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Testimony from the Can Manufacturers Institute in Support for H.158
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Good morning, Chairwoman Sheldon and members of the committee. For the record, my name is Mike Smaha and I am Vice President of Government Relations for the Can Manufacturers Institute (CMI). CMI is the U.S. trade association representing metal can makers and their suppliers. The industry employees more than 28,000 people and our members have facilities in 33 states, including New York and Connecticut in the Northeast. Our members are proud to make the most sustainable package for beverage and food products.

Can makers support H. 158 and the addition of more beverage categories, including cider, ready-to-drink spirit beverages, wine, plant-based and vinous beverages. The beverage market has seen large growth in canned ciders, ready-to-drink spirits and wine. Adding these products into Vermont's program will result in more cans being captured in the program and separated from other metal types, which occurs in curbside programs. Research conducted by the solid waste management firm, Gershman, Brickner & Bratton, Inc., found that nationally, up to 25 percent of cans are missorted at the MRF into the bales of other commodities, such as plastic PET bottles and mixed paper, as well as the non-recyclable pile.¹ Novelis, a leading producer of flat-rolled

¹ <https://www.cancentral.com/sites/cancentral.com/files/public-documents/GBB%20Report%20Aluminum%20Can%20Drives%20U.S.%20Recycling%20System%20Final%202020-0623.pdf>

aluminum products and the world's largest recycler of aluminum, has shared with CMI that there is a higher value for used beverage cans coming from deposit states versus those from non-deposit states, due to better consistency in quality.

An increase in Vermont's redemption and recycling rates of aluminum cans is very important to the can industry. We have a goal of a 70 percent national recycling rate for aluminum beverage cans by 2030. While the U.S. recycling rate for aluminum beverage cans in 2020 was an industry-leading 45 percent, reaching a 70% target will require modernizing existing programs and creating new ones in non-refund states. CMI and our aluminum can sheet suppliers support deposit programs because they are vital sources of used beverage cans. The Container Recycling Institute conducted analysis, which showed that while the deposit states consume about a quarter of all beverage cans, they generate more than a third of all cans recycled. Further, while recycling rates for aluminum cans are about 36 percent in non-deposit states, they average just under 80 percent in states with such programs.² The cans that aluminum suppliers receive from deposit states tend to be far cleaner and of higher quality, making recycling easier and more economical.³

It is not just my industry who benefits from Vermont's recycling refund program. The glass container and PET bottle makers both benefit from your program. In fact, in 2021, the heads of the Can Manufacturers Institute, the Glass Packaging Institute and the National Association for PET Container Resources (NAPCOR) all signed an opinion

² https://www.container-recycling.org/index.php?option=com_content&view=article&id=730&Itemid=1372

³ <https://resource-recycling.com/recycling/2020/03/03/in-our-opinion-the-right-design-for-container-deposits/>

piece published nationally in support of container deposits and the vital role they play in getting back more material at a higher quality, so it is kept out of landfills and used to make new products. To U.S. manufacturers, creating this circular economy is smart policy. The more domestically sourced and used material the country uses as feedstock reduces our dependence on imported material from overseas and on virgin product, which is where the U.S. sees sizeable reductions in carbon emissions, energy used to produce new containers and natural resources extracted from the Earth. This puts U.S. manufacturing at a competitive edge against other countries and reduces materials imported from non-allied countries.

H.158 includes language that allows can makers the flexibility of where the deposit value and label can be placed on the can. Currently, eight other states allow the label to be placed on the side of the can. Incising on can ends has become more difficult as can makers are using significantly less metal and the walls of the can have become thinner. In fact, can makers have reduced the amount of metal to make cans by 30 percent over the last 25 years and hope to make even further progress in the future; this action reflects our industry's commitment to environmental stewardship. As a result, the depth of the incisions on ends is less deep and less visible today than in the past. There is very little room on can ends for additional state insignias that demarcate container deposit laws. If one more state was to implement a beverage container deposit, there would be no room for that state's insignia. The ability to print the Vermont label on the side of the can would ensure the deposit insignia will be clearly visible and comport with the deposit laws of other states.

Vermont's deposit program is an important source for used beverage cans that are highly valued and sought after by aluminum suppliers. Thank you for allowing me the time to speaking with you about why we support H. 158 and I urge you to pass the bill. I look forward to answering your questions.