



Vermont House Testimony on Expansion of the Bottle Bill (H. 175)

House Ways & Means Committee

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Members of the Committee,

Cover slide: Thank you for the opportunity to join you (albeit virtually) today to share my experience with you of the Vermont Bottle Bill and the container redemption system and to advocate for their expansion via House Bill 175.

Slide 1: My name is John Langhus and I am joining you from my home in Norwich. I am a Member of the Norwich Selectboard, the Vice President and General Counsel of a national solar developer named New Energy Equity and am the owner of Wisdom & Power, a Vermont energy and climate consulting firm. Most relevant today, I am one of three owners of the Putney Rd Redemption Center in Brattleboro. Putney Rd has operated for over thirty years and has been owned by my partners and me for four years now. This is a picture of our crew in front of our shop.

Slide 2: I want to start with just a quick refresher on how our industry works. The Bottle Bill mandates that beverage companies, as the producers of the disposable containers, collect a 5-cent deposit on disposable containers for carbonated beverages sold in Vermont. The deposit provides an incentive for the consumer to return the container to the manufacturer so that they can properly dispose of it. The deposit is first charged by the manufacturers when the beverage is sold to retailers. The deposit is then collected from consumers by retailers who sell these containers in Vermont. Consumers pay the 5-cent deposit when they buy the beverages in Vermont and can get that deposit back by redeeming the empty container where they purchased it or at a certified Redemption Center like ours. The big difference is that a retail outlet is only required to redeem brands that it sells. A Redemption Center must redeem any container presented to it that bears a "VT 5 cents" stamp on its label. Once collected, those redeemed containers are picked back up either by the distributors in the case of retail outlets, or by TOMRA, in the case of Redemption Centers. We are paid the 5-cent deposit, plus a 3.5-cent (or 4-cent for sorted brands) handling fee intended to be compensation for having to collect, sort, and package for re-collection, the redeemed containers. Finally, all deposits not paid back through the redemption process to consumers are then paid on to the State, in recognition of the burden that unredeemed containers have on the solid waste disposal systems in the State of Vermont. Those unredeemed