



Marcie Gallagher  
Environmental Advocate  
Vermont Public Interest Research Group  
[mgallagher@vpirg.org](mailto:mgallagher@vpirg.org)

January 18, 2023

To Members of the House Committee on Energy and Environment:

Thank you for providing the opportunity to present to the committee regarding the work done in the 2021-2022 biennium to modernize the Bottle Bill.

The Bottle Bill is Vermont's most successful recycling program. However, it is outdated and overburdened. The state needs to update the program to maximize the benefits to Vermonters, small businesses, and our environment.

The Bottle Bill modernization that passed the Senate was different from the bill that was passed by the House in 2021. VPIRG strongly supported the legislation passed by the House, but over the course of the year that followed, it became clear that further changes would be required in the Senate. A small working group representing some of the most interested and diverse stakeholders was established by the Senate Committee and tasked with coming up with a new draft. VPIRG was part of this process.

Ultimately, we were willing to go along with the beverage industry proposal to create a Producer Responsibility Organization (PRO) as part of the negotiations in the Senate. Though it wasn't our idea, we do recognize that a PRO for the Bottle Bill could bring crucial benefits to the system. These include benefits to consumer convenience and redemption centers. Nevertheless, the single most important improvement we can make is to increase the number of containers included in the program by expanding the scope to include wine, water bottles, and more, which the House overwhelmingly supported in 2021. Statewide polling shows that 83% of Vermonters support expanding the program this way.

### **Environmental Benefits**

Bottle Bill materials are much cleaner and therefore of a higher financial value than curbside materials collected in single-stream systems. For that reason, bottle bill products can be sold for more and turned into new products, such as bottles and food-grade materials, rather than downcycled for one-time uses like construction materials. This has real-world implications in Vermont.

To improve plastic recycling rates in Vermont, PET bottles are part of a well-established, closed-loop recycling system where they can be efficiently recycled at least 10 times. When we downcycle instead of recycle, we move from a circular to a linear system where those products will not be recycled again, and the many environmental benefits of recycling will not be fully realized.

All plastic containers covered by the bottle are made from food-grade PET plastic and are not mixed with other types of materials. In curbside single stream systems, plastic beverage containers mix with non-food grade plastics. Non-food grade plastics contain additives that are not safe enough for beverage containers. Once they are mixed together, the whole batch has additives and cannot be used for food-grade products.

Some states and companies like Pepsi and Coke have established recycled content standards for plastic beverage containers. Since it's mainly only plastic collected in state Bottle Bill programs that can be turned into new plastic bottles, industry experts agree that these goals will not be possible without the expansion of Bottle Bills across the country.

The chasing arrows symbol represents the most environmentally efficient way to recycle: turning a product back into the same product over and over. Not only does it result in energy, water, and greenhouse gas savings, but the more times you recycle a product, the less waste that is produced.

For example, recycled PET from single-stream facilities can be used to make low-quality, fast-fashion garments which are often discarded after only a few uses. This practice is fueling a waste crisis. At least 39,000 tons of clothes from the U.S. end up in rubbish dumps in the deserts of Chile *every year*. That's about the weight of 28,000 cars.

The fast-fashion brand H&M touts using recycled bottles to meet 90% of their polyester needs – and H&M is the second-most common brand found in the Chilean fashion desert. This practice harms environmental justice communities. Mountains of clothes and shoes are burned, releasing toxic gases from the polyester that surrounding communities are polluted with.

Examining the outcomes of glass management in the state makes a strong case for the Bottle Bill. Consider the case settled by Chittenden Solid Waste District (CSWD) and the Vermont Attorney General (AG) regarding CSWD's improper dumping of almost 18,000 tons of glass between the years of 2013-2018. This demonstrates the poor glass markets for single-stream recyclables. When not dumped or stored indefinitely, much of the glass collected at curbside winds up in low-end construction uses such as road aggregate.

Glass processors and manufacturers agree that single stream is bad for glass recycling. Broken glass is a contaminant in other material bales, such as plastic bottles and household paper. Contamination not only lowers the value of each ton collected in the single-stream program, it compromises the function and lifespan of processing equipment because of increased wear and tear and maintenance. During testimony last year, solid waste district emphasized how onerous it is to manage glass, thus the significance of including wine in the Bottle Bill.

While using glass for landfill cover, construction, and road aggregate is better than simply landfilling it, there are much better uses for high-value glass collected in a quality-controlled Bottle Bill system. There is an urgent need for this high-quality glass right now and glass is infinitely recyclable– it can be recycled again and again and again. But that benefit is lost when it is landfilled.

In addition to reducing plastic and glass waste, container deposit laws establish the infrastructure and consumer culture that can chart the path toward reuse over recycling. Before the introduction of one-way disposable containers, beverage companies relied on consumers to return bottles to be refilled, as it was more cost effective than using virgin materials. Before the 1972 law passed to create the Bottle Bill we have today, a Vermont law passed 10 years ago in 1953 banned non-refillable bottles and put a 5-cent deposit on refillable containers, but the law lasted only four years due to heavy lobbying from the beverage industry. Then, in the 1960's, single-use beverage containers exploded.

In 2018, Oregon began utilizing its existing Bottle Bill infrastructure to launch a statewide refillable bottle system. Once separated, the bottles are sent to a cleaning facility and then eventually sent back to participating breweries where they are refilled. With more than two million bottles in circulation, consumers can choose from over 100 different beverage types available in refillable bottles, produced by nearly a dozen local beverage manufacturers. Vermont's booming craft beer and cider industry makes it an ideal location to pilot a refillable program.

Coca cola already has a refillable system running at a mass scale across the world. In Germany and parts of Latin America, the sale of refillable bottles outperforms single-use containers.

### **Benefits to small business**

Our deposit and handling fee have not been updated to meet inflation, and as a result, redemption centers have been struggling to make ends meet for years. On top of this are pandemic workforce challenges. The result is more and more redemption centers are on the brink of closing. We must do more to improve the viability of well-run redemption centers.

Redemption centers are funded by the handling fee, currently small fee attached to each redeemed container that is paid by the producers of that container. Some producers join a contract and allow their containers to be "commingled" together in one bin, while others do not, and their containers have to be sorted separately.

When working on H.175 last biennium, the Legislature recognized that by effectively doubling the amount of containers eligible for redemption, we would need to increase the incentive for producers to commingle, so the physical space of redemption centers would not be overwhelmed with hundreds of what we call "sorts".

This is a major benefit of creating a PRO. Under this system, all producers would need to participate, and therefore redemption centers would no longer have to sort containers by brand. This will significantly lessen the workload of redemption centers employees. With less time sorting, staff can use time more efficiently and fewer staff members can be paid more for their time.

A significant concern raised by redemption centers is the need for a consistent pickup schedule to meet the higher volume of containers— so they don't accumulate containers they don't have space for. This is also accounted for in this new model. The PRO is required to ensure that containers are picked up from redemption centers on a timely basis.

With these changes of fewer sorts, less employee time needed, and a reliable pick-up schedule, redemption centers will be able to make more money from a higher volume of containers and thrive as a profitable business model.

Lastly, legislators last biennium heard from some small mom and pop grocery stores that they were opposed to expansion of the Bottle Bill and overwhelmed by the current program. This version of the bill does a lot to consumer convenience by providing more access to redemption centers. For these reasons, we felt comfortable giving small retailers an exemption from having to accept containers for redemption.

### **Increases in consumer convenience**

The Bottle Bill cannot be a successful system if consumers don't have access to redemption options. Unfortunately, this is sometimes the case today and with the already states challenges to redemption centers, options are getting even more scarce. This is an issue of equity. For example, Montpelier and Burlington are not currently served by a redemption center. In these downtown areas, consumers and canners are less likely to have reliable transportation and can't get their deposit back.

This was a key issue we advocated for in the Senate last year with the creation of a PRO. The PRO has the ability and resources to give consumers more redemption options. We would propose to build on the Senate-passed convenience standards and require the PRO would be required to ensure that there are at least 3 points of redemption per county, at least 1 per every town of 7,000 or more, and at least 1 per designated downtown district. Furthermore, ANR will determine more convenience standards using GIS to find other rural areas lacking redemption accessibility.

### **Conclusion**

At this point, status quo is no longer an option. This legislation will provide enormous relief to redemption centers and consumers and will result in significant environmental benefits. After 30 years of no meaningful change, it's time.

The pandemic has put stresses on small businesses across the board, and redemption centers are no exception. Beyond Vermont, other states like Maine have struggled with antiquated Bottle Bills under the workforce changes of the last three years. The version of this bill that we are recommending is thoughtfully borrowing the best elements from Bottle Bills across the country and world, and it is uniquely tailored to Vermont's context in order to allow the program to thrive.

While we were ultimately willing to go along with the industry-backed PRO model, we do want to reinforce that there *are* dangers associated with an industry – run program like a PRO. In order to avoid a situation of the “fox guarding the henhouse,” we would suggest multiple enforcement mechanisms to hold the producers accountable to achieving high redemption rates, consumer convenience, and support for redemption centers. We would not feel comfortable with creating a PRO to run the Bottle Bill without these accountability mechanisms.