessment for the brands. While there are provisions in the legislation to incent recyclability and recycled content, there is nothing in the underlying legislation that requires a quality standard of performance for existing sorting and processing facilities or the material quality that comes from those facilities.

Rather than encouraging brands to choose glass and packaging with demonstrated recyclability, recycling rates and recycled content, we believe this section may bring an unintended consequence, where brands may be provided a financial incentive to choose non or lesser-recycled, lighter-weight packaging.

The costs associated with recycling, transportation and collection will vary from program to program and are largely dependent on the routes and sorting capabilities of the materials recovery facility (MRF) they are sent to. As we have stated in prior year’s testimony about the importance of clean streams of material, contamination is a key driver of commodity price and value. Furthermore, there is no linkage to landfill economics in the legislation, a key driver as to why many private sector companies who have both landfill and recycling functions have a disincentive to upgrade their recycling facilities when they can get paid, by weight, to landfill fully recyclable commodities such as glass rather than take the necessary steps to divert that material from the landfill and send it back into the material supply chain. An absence of processing facilities in Maryland is due in part, to the inability of keeping the material out of the landfill in the first place.

This variation, and the reimbursement provided back to the local governments (at the determination of the PRO, and subsequent approval by the Department), could again place glass at a competitive disadvantage. Under the bill, local governments would be reimbursed based upon the value of recyclable material collected, which for glass, (if not properly sorted), may provide incentive for communities to remove glass from their recycling programs. Glass is unique in the single-stream recovery system, a “negative sort” in a MRF that is leftover at the end of the stream, rather than a “positive sort” material that is specifically targeted for sorting.

Therefore, much of what is counted by the MRFs as “recycled glass” delivered from single stream recycling facilities is not glass. This “glass” often contains 40% percent non-glass-residue, or more, solid waste (trash) and other non-recyclable materials, furthering challenging program fee fairness for brands choosing glass (as that weight is currently considered recycled glass, under current department metrics).

We also note that there is no apparent role on the PRO or the Advisory Board for experts from material-oriented trade groups or manufacturers to provide any input into the new state system. Material groups have much more detailed knowledge of the impact of different programs on the performance of their material in certain systems and would be a valuable voice to ensure the material collected through the new state system is usable and has value for its highest best reuse or remanufacture.

25% Waste Reduction Requirement

Dovetailing with the fee setting concerns, is the legislation’s directive to the PRO to incorporate a 25% waste reduction goal for covered packaging. GPI is concerned that this largely undefined “packaging waste reduction” will provide further incentive for the PRO to prioritize lighter-weight package in their fee settings, over glass, and does not properly offset the benefits of reuse and refill as well.

Funding Uses for Fees Collected from the PRO

While we appreciate that a portion of the funding derived from the fees would be directed to upgrade material recovery facilities sorting technologies (in order to capture more recyclable materials), we are disappointed that defined improvements (and standards) for materials recovery facilities are absent from the legislation.

With no recycled recovery improvements in place, brands choosing glass for their products could be paying a higher percentage into recycling systems improvements, with little insight as to how their payments are being used to clean up recycled glass streams in the state.

We look forward to additional opportunities to engage with the Committee on recycling related issues as the glass industry wishes to support a new system of recycling in Maryland that promotes glass recycling for nearby glass end-markets.

Thank you for your consideration of our comments.

Sincerely,



Scott DeFife
President