



**March 7, 2023**

**To: Maryland House Environment and Transportation Committee**

**Re: HB 1089 Maryland Beverage Container Recycling Refund and Litter Reduction Program**

The Maryland Recycling Network promotes sustainable reduction, reuse and recycling (the 3 "R's") of materials otherwise destined for disposal and the purchase of products made with recycled material content. We achieve these goals through education programs, advocacy activities to affect public policy, technical assistance efforts, and the development of markets to purchase recycled materials and manufacture products with recycled content.

Our members are county and municipal government recycling managers, private sector recyclers, non-profit recyclers and citizens who support recycling. We have direct experience operating recycling and composting programs at the county and municipal government level. We know the ins and outs of recycling in Maryland. Our experience informs our comments.

We do not support HB 1089.

The Maryland Recycling Network strongly supports increasing recycling in our state. However, we feel that while HB 1089 may increase recycling of containers, the Bill has questionable implications for local jurisdictions, particularly the negative impact on existing curbside collection programs. These programs are likely to lose revenue as containers they would normally collect are diverted to deposit programs.

We appreciate the language in this bill which attempts to address that problem (see section 9-1743). This language was not in previous container deposit bills brought before the Assembly. It recognizes that local government recycling programs and Materials Recycling Facilities (MRF) will take an economic hit as valuable recyclables are diverted away from existing recycling programs. While these containers represent a small percentage of the overall recyclables collected and processed by local governments and publicly and privately owned MRFs, they represent an invaluable revenue stream which greatly exceeds their relatively small percentage of materials collected by local governments. See, for instance, a study on the contribution of aluminum beverage cans to recycling programs - [Aluminum Beverage Can: Driver of the U.S. Recycling System](#).

We are puzzled that the formula grants relief with one hand and takes it away with the other. It grants compensation for "any net loss of revenue to the county or municipal corporation's waste management system that can be documented and attributed to the program" (see 9-

1743(C)(1) and (C)(2)(I). Then in (C)(II) and (C)(III) it takes away compensation through alleged savings due to:

1. less glass in the recycling stream
2. transportation costs associated with curbside collection of trash and recycling
3. processing costs associated with recycling beverage containers
4. the costs of landfilling and incinerating beverage containers that are not recycled and
5. the costs of litter collection and

(III) for a county or municipal corporation that has a total maximum daily load for trash in a waterway under its jurisdiction, the reduced costs and increased benefits of complying with the total maximum daily load due to a reduction in beverage container litter.

These “savings” are speculative at best and nonexistent in a number of instances. For instance, transportation costs will not go down due to less beverage containers in the trash or recycling stream because the amount of beverage containers collected in either situation is too insignificant to lead to fewer collection trucks picking up either trash or recyclables. Processing costs include fixed and variable costs. The former will rise as processing equipment becomes less efficient due to lower throughput and the latter will be unaffected due to the small percentage of beverage containers in the MRF stream.

Savings from less glass in the system and actual litter collection are speculative as are reduced costs from complying with the total maximum daily load. Beverage containers are only one of many different types of litter. Moreover, litter clean-up costs can be funded by different departments than waste and recycling. Solid waste departments may not benefit if litter costs are reduced.

We would also note that while this section attempts to offset lost revenues and higher costs for local government programs, including Maryland’s three publicly-owned MRFs, it makes no attempt to do the same for the privately-owned MRFs in this state. Their processing costs will go up and their revenue will go down with no relief. That will ultimately impact their local government customers who rely on them.

Finally, this section only is in effect for three years. Given the cost of increasingly sophisticated and expensive processing equipment at MRFs, along with the financial hit local governments will take, we believe it should last until 2029 or later, instead of 2027.

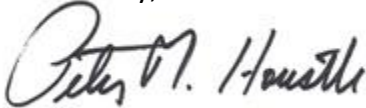
We also note that the composition of the “Advisory Council” is heavily loaded towards companies making or distributing beverage containers and has only two representatives from the recycling industry and local government.

In light of these concerns, we cannot support HB 1089 at this time.

The Maryland Recycling Network stands ready to serve as a sounding board and resource for legislators and others interested in pursuing our mission. Please do not hesitate to contact me via email [phoustle@marylandrecyclingnetwork.org](mailto:phoustle@marylandrecyclingnetwork.org), phone 301-725-2508 or mail - MRN, PO Box 1640, Columbia MD 21044 if you have any questions or would like additional information regarding the above.

We look forward to working with you to continue the strides we have all made to improve Maryland's recycling programs in a time- and cost-effective manner.

Sincerely,

A handwritten signature in black ink that reads "Peter M. Houstle". The signature is written in a cursive style with a large initial "P".

Peter M. Houstle  
Executive Director