



February 26, 2024

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

RE: Support with suggested amendments for HB 735, Maryland Beverage Container Recycling Refund and Litter Reduction Program

Dear Chair Korman and Members of the House Environment and Transportation Committee:

The Can Manufacturers Institute (CMI) supports with amendments HB 735, the proposal from Rep. Terrasa to create a Maryland beverage container recycling refund program. CMI urges the committee to consider CMI's suggested amendments and advance this important legislation.

CMI is the U.S. trade association representing metal can makers and their suppliers. The industry employs more than 28,000 people, and CMI members have facilities in 33 states, including Maryland. CMI 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. CMI members are proud to make the most sustainable beverage package.

CMI aluminum beverage can industry members are committed to achieving 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 a beverage container recycling refund program. CMI supports recycling refund programs because they are proven to consistently deliver high recycling rates and are a vital source of used beverage cans, which are used to make can sheet for new aluminum beverage cans. The Container Recycling Institute (CRI) determined that [40 percent](#) of recycled aluminum beverage cans come from the 10 deposit states even though they account for only 25 percent of aluminum beverage cans sold. This is because aluminum beverage cans sold today in the United States with a deposit average a [77 percent](#) recycling rate while aluminum beverage cans sold without a deposit average just 36 percent.

In Maryland, there is a lot of room for improvement in recycling. The Recycling Partnership's *2024 State of Recycling Report* [states](#) that 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 CRI [determining](#) that only 23 percent of the 5.6 billion beverage containers sold in Maryland in 2019 were recycled.

The aluminum beverage cans in Maryland going to landfill is particularly wasteful given the significant environmental and economic impact of aluminum beverage can recycling. On the environment side, recycled aluminum is [94 percent](#) less carbon intensive than making primary aluminum. Further, recycling just one aluminum beverage can [provides](#) enough energy savings to power a 45-inch LED

TV for six hours. Beyond the lower environmental impact, recycling aluminum generates money and creates jobs. Aluminum beverage cans are consistently one of the most valuable recyclable commodities. This is why aluminum cans [make up](#) only three percent by weight but nearly one third of the total revenue of all recyclables at single-family households. Recycling beverage cans also provides feedstock for domestic manufacturers. Americans working in these U.S. facilities recycle [more than 90,000](#) aluminum beverage cans each minute, which is part of how aluminum beverage cans manufactured in the United States average [73 percent](#) recycled content.

The recycling refunds program that HB 735 would create would mean more aluminum beverage cans recycled into new cans at U.S. facilities, thereby helping the economy and the environment. CMI believes HB 735 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 a couple years with an automatic increase to 10 cents and 15 cents, respectively, to ease 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 on distributors and importers and do not include a provision where 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; the decree to increase the use of reusable beverage containers by a certain amount is based on the assumption that reusables always have a lower environmental impact, but aluminum beverage cans at the high recycling rates that recycling refunds will deliver have a comparable environmental impact as reusable beverage containers.

HB 735 is an important step in creating a more circular economy in Maryland so more aluminum beverage cans are collected and not lost to landfill. Maryland has an opportunity to lead the country by implementing a modern recycling refund program. It would then become a more important source for used beverage cans that are highly valued and sought after by aluminum suppliers. CMI urges you and your colleagues to consider its suggested amendments to HB 735, amend the bill, and advance it out of committee.

Please do not hesitate to contact me if I can answer any questions.

Sincerely,



Scott Breen
Senior Vice President, Sustainability
Can Manufacturers Institute