

August 30, 2013

Commissioner David Mears
Vermont Department of Environmental Conservation
1 National Life Drive, Main 2
Montpelier, VT 05620-3520



Dear Commissioner Mears,

We, the undersigned organizations and companies, are writing to express concern about the draft report prepared by DSM Environmental for your agency, *Systems Analysis of the Impact of Act 148 on Solid Waste Management in Vermont*, particularly its analysis of the costs and performance of a potential statewide single stream program, as compared to Vermont's current or expanded beverage container deposit law (the "Bottle Bill"). While each of the errors outlined below may make only a small impact, cumulatively they create a compounding effect and greatly distort the report's findings and conclusions. We would like to meet with you to discuss the significant shortcomings and questionable value of this report.

During the public comment period for the first draft, all of our organizations and companies provided sound industry data related to the following key parameters:

- *Recycled Material Commodity Value*: The report **inflates the value of curbside commodities** by cherry-picking or misrepresenting Vermont-specific market data.
- *Recycled Material Contamination Rates*: It is well known that recyclable materials collected at curbside carry more contamination, and therefore yield less material value, than materials collected through the beverage container deposit program. The report presents incorrect data that **significantly understates the contamination in the curbside stream**, thereby overstating the material value.
- *Beverage Container Sales*: The report **understates container sales** by relying not on published industry data, but rather on self-reporting of beverage distributors. In response to concerns raised on this point in review of earlier drafts, the consultant increased the number of beverage containers consumed in Vermont, but assumes that 20 percent of those beverages are purchased in New Hampshire (without paying a deposit). While there may be some cross-border sales, it is highly unlikely that a full 20 percent of the beverages consumed are purchased out of state. The result is an **understatement of the unclaimed deposits** retained by distributors to cover the system costs.
- *Redemption System Costs*: Nearly one-third of the net costs the report assigns to the existing bottle bill, and almost half of the expanded bottle

bill costs, are “special trips to redeem”—that is, **trips made by consumers to redeem beverage containers**. This cost **should not be considered a direct program cost** since it is the result of the consumer’s choice, not of the program design. Further, the report **overstates the mileage for “special trips to redeem”** by including the entire cost of a trip as a redemption system cost even if redemption is combined with other errands. It is worth noting that the average trip miles are greatly impacted by one survey response reporting one trip of 125 miles—removing that one trip from the calculation reduces the program cost by more than \$200,000 per year.

- *Single Stream Collection Performance*: The report’s assessment of the potential performance of statewide single stream collection is **extremely optimistic**. The **data provided in the report is not sufficient** to support the estimated 60 percent diversion without the Bottle Bill. Furthermore, in concluding that a single stream recycling program could increase the material recovery rate overall, the report glosses over the fact that even under its own optimistic assessment of system performance, **the recovery of most commodities goes down**. Only paper recycling increases significantly.

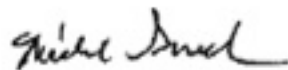
The result of these data inaccuracies is a report that overestimates the cost of the Bottle Bill, and underestimates the costs and inflates the potential performance of statewide single stream collection. As a result, the draft report is not a reliable planning tool and cannot support policy making related to beverage container recycling; it should not be submitted to the legislature by the Secretary of Natural Resources under Act 148.

Thank you for considering our concerns. We look forward to meeting with you at your earliest convenience. Please contact Resa Dimino, NAPCOR’s Director of Public Policy, to schedule a meeting. She can be reached at (518) 610-8095 or rdimino@napcor.com.

Sincerely,



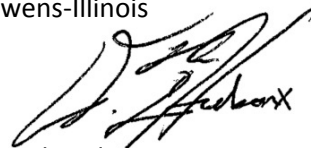
Beth Schmitt
Alcoa Recycling



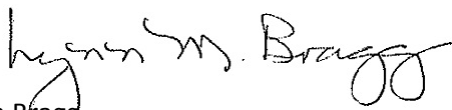
Mike Smaha
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