



February 11, 2026

The Honorable Marc Korman, Chairman
The Honorable Michele Guyton, Vice-Chair
Maryland House Environment & Transportation Committee
250 Taylor House Office Bldg.
Annapolis, MD 21401

**Re: Testimony for HB0331 – The MD Beverage Container Recycling Refund and Litter Reduction Program
Support with Amendment**

Dear Chair Korman, Vice-Chair Guyton and Committee Members:

I lead the Glass Packaging Institute, but this year I am testifying on behalf a larger coalition. I am testifying on behalf of The Coalition for High Performance Recycling (CHPR) in support of HB-0331 with what we believe are “friendly” amendments. We appreciate very much the continuing efforts and support of Del. Terrasa and the cosponsors of the bill to improve recycling in Maryland with a beverage container deposit program.

CHPR is a diverse group of consumer brands, environmental nonprofits, material manufacturers, packaging suppliers, and trade associations united in our mission to advance a comprehensive policy model that combines Extended Producer Responsibility (EPR) for packaging and paper products with Recycling Refunds (RR) – also known as Deposit Return Systems (DRS) or “bottle bills” – for beverage containers.

Having recently passed the EPR for Packaging and Paper Products program last year, Maryland is among the states that have been making or contemplating changes to their recycling and waste management systems because they are failing to increase recovery and recycling rates and to ask the private sector packaging producers to play an increased role in paying for and/or managing that system. ***Let me address one of the most likely arguments you will hear from opponents today up front... “you should wait for EPR”. We believe strongly that you should not wait, and that is because the proposed EPR regulations just came out last week, and it will be far easier and helpful, and will complement the EPR system, if that is done before EPR regulations and systems are finalized.***

CHPR's comprehensive approach combines EPR and RR proposals, based on documented best practices from the highest performing recycling systems. This integrated approach aims to significantly enhance the quality, quantity, and reuse of recyclable materials while prioritizing consumer convenience, efficiency, and effectiveness. We believe that this model enhances and complements the EPR system of the new packaging law and will lower overall costs as well.

CHPR supports, with amendments, HB 331/SB 342, which would create a beverage container RR program. RR programs lead to high recycling rates by:

- Placing a refundable deposit on beverage containers at checkout.
- Providing consumers with convenient access to beverage container recycling via collection points where their deposit is refunded.
- Obligating beverage companies to pay for the collection and processing of recyclable beverage containers.
- When designed correctly, both EPR and RR programs operate under the same stewardship principles, where the companies that are responsible for putting packaging into the market must develop, implement and fund programs that drive higher recycling rates at no cost to the consumer. A recycling refund is just that – money that gets returned to consumers when they bring back their beverage containers.
- Paired with EPR programs, RR programs directly address litter and pollution by incentivizing consumers to return their beverage containers and create an optimized system to recover far greater volumes of clean, food-grade glass, plastic, and aluminum – essential for bottle-to-bottle and can-to-can recycling.
- Ten U.S. states currently operate bottle bills. SB 342/HB 331 has the potential to build on successful elements of existing bottle bills to create a modernized, recycling refund program that will reduce litter, drive high redemption and recycling rates and overcome the shortcomings of the current programs, most or many of which haven't been updated in decades.
- If designed right, bottle bills can achieve 80-90% recycling rates, generating high-quality recycled material that can be reincorporated into beverage containers, reducing the need for new plastic, glass and aluminum.
- CHPR is in support of an RR program that is both funded and led by beverage producers and powered by modern technology and infrastructure. To enable this – and relieve the state of unnecessary financial burden – the law must place certain administrative responsibilities with the Beverage Container Stewardship Organization (BCSO).

