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March 11, 2014

The Honorable Anthony Klein, Chairman
House Committee of Natural Resources and Energy
Vermont State House, Room 44
Montpelier, Vermont 05633-5301

RE: Vermont H. 104 – testimony regarding H. 104

Dear Chairman Klein,

I am writing from the Container Recycling Institute (CRI) to provide information related to Vermont H. 104. In particular, we'd like to correct some misstatements that were made in testimony that was made to the committee last week.

Glass, plastic and aluminum beverage containers should be kept in the deposit system and out of curbside recycling bins to decrease contamination of materials

Glass contamination issues: If the deposit on beverage containers was repealed, it would result in the addition of glass containers to municipal curbside programs and disposal (landfill) bins, increasing costs for municipalities. The broken glass would contaminate other materials in the curbside program, decreasing monetary value, marketability, and recycling rates for those contaminated recyclables. Municipalities, responsible for the costs of operating curbside programs, report cost savings from the reduction in container glass handling in their system.

Sales of deposit glass for high-end uses: The benefits of keeping glass containers in the deposit system and out of curbside recycling are clear. "Sixty percent of glass coming from single-stream [curbside] programs is useable for making glass bottles or fiberglass. Another 19 percent is undersize material, some of which can be used as road base or landfill daily cover, and 21 percent is a combination of non-glass residue and undersize material, which is not useable and is sent directly to landfill."¹

Pricing is higher for deposit glass than curbside glass: The price for container deposit glass is typically in the range of \$20 per ton, while glass from curbside programs typically has a value of zero or a negative commodity value, because of the cost to clean the glass.

PET plastics and contamination of curbside material - According to the plastic recycling industry, in NAPCOR/APR's annual recycling rate report, there are significant contamination problems with single-stream recycling. "The worsening quality of incoming PET material continues to add significant cost and operational challenges for reclaimers. The impact of non-PET material in PET bales is compounded as it increases because every step taken to remove contamination – whether during material sorting, washing, and processing – invariably leads to some loss of valuable, usable PET material."²

Pricing is higher for deposit PET bottles than curbside PET - In states with container deposit legislation and decreased contamination, "deposit bales and good-quality dirty granulate continued to be in high demand, supporting price premiums of up to \$.10 per pound or more."³ In 2013, reclaimers were still reporting crisis-level contamination, "particularly in bales of PET generated in curbside programs."⁴ This remains a problem because the materials generated by community programs in the United States are "still not sufficient to meet the demand, both current and potential" for good quality recyclable materials. PET from container deposit programs sold for an

¹ Collins, Susan. "A Common Theme." Resource Recycling February 2012: 14-17.

² NAPCOR/APR, "Postconsumer PET Container Recycling Activity in 2013": October 8, 2014.

³ Ibid.

⁴ Ibid.

average of \$500 per ton in 2013, compared to an average of \$360 per ton for curbside bales.⁵

Aluminum – Aluminum faces similar reduction in quality when collected through curbside programs as compared to deposit programs, though not the same extent as glass and PET plastics. The contamination rate in curbside aluminum bales is in the range of two to eleven percent.

Single-stream residential curbside recycling and incorrect sorting: Once materials are picked up at curbside, they are placed in a truck that compacts or crushes the materials. Single-stream materials are delivered to a materials recovery facility (MRF), dumped on the MRF floor, pushed onto a conveyor belt, and sorted by a combination of machine and manual sorting. It is well known that the sorting process is not perfect, and a small amount of material ends up being sent to the wrong secondary processing facility. Secondary processors include aluminum smelters, plastics reclaimers, and glass beneficiation facilities.

An example of incorrect sorting would be aluminum cans or PET plastic bottles that end up in bales of paper and are sent to a paper mill. A 2011 State of Oregon study quantified the extent of incorrect sorting, and found that 32% of aluminum cans and 16% of plastics bottles ended up in the wrong bales. There were no comparable data for glass in Oregon, where glass bottles are collected separately from other curbside materials.

Glass Beneficiation (Recycling) Plants are Located in Montreal, Franklin, Massachusetts and South Windsor, Connecticut

The committee was told that the nearest outlet for used glass bottles to be recycled is in Connecticut. However, there is a closer plant in Montreal, Quebec: 2M Ressources. The glass bottles from the container deposit program are sent to Montreal for recycling.

Container Deposit Laws Save Money for Municipalities

It is a myth that beverage container deposit laws are costly for municipalities. The idea that “curbside recycling programs are robbed of valuable aluminum and PET” is misleading because it cherry-picks one fact while ignoring the economics of the entire system – ignoring the negative commodity value for curbside glass, all collection, processing and landfilling costs, as well as other cost savings to municipalities. In contrast, the truth is that beverage container deposit laws have been proven to save money for municipalities through collection and processing cost savings, avoided landfill tipping fees and avoided litter collection costs.

For example, wine and liquor bottles were taken out of curbside recycling programs in the Canadian Province of Ontario in 2007, and added to the existing deposit program. Municipalities advocated for this change, because they wanted to get the glass containers out of curbside programs. After the switch to a deposit program, municipalities realized a cost savings from the reduced glass quantities in curbside programs. In particular, the City of Toronto documented a net savings of \$448,000 in 2007; and \$381,000 in 2008 due to a reduction in processing and disposal costs.⁶ In addition, the recycling rate for those containers increased from 63% from curbside recycling alone to 93% in 2013/14 (80% in the deposit program, and another 13% in the curbside program).⁷

Beverage Container Deposit Program is Consistent with Vermont’s Existing EPR Policies

Vermont has embraced the policy of Extended Producer Responsibility (EPR), and has enacted EPR laws that address fluorescent lamps, thermostats, batteries, automobile switches, paint and beverage containers. In the case of beverage containers, the responsible party, the “producer” in Extended Producer Responsibility, is the beverage industry and the State of Vermont Department of Liquor Control. The current system incorporates the full cost of responsible end-of-life management of packaging materials directly into the purchase price of beverages, rather than relying on taxpayers and ratepayers to subsidize packaging collection and recycling. With the current law in place, the State of Vermont is embracing its own responsibility as the producer for the end-of-life management of packaging materials. Given that the State of Vermont mandates various industries to embrace their responsibilities

⁵ Ibid.

⁶ Amendments to Processing Fees Due to LCBO Deposit Return Program, report to Public Works and Infrastructure Committee from General Manager, Solid Waste Management Services: October 29, 2008.

⁷ “Investing in Ontario’s Common Future, Beer Store Responsible Stewardship 2013-14” prepared by The Beer Store.
http://www.thebeerstore.ca/sites/default/files/widget/right/2014%20Stewardship%20Report%20Web_0.pdf

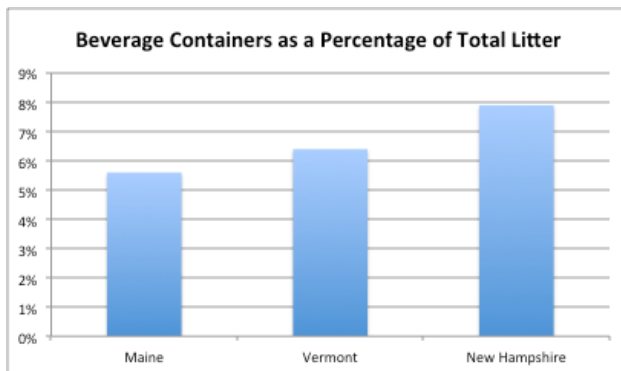
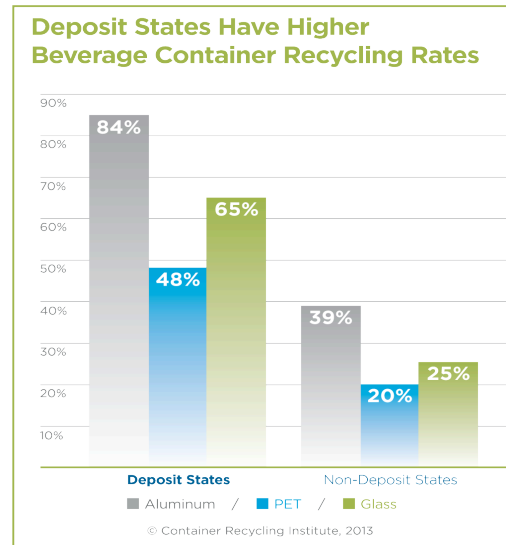
for their products, it stands to reason that the State would also take responsibility when it is the producer.

Vermont's Deposit Beverage Container Recycling Rate is Very High

Vermont's deposit return program currently covers all beer, malt, carbonated soft drinks, mixed wine drinks; and liquor containers. Thanks to the economic incentive of a 5 or 15-cent refund, Vermont has enjoyed robust rates of return on deposit beverage containers, estimated at roughly 75 - 85%. In contrast, states without container deposit laws have a beverage container recycling rate of only 30%, on average.

Vermont's container deposit law helps reduce beverage container litter in Vermont.

Traditionally, mitigation of litter was a primary reason for the implementation of deposit return programs. Recent data from Hawaii, Canada and the Great Lakes confirms that container deposit laws reduce beverage container litter by half, on average. Increased litter would result in increased costs to the State and municipalities for litter collection and disposal.



Vermont and Maine have fewer littered beverage containers per mile of roadway than New Hampshire. As this table shows, beverage containers constitute a lower percentage of overall litter in Vermont and Maine than in New Hampshire. The raw data in the American Beverage Association's 2010 Northeast Litter Study all show that beverage containers are littered more in New Hampshire (with no container deposit law) than in Vermont and Maine, which both have container deposit laws.⁸

About CRI

CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of used beverage containers and other consumer-product packaging. Its mission is to make North America a global model for the collection and quality recycling of packaging materials. We do this by producing authoritative research and education on policies and practices that increase recovery and reuse; by creating and maintaining a database of information on containers and packaging; by studying container and packaging reuse and recycling options, including deposit systems; and by creating and sponsoring national networks for mutual progress. CRI envisions a world where no material is wasted and the environment is protected. It succeeds because companies and people collaborate to create a strong, sustainable domestic economy.

Thank you for the opportunity to submit comments on this bill. Please contact me with any questions you may have.

Sincerely,

Susan V. Collins
President, Container Recycling Institute

⁸ Environmental Resources Planning, LLC, "Northeast 2010 Litter Survey: A Baseline Survey of Litter at 288 Street and Highway Locations in Maine, New Hampshire and Vermont" conducted for the American Beverage Association.

Cc:

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