



The Honorable Marc Korman
Chair, Environment and Transportation
250 Taylor House Office Building, Annapolis, Maryland 21401

The Honorable Kriselda Valderrama
Chair, Economic Matters
230 Taylor House Office Building, Annapolis, Maryland 21401

February 11, 2026

Re: Oppose House Bill 331- Maryland Beverage Container Recycling Refund and Litter Reduction Program

Dear Chair Korman, Chair Valderrama, and Members of the Committee,

We appreciate the opportunity to share the reasoning behind our opposition to House Bill 331.

American Beverage Association (ABA) is the trade association representing the non-alcoholic beverage industry in the United States. ABA represents hundreds of beverage producers, distributors, franchise companies and supporting businesses across the country.

The beverage industry plays an important role in advancing the circular economy. Our containers are specifically designed and optimized for circularity. Our PET bottles and aluminum cans are purposefully designed to be 100 percent recyclable, have high commodity values, and when collected and recycled, can become new bottles and cans. Our industry launched its “Every Bottle Back” campaign in late 2019, recognizing that new programs, policies, and investments are needed to increase the recycling of our bottles, cans, and other valuable materials.

Our industry worked with Senator Augustine and his committee on the breakthrough EPR program that was signed into law last year. In fact, Governor Moore thanked the Maryland-Delaware-DC Beverage Association at the signing. The enactment of this law capped a multi-year effort of collaboration, contention, and compromise, and Maryland’s leaders should take pride in becoming only the sixth state to adopt this significant commitment to advancing the circular economy. We look forward to working with the Department of the Environment, Circular Action Alliance, and other key stakeholders to implement this law and optimize residential recycling for packaging and paper products throughout Maryland.

HB 331 could impact the state’s EPR for packaging law. By focusing on the implementation of the packaging program right now, we set ourselves up for success in the future.

We believe that comprehensively managing the full range of covered materials in the EPR for packaging law is the best approach for Maryland at this time. Maryland’s packaging law mandates producer funding to enhance residential recycling access, education, and infrastructure for the entire state and covers all consumer packaging and paper products including junk mail, food wrappers, cereal boxes, clamshells, meat trays, soup cans, shampoo, detergent jugs, liquor bottles, e-commerce bubble wrap, and more, regardless of whether or not the material is recycled or recyclable. Building out that program, which will support and optimize

recycling access, education and infrastructure throughout the state of Maryland, should be the focus right now.

Maryland's EPR law will take advantage of and build upon recycling infrastructure already on the ground throughout the state. According to The Recycling Partnership's latest *State of Recycling Report* for 2024, Maryland currently benefits from 96% of all residents having access to recycling. That's a lot of groundwork laid, and a lot of money already invested. In fact, ABA's *Every Bottle Back* program proudly contributed to the \$9.5 million investment that provided recycling carts to every home in Baltimore during the pandemic.

Introducing a brand-new deposit return system will require new infrastructure, from buildings, sheds, depots, kiosks, reverse vending machines, loading docks, processing facilities, as well as independent financial management, logistics, and administrative systems.

With at-home recycling access as high as it is in Maryland, residents are accustomed to putting recyclables, including beverage containers, in receptacles at home. Asking them to remove and transport beverage containers to redemption facilities puts consumer behavior groundwork at risk. The EPR law passed in Maryland last year will support and build upon the state's excellent at-home recycling foundation by addressing the entire recycling system from robust and meaningful recycling education at homes and throughout the state, while improving collection and processing to end markets.

Deposit return system fraud remains a largely hidden but serious problem. Redemption fraud occurs when individuals or organizations bring non-deposit containers into a deposit state for illegal refunds. Because Maryland does not border any existing deposit states, each of its four state-borders poses a risk for large-scale redemption fraud. A recent case in California ordered a company to pay \$140 million in restitution and penalties for fabricating redemption records.

Deposits also can result in sales fraud, which affects retailers of all kinds as well as beverage distributors. Sales fraud, known as transshipping in our industry, occurs when deposit-eligible containers are purchased without a deposit in neighboring states and transshipped for sale into deposit states. The middleman pockets the deposits, and local distributors are forced to absorb refund costs and the expense of collecting empty containers. All of which raises the costs of doing business and leads to higher consumer prices. This impact would come on top of the loss of beverage purchases businesses in neighboring states. Maryland consumers shopping out of state could avoid paying the 10¢ or 15¢ deposits on containers and experience in other deposit states confirms the adverse consequences for retailers near the border.

American Beverage and its members are committed to strong environmental outcomes, including increased recycling rates, for the state of Maryland. It's why we were so involved in the passage and support of EPR for packaging, which will fund recycling access, education and infrastructure throughout the state and establish meaningful targets for success. We welcome any questions from the Committee. Thank you very kindly for your time.

Megan Daum
Vice President, Sustainability