Recommended Changes:

- **Program administration:** There is an opportunity to align a new RR program with Maryland's recently enacted packaging EPR law, placing program design, operation, and administration on an industry-led nonprofit, rather than the state agency.
 - SB 342/HB 331 currently places tasks on the Maryland Department of Environment (MDE) that should be completed by the industry nonprofit Beverage Container Stewardship Organization ("BCSO"), subject to strong

oversight by MDE. **CHPR's recommended amendments that limit costs for MDE, without removing the necessary checks and balances on the BCSO.**

- In keeping with best practices from high-performing RR programs, and to minimize costs to the state, CHPR proposes amending the bill to put responsibility for designing, operating and administering a program plan on the BCSO. Examples of responsibilities that could be shifted to the BCSO and subject to review, approval and oversight by MDE include:
 - Managing beverage producer registration and funds
 - Allocating funds towards system investments
 - Redemption center licensing and proposed reimbursement
 - Technology standards
 - Proposing convenience zones
- The BCSO would be charged with developing a program plan outlining how the organization will meet performance targets for redemption and recycling. Proposed targets and deadlines, redemption infrastructure and processing arrangements, the producer fee structure, statewide education and outreach, performance target measurement, and the approach to developing partnerships would be subject to review and approval by MDE and a stakeholder advisory council.
- CHPR recommends **maintaining the state's focus on strong oversight:** MDE plays a critical oversight role to ensure a strong program that delivers against performance targets, producer participation and accountability.
- **These shifts align responsibility with those who fund the program and reflect the same principles as Maryland's packaging EPR law.** When producers have responsibility for program design, operation, administration and performance, they are motivated and incentivized to invest in convenient and innovative redemption infrastructure for consumers, without new state spending or unnecessary cost pressure on consumers.
- **Producer definition and coordination with other PROs:** CHPR recommends amending the producer definition to assign financial responsibility to brand owners, rather than distributors.
 - Brand owners typically have the most control over beverage packaging and material choices and therefore have the greatest ability to influence waste reduction and recycling efficiency.
 - This amendment would help ensure that costs align with market control and incentives, encouraging sustainable packaging choices and simplifying program administration for both the state and businesses.
 - This would also aide in streamlining the relationships between the EPR PRO and the BCSO to work out compensation agreements when covered material ends up in the wrong recovery stream.
- **Labelling:** CHPR also believes that the bill needs to be amended to eliminate requirements for MD specific SKU/labeling/markings on beverage containers.

- We understand the motivation for such provisions, but as we have worked on these issues in several states, the state specific labels are generally unworkable in practice, and have also been subject to legal challenges.
 - Having a centralized PRO provides a structure for fraud prevention
 - Our coalition approach has the support of much of the wine and spirits industry beverage producers as we have also adopted language that helps address product that may be bottled, labelled and not yet on shelves. There were specific provisions used recently in California, when the state DRS was expanded to include wine, spirits and some other product during the same year EPR for packaging was enacted.
- **Flexibility for retail participation:** CHPR appreciates that in-store redemption poses legitimate challenges for retailers due to the impact on revenue-generating floor space, staff costs associated with supervision and cleanup, and potential sanitation issues. CHPR encourages bill sponsors to consider a more flexible model that takes advantage of the convenience of retail redemption without requiring any in-store redemption infrastructure or cash payments.
 - Modern RR programs, such as those in Oregon and British Columbia, provide consumers with convenient access to redemption and innovative, technology-enabled solutions that do not rely on in-store redemption.
 - These programs include express redemption located on the property or in the parking lot of a retail establishment. These sites typically leverage mobile containers and a bag drop program that allow consumers to return multiple containers in bulk and have the corresponding value held in a virtual account (no requirement cash refund requirement). The BCSO would be required to provide compensation and assume lease and all operational and maintenance costs for this redemption infrastructure.
 - Our model is embodied in legislation currently under consideration in the Washington state legislature, and it includes creative options for retail partnerships with the stewardship organization, or BCSO, that may serve as inspiration for amendments to SB0342.

Mr. Chairman, members of the committee, please understand we offer these amendments out of respect and with the learnings we have as a broad coalition of stakeholders who include companies that would be a part of the system. We have learned where existing programs get hung up in implementation and long-term administration, and we seek to help Maryland build a new model deposit return system for to proactively address those issues.

Thank you

Scott DeFife

President of the Glass Packaging Institute on behalf of CHPR