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To: Senate Natural Resources
From: Kim Crosby; Director of Environmental Compliance
Date: April 19, 2023
RE: H. 158 An Act related to Expanding the Bottle Bill

For the record, my name is Kim Crosby, I am the Director of Environmental Compliance going on my fifteenth year with Casella. I am part of Casella's Engineering & Compliance Team that consists of around 20 Engineers and Environmental Analysts that are positioned throughout our operating footprint which covers VT, NH, ME, MA, CT, NY and PA – I have a degree in Environmental Science from Northern University, I have been employed by The State of NH Department of Environmental Services, the Vermont Department of Environmental Conservation and I managed the hazardous waste program for Dartmouth Hitchcock Medical Center before I came to Casella in 2008.

Casella is headquartered in Rutland, Vermont and has been providing solid waste and recycling services in Vermont since 1975 and employs 670 Vermonters. Casella operates the State's only operating landfill. We provide curbside waste and recycling services to approximately 63,000 residential and commercial customers. In addition to curbside services, we collect waste and recycling at 17 drop-off facilities that are located throughout Vermont. We operate a depackaging facility in Williston and a certified compost facility in Bennington.

Casella operates the Materials Recycling Facility (MRF) in Williston through an operating contract with Chittenden County Solid Waste District (CSWD). CSWD owns the building and the equipment and sets their tip fee – they also test and market their recycled glass which they crush to make processed glass aggregate. Casella employees, including eight that are from the Vermont Refugee Program, process the material brought to the facility. We assist CSWD with marketing their materials and receive a share of the revenue from the sale of those said materials.

ANY QUESTIONS OR CLARIFICATIONS ON THE RELATIONSHIP BETWEEN CASELLA & CSWD?

In addition to the recycling facility in Williston, Casella owns and operates the recycling facility in Rutland. A majority of the incoming material we receive is mixed paper, 3-4% of incoming material is PET and Aluminum. In 2022, the facility processed approximately 38,000 total tons of recycling. Of that 38,000 tons, we sent 659 tons of PET to processors, half of that was made into beverage containers, we sent 231 tons of aluminum cans to be made into new beverage containers. At our Rutland facility, we do not crush glass into an aggregate, we break it into a



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cullet and in 2022 we sent approximately 4,975 tons of glass to a bottle-to-bottle facility in North Carolina. 90% of the glass that we send to this facility is made into bottles and the remaining 10% is used to make fiberglass. These are the same markets that the bottle bill is using.

Our recycling facility in Rutland is located next to the Vermont Rail System which allows us to economically transport glass to North Carolina, – we send one rail car per week and each rail car carries about 100 tons of glass.

Refer to misinformation and ability to empathize – I can appreciate how frustrating it can be when misinformation gets out there.

I would like to take some time to address some of the statements and testimony that I have heard from individuals and entities that are supportive of expanding bottle bills. I have heard that material collected through a redemption program is cleaner than material collected through single stream recycling systems, that material in single stream cannot be recycled into the same products, it is highly contaminated which is what led to China's implementation of the National Sword Program, that a majority of what people are putting in their blue bins is not getting recycled and recycling facilities will see a cost savings from glass being removed from the system.

Lots to unravel here:

First, I cannot argue that glass is cleaner when collected through a redemption program or other separate collection system. However, the contamination that is in recycled glass does not prohibit glass from being recycled into glass bottles. Second, we have done an evaluation at our Rutland facility to determine if we would see some sort of cost savings if more glass was removed from single stream to the bottle bill and based on our evaluation, removing some of the glass would not result in a savings for us – we get paid to process glass through the tip fee and we get paid from Strategic for the glass that we send them. While our transportation costs to get the glass to North Carolina vs what Strategic pays us for the glass may result in a wash, we still generate revenue from glass through the tip fee at the front end of the process. Even by removing wine bottles, doesn't mean that we would not still receive them along with other types of glass that would still need to be processed. We still have to run the equipment, still have to turn on the lights, still have to employ someone to manage glass and thus we now have the same operating costs with less material to receive and process to cover those costs. Whether glass is collected through single stream, the bottle bill system, or other separate



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collection system - glass is expensive to transport because of its weight. The Northeast Kingdom Solid Waste District collects glass separately and therefore it should be clean – however they have testified that even though it is clean, they still have to pay to get rid of it. The Northeast Kingdom Solid Waste District also testified that they would not see an increase in recycling at their facilities. While that may be true for the members towns that use their facilities, haulers who provide curbside collection in that area do not use their facilities and therefore would see an increase. They also do not manage solid waste and recycling for all of the Towns that are members of the district nor is every town in the northeast a member of the District.

Whether glass is collected through single stream, the bottle bill system, or other separate collection system - glass is expensive to transport because of its weight. The cost involved with transporting glass and lack of available markets for recycled glass in the Northeast, is why we have continued to support the use of glass in construction projects – glass can be used as a substitute for virgin sand, it can be produced into a foam glass aggregate, it can also be used as a substitute for fly ash in the production of concrete. which creates stronger and longer lasting concrete while reducing carbon dioxide emissions generated from the production of cement on an almost ton for ton basis. It was reported through research conducted by the Oregon Department of Environmental Quality that the use of recycled glass into concrete is five times more impactful from a climate perspective than going back to bottles or fiberglass. It does not make sense to transport glass to long distant, out of state markets if it can be used and is needed here.

Regarding the cleanliness of other materials such as PET and Aluminum - Casella Recycling facilities process recyclables according to the guidelines outlined in the Institute of Scrap Recycling Industries recycling specifications. The specifications are derived from many sectors of the metals, paper, plastics, and glass industries and were developed to represent the quality and composition of the materials bought and sold in the recycling industry. In addition to these guidelines, the cleaner the material, the more valuable it is – with Casella being a publicly traded Company we are incentivized and have a responsibility to our shareholders and investors to produce higher quality material to obtain the most value.

I'd like to address what led to the implementation of China's National Sword Program. Prior to 2018, China was the largest buyer of mixed paper in the world – recycled mixed paper was exported to China from the United States and other Countries for decades. Unlike Casella Recycling facilities, some recycling facilities were not producing baled material to the specifications in the guidelines I just mentioned - many bales of mixed paper exported to China



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contained contamination rates north of 25%. This was not the case for baled paper being produced and exported by Casella – our bales were meeting the industry standard of less than 3% contamination. Initially, China lowered the contamination rate from 3% to less than 1% - we upgraded our equipment and hired additional sorters to meet this new standard. However, if our baled material was being exported on the same barge with material that did not meet the standard of less than 1% China would reject the entire load so the risk to continue to export was too high and eventually, China ended up banning imports of mixed paper all together. So, from our perspective, the National Sword Program was not implemented because Casella was sending them garbage, nor did the Program involve Aluminum and PET bales from our facilities, these materials are managed within the United States and Canada and again, are sold to the same markets that the bottle bill is using.

Regarding the statement that most of what people are placing in their recycling bins is not being recycled – the material that is not being recycled from recycling bins is material that people are putting in the recycling bins that they think can be recycled but it cannot be processed for recycling at single stream recycling facilities – examples include clothes, plastic bags, bowling balls, garden hoses, cd cases, juice cartons, and the list goes on – what the list does not include is mandated recyclables. Before and since the passage of the Universal Recycling Law, Casella has continued to invest in Vermont’s Recycling infrastructure to ensure that mandated recyclables are being recycled.

Casella has invested millions of dollars to upgrade our facilities to install technology to improve sortation and the cleanliness of recyclables. Most recently, we invested \$1.4 million in the installation of robotics at our facility in Rutland to improve sortation, capture more recyclable material and compensate for the lack of available labor.

Also worth noting, in December of 2022, we invested and successfully secured grant funding to purchase the first electric garbage truck in Vermont. The truck is operating in the Rutland area and is equipped for collecting waste and recycling simultaneously. By switching one truck from diesel to electric, Casella expects to conserve over 7,500 gallons of diesel fuel per year, eliminate over 78 metric tons of greenhouse gas emissions per year, which is equivalent to taking around 16 passenger vehicles off the road.

Earlier I spoke of recycling PET and Aluminum, although these materials represent a small portion of the overall material we receive, they are the most valuable material that we produce, and their value helps off-set the cost of recycling other materials where markets are most volatile like mixed paper which again is a majority of the incoming material we receive.



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When recycling facilities lose more of the valuable materials to the bottle bill system, they must raise their fees in order to make up for the loss in revenue. We have determined that the cost of recycling could increase to all Vermonters by approximately 7% which equates to about \$10/ton more to our current tip fee. The exact amount of the increase to Vermonters is difficult to predict as the value of recyclable commodities changes monthly. While a 7% increase may equate to only a few dollars more at the household level and may seem insignificant to some, a few dollars more is in addition to all of the other increase's households are experiencing due to inflation. It is also not insignificant to those that generate large amounts of recycling like businesses, schools, hospitals, apartments, and State-owned buildings.

Vermont has a State-wide goal to reduce the disposal of solid waste and increase the statewide diversion rate to 50% by 2024. The State's current diversion rate is hovering around 34%. Prior testimony from DSM who prepared the 2013 Systems Analysis and the 2018 Waste Characterization Study for the Agency, shows that an expanded bottle bill would result in a maximum reduction of landfilled waste in Vermont of 1% and would increase bottle bill operational costs by an additional \$4 million per year. The data in the report shows that beverage containers – regardless of whether they are covered by the bottle bill – are recycled at a very high rate and expanding the bottle bill would only have a miniscule effect on the overall diversion rate. The Agency has also previously testified that the materials are either being recycled through one system or the other.

According to the Agency's 2021 Diversion Report, single-use products and non-recyclable packaging make up 30% of the waste stream disposed of in Vermont. Instead of focusing on trying to capture a small percentage of material we should be turning our focus to address the 30% of the material that is currently not recyclable and is impacting our recycling systems, and consuming capacity at landfills.

Encouraging Legislation that will require manufacturers to use recycled content to produce their products increases the demand for recycled materials and helps to eliminate the volatility of the commodities markets that often drive up the cost of recycling. In addition to recycled content, requiring manufacturers to package their products in packaging that can be recycled versus packaging that cannot, is a path forward towards reducing the amount of non-recyclable packaging. In addition to reducing the amount of non-recyclable packaging, more work needs to be done to eliminate PFAS in food packaging and other products at both Federal and State levels on an aggressive timeline and to the greatest extent possible.



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In closing, we urge the Committee to support Vermont's recycling infrastructure by not voting to expand the bottle bill system at least until the results of the Systems Analysis as proposed in H. 158 has been received and evaluated. We should be working together to focus on ways to address the 30% of materials that are not recyclable instead of focusing on materials that already are.

Thank you for your time – happy to answer any questions.