

H.175, An Act Relating to the Beverage Retainer Redemption System
Testimony of Clare Buckley
on behalf of the Vermont Wholesale Beverage Association
House Ways and Means Committee
March 9, 2021

Thank you for the opportunity to testify. My name is Clare Buckley, a lobbyist with Leonine Public Affairs in Montpelier. I also serve as the Executive Director of the Vermont Wholesale Beverage Association (VWBA) whose members include a number of Vermont's beer and wine wholesalers. Members include Baker Distributing Corporation with facilities in Rutland and Colchester, Calmont Beverage located in Barre, the Craft Beer Guild of Vermont located in Colchester, Farrell Distributing Corporation with facilities in Rutland and South Burlington and Vermont Wine Merchants located in Burlington.

These companies and their 600 plus employees who distribute beer, wine and non-alcoholic beverages, were deemed essential during the COVID-19 pandemic in order to keep the beverage supply chain operating and the beverage shelves fully stocked at Vermont's 1,200 licensed grocery stores and other off premise retailers.

Vermont's beer distributors have been operating our part of the bottle deposit system in Vermont for over 45 years and are responsible stewards of our products and the environment. VWBA opposes expanding the bottle bill to wine and other noncarbonated beverages and raising the bottle deposit from 5 to 10 cents. The bottle bill system, created in the 1970s before any significant recycling existed in Vermont, is antiquated, inefficient and it is plagued with operational issues. It is also costly. In 2013, DSM Environmental reported in a study that ANR commissioned, that the bottle bill cost over \$11 million annually in Vermont and it would cost another \$4 million annually to expand it as proposed in H.175. The same study found that the bottle bill generates greenhouse gases in Vermont from consumers, distributors and third-party pick up agents.

In this era of E-Commerce where more products are being sold over the Internet, there is no longer a closed distribution system for many of these products as there was in the 1970s or even the 1990s. The result is that deposits are not charged on many containers coming into the state but your local distributors are responsible for picking up the empties and paying a deposit and handling fee on each one. Expanding the bottle bill to additional beverages and raising the deposit to 10 cents will also increase fraudulent returns by those purchasing beverages in neighboring states where they don't pay a deposit and returning the empties for a refund in Vermont.

Imposing a bottle bill on wine is also a logistical nightmare. Because there are hundreds of thousands of wineries all over the world, there is no way to require them to label their wine bottles with the Vermont deposit. This means Vermont distributors will have to open every case of wine and hand sticker each bottle. This is what happens in Maine. Collection of glass is also problematic. It's heavy and it breaks. Many smaller retailers don't have the space to store the empties and there will be many more sorts. To make it easier for the bigger redemption centers we have offered them gaylords to throw all commingled glass in but this has resulted in glass returns increasing significantly because all the odd-ball brands or other glass containers that redemption centers don't know what to do with end up in the commingled glass. This will be much worse if wine bottles are included. No bordering state includes wine in its bottle bill so cross-border migration of wine bottles into Vermont will be significant.

VWBA members are not here to just say no. We are open to discussing alternatives to the bottle bill for those products we sell that are not already covered, such as glass wine bottles. We believe there are alternatives that can bring economic and environmental value to the state. To that end, I'd like to direct my remarks to offering an alternative fee arrangement for glass as opposed to expanding the bottle bill to wine and other noncarbonated beverages in glass containers.

Glass in Vermont's Municipal Waste Stream

The 2018 Waste Composition Report by DSM Environmental provides detailed data on the glass in Vermont's solid waste stream.¹ Glass makes up less than 2 percent of Vermont's municipal waste stream.

- Glass from non-carbonated beverage containers not covered by the bottle bill (wine, juice drinks, etc.) makes up 0.6 percent of Vermont's municipal solid waste stream.²
- Food and dairy glass make up 0.4 percent of Vermont's municipal solid waste.
- Glass beverage bottles covered by the existing bottle bill (beer, soda, spirits) make up 0.4 percent of Vermont's municipal solid waste.
- There is also plate glass that ends up in municipal solid waste, accounting for 0.1 percent of Vermont's municipal solid waste stream.

This data demonstrates that glass from wine bottles and other noncarbonated glass beverage containers covered under H.175 comprise less than half of the glass disposed of at Vermont's two material recovery facilities (MRFs). Even if the bottle bill were expanded, MRFs would still have to process 3,347 tons of glass from food and dairy glass, glass bottles already subject to deposit and plate glass.

Less Costly Win-Win Alternative for All Glass Food and Beverage Containers

Given that imposing a bottle bill on wine and noncarbonated beverages in glass containers will still leave glass to be processed through the MRFs, a more comprehensive solution that will address ALL glass, and not just beverage container glass, is needed. A solution is for Vermont to adopt a private stewardship program for all food and beverage glass in Vermont's waste stream, including non-bottle bill glass like pickle and tomato sauce jars, similar to the product stewardship programs Vermont has for toxic products such as batteries, bulbs, electronics, paint and thermostats, although glass is not toxic. The stewardship program would invest funds in Vermont's MRFs and other recycling infrastructure to ensure those operations have the capacity to process glass as part of the single stream recycle system and to increase markets for recycled glass.

The environmental benefit to Vermont under this proposal is significant. According to recent testimony from a representative of the Agency of Transportation, Vermont's sand pits are depleted. Vermont is importing sand for use in road projects, which is costly and generates greenhouse gases to transport. AOT specifications already allow up to 20 percent of processed glass aggregate (PGA) in the subbase for road construction. Chittenden Solid Waste District generates this type of PGA today. The demand for this PGA exceeds the supply. AOT and UVM have been working on accelerating the use of PGA in road

¹ *2018 Vermont Waste Characterization Final Report*, DSM Environmental Services, Inc. with support from MSW Consultants and Castleton Polling Institute, December 14, 2018, Table 11, Page 17.

² See Table 12, Page 18.

projects by allowing PGA to be used in other ways in road construction. They expect preliminary results from this study in about a year. AOT says if this project is successful this will flip the economics of PGA as a money loser to a marketable commodity for the MRFs. There are other emerging markets for the PGA such as a company in Vermont called Glavel, which makes foam glass aggregate for construction projects.

Vermonters value eating and shopping locally to support our local farmers and businesses. This proposal builds on those Vermont values by having Vermont recycle and process our waste locally. Currently, distributors are paying a third-party pick up agent owned by a global company a significant fee to pick up bottle bill materials and ship much of the scrap materials out of state for processing. Rather than sending our money and materials out of state, a local stewardship program could generate funds for the necessary investments in technology at our solid waste processing facilities and provide more materials to process so these facilities are able to get a return on their investment. Finding a solution for all food and beverage glass, and not just beverage glass, will result in a greater environmental benefit, will be good for the Vermont economy, create jobs and will be less costly for Vermonters.

We urge this committee to leave Vermont's current bottle deposit law as is and create a private stewardship program for all food and beverage glass not covered by the bottle bill.

Thank you for considering this testimony.