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Can Manufacturers Institute

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March 6, 2023

The Honorable Kumar Barve
Chair, House Environment and Transportation Committee
Maryland House of Delegates
Room 251
House Office Building
Annapolis, MD 21401

RE: HB 1089, Maryland Beverage Container Recycling Refund and Litter Reduction Program. Support with Friendly Amendments

Dear Chairman Barve, Vice Chair Stein and Members of the Committee:

The Can Manufacturers Institute (CMI) respectfully submits these comments on House Bill 1089, the Maryland Beverage Container Recycling Refund and Litter Reduction Program, introduced by Delegate Jen Terrasa. **CMI supports the intent of the bill and has offered friendly amendments to the legislation.** CMI is the U.S. trade association of the metal can industry and its suppliers. Our members employ 28,000 workers in 36 states (including Maryland) and produce more than 135 billion steel and aluminum cans for the food, beverage, aerosol and general packaging markets annually.

CMI advocates for new recycling refunds for beverage can programs to help the aluminum beverage can sector achieve its ambitious national recycling rate targets for aluminum beverage cans starting with a 70 percent rate by 2030. While the U.S. aluminum beverage can recycling rate in 2020 was an industry-leading 45 percent, reaching this target will require effective policy solutions, the foremost tool being recycling refund for beverage container programs.

Recycling is a critical part of the modern aluminum business, and our companies are committed to finding new ways to encourage consumers to recycle their beverage cans more often. Making can sheet from recycled aluminum cans reduces carbon emissions and saves around 95 percent of the energy required to make primary aluminum can sheet. In addition, there is a strong, domestic market for used beverage cans, which provide a steady stream of inputs for new beverage can production, a market that has grown steadily over the past few decades.

Benefits for Maryland

More recycled material going into aluminum beverage cans is an important part of our industry's environmental and economic viability. Maryland's large population would drive a significant increase of recycled material to the supply chain. According to Eunomia's "50 States of Recycling" research, Maryland's recycling rate for aluminum beverage cans is 54%. Modeling by the Can Manufacturers Institute estimates that at that rate, almost 906 million cans are recycled. House Bill 1089 has a container redemption performance target of 90%. Michigan, which has a recycling refund program, often achieves a 90% annual redemption rate. If Maryland were to reach a 90% aluminum beverage can recycling rate, the previous 906 million cans recycled would jump to more than 1.5 billion cans. That is an increase of nearly 604 million cans kept out of landfills that could now be remade into new beverage cans!

A recycling refund program in Maryland would have significant climate, economic and industry impacts. Nationwide, the percentage of aluminum beverage cans recycled instead of thrown in the trash was 45% in 2020. While that makes the aluminum beverage can the most recycled beverage container in the United States, it still means $800 million in used beverage cans going to landfill that could have been recycled over and over again.

Public Opinion Support Recycling Refunds

According to a recent poll, 81% of the American public support recycling refunds. These programs have a proven track record of increasing recycling and reducing litter. The 10 states with active programs continuously see higher recycling rates than states without. Returned containers help reduce litter and provide cleaner materials that can increase the use of recycled content in beverage containers. This recycled content means a domestic supply of material for the containers people depend on and less use of virgin material, which in turn reduces carbon emissions. Importantly, consumers typically like to recycle and want their recycling efforts to be successful. Recycling refund programs can be a convenient and effective way for consumers to participate in recycling. A national poll found that 90% of consumers in states with beverage container redemption programs support them.

Suggested Amendments from CMI

CMI supports House Bill 1089 with friendly amendments. Amendments have been submitted to Delegate Terrasa and the following is a brief description of a few of them.
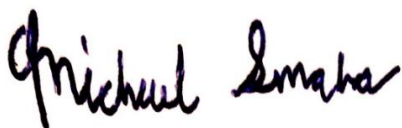
On page 6, in the definition of beverage container, CMI asks that cartons and pouches be included in the program. If the package contains a beverage for human consumption, it should be in the program. This avoids consumer confusion about what beverage products are redeemable and creates a level playing field between all packaging types when it comes to consumer choice.

On page 15, section (E), CMI would like to see electronic transfers included as an optional form of refund to the consumer. Adding an electronic transfer option allows for new redemption technology to make the consumer experience more enjoyable. Barcoded bags for bulk redemption, refunds directly deposited into customer accounts, or store credit options established by retailers to shoppers to purchase products at their stores.

Finally, on page 18, section (A), CMI submitted an amendment to streamline the definition of producer and make clear that it is the entity who distributes beverages, in other words, sells the beverage product to retailers as well as retailers who self-distribute their own product.

The aluminum can industry looks forward to working with all stakeholders in Maryland to create a world-class producer responsibility program to incentivize consumers to redeem their beverage containers for recycling and increase our recycling rates. If I can answer any questions you have, please do not hesitate to contact me.

Best regards,

Michael Smaha
Vice President, Government Relations
Can Manufacturers Institute