



DATE: June 18, 2015

TO: Senate Education, Health, and Environmental Affairs Committee

FROM: Maryland Association of Counties

RE: SB 684 of 2015 – Maryland Redeemable Beverage Container and Litter Reduction Program

The Maryland Association of Counties (MACo) appreciates the opportunity to address the members of the Senate Education, Health, and Environmental Affairs Committee on SB 684 of 2015 and container deposit programs in general.

MACo Position on Recycling and Litter Reduction in General

Maryland is unique among states in that county governments are primarily responsible for recycling. Despite being an unfunded mandate, over time counties have developed robust recycling programs, with 9 counties subsidizing curbside single stream recycling – considered the “gold standard” for citizen participation and access to service. MACo and the counties support strong recycling and litter reduction programs.

MACo and the counties also support new recycling and litter reduction technologies and policies that will strengthen local recycling efforts or address weaknesses in existing recycling programs. For example, many counties are exploring how to overcome the implementation and cost hurdles posed by large scale composting. Eastern Shore counties have expressed great interest in gasification technology.

MACo Position on Container Deposit Programs

While MACo supports recycling in general, MACo has consistently opposed container deposit legislation, including SB 684 and several previous bills. MACo has done so for three primary reasons: (1) diversion of material and revenue from county recycling programs; (2) impact on consumer behavior; and (3) questionable long-term sustainability based on experiences in other states.

Diversion of Material and Revenue from County Recycling Programs

Counties already strive to deliver successful recycling programs, to satisfy both public demand and State mandates. The sale of collected materials is a component toward paying for this service – but counties are obliged to support recycling programs through a wide range of general taxes and fees. By withdrawing the most marketable commodities (especially aluminum) from existing recycling programs (curbside pickup, single stream, etc.), SB 684 would orphan the massive infrastructure investment made in these programs, as well as oblige even larger taxpayer subsidies to cover costs for a reduced material stream.

As the fiscal note for SB 684 indicated, local recycling revenues would decrease, potentially significantly, beginning in 2017 when the deposit program takes effect. Montgomery County estimates an annual loss of \$1.3 million from diverted scrap material.

While SB 684 provided a nominal subsidy to offset these losses, that subsidy was deliberately only temporary. After that, counties are left on their own to make up the losses. The fiscal note also indicated that it was unclear whether the subsidy would entirely cover county losses (MACo believed it will only be a partial offset) and that the subsidy would not cover any other costs incurred by a jurisdiction to alter its local waste disposal and recycling programs.

Impact on Citizen Recycling Behavior

Maryland has accomplished much through citizen education and program investments to reach its outcomes. Single stream recycling programs continue to prove popular and accessible to residential users, and remain the widespread direction of county-managed efforts.

MACo is concerned about the effect a container deposit program would have on citizens who have been consistently encouraged toward a curbside single stream model. As the past has shown, significant education efforts will be needed to alter citizen behavior and there could be a dilution of enthusiasm in participating in single-stream programs. Existing container deposit programs were instituted prior to large-scale recycling programs and cannot provide reliable guidance about potential impacts.

Questionable Long-term Sustainability Based on Other States

According to the Container Recycling Institute, only 10 states currently implement a container deposit program. No state has adopted a container deposit program after it has developed a mature recycling program. Delaware repealed its deposit program in 2010 when it created a statewide recycling requirement instead. Vermont also recently adopted a statewide recycling requirement and is studying the impact the recycling program will have on its container program.

Questions also exist regarding the long-term fiscal sustainability of many of these programs. California's program has faced serious fiscal issues. Oregon, which is often held as a model container deposit program state, pays distributors far less to manage its container deposit program than what was proposed in SB 684 and counties receive nothing.

Litter Reduction and Container Deposit Alternatives

MACo acknowledges that the litter issue raised by advocates of the container deposit program is a valid concern. However, MACo believes that the issue can most likely be addressed through other methods that would not potentially disrupt Maryland's recycling efforts. MACo proposes the following potential alternatives to the deposit program proposed by SB 684:

- *Container Deposit for Glass Containers Only:* MACo is willing to consider a container deposit program solely for glass containers. Unlike aluminum (and to a lesser extent, plastic), glass is not a particularly valuable recycled commodity and can also cause problems in a single stream processing system. Removing glass containers from the county recycling stream may not pose the same fiscal issues as aluminum and plastic.
- *Recycling for Bars and Restaurants:* Bars and restaurants generate significant container waste. While some voluntarily recycle, many do not. The Committee could examine ways to increase bar and restaurant recycling rates. Such an action should be done with input from affected stakeholders.
- *Alternative Litter Reduction Programs:* MACo included with its testimony on SB 684 a series of web links that highlight different litter reduction and prevention approaches undertaken by other jurisdictions. That attachment is also included at the end of this statement. MACo tried to select programs that took different approaches and have had some level of success. While no single approach will solve the litter issue, the programs can provide some viable alternatives to a container deposit proposal.

Conclusion

MACo remains committed to keeping county recycling programs effective and as fiscally sound as possible. Throughout the container deposit debate, MACo has held open discussions with all stakeholders and will continue to earnestly discuss and consider any container deposit proposal. If MACo's three concerns are adequately addressed, MACo could consider dropping its opposition. However, until that time occurs, MACo must remain opposed to the current container deposit program proposal. If you have further questions, please contact either Leslie Knapp (lknapp@mdcounties.org) or Robin Clark (rclark@mdcounties.org).

LITTER REDUCTION PROGRAMS

(Prepared by MACo 2015-03-04)

Virginia

State Litter Prevention Program: distribution of annual grants to localities for recycling and litter activities, provide information

<http://www.deq.virginia.gov/Programs/LandProtectionRevitalization/RecyclingandLitterPreventionPrograms.aspx>

<http://cvwma.com/cvwma-education/litter-prevention/>

Pennsylvania

Great American Clean-Up of Pennsylvania Program

http://www.portal.state.pa.us/portal/server.pt/community/illegal_dumping/14084/litter_program/589635

Delaware

Summarizes several litter prevention events in the state

<http://www.delawarehealth.org/content.cfm?article=annual-events>

Ohio

State Litter Prevention Grants

<http://epa.ohio.gov/ocapp/grants.aspx>

City of Mansfield Litter Prevention and Recycling Program

<http://ci.mansfield.oh.us/index.php/litter-control>

San Diego

Work of the nonprofit group I Love A Clean San Diego

http://ilacsd.org/a_strategies.php

Britain

Keep Britain Tidy campaign (corporate partnerships)

<http://www.keepbritaintidy.org/litterpreventioncommitment/1376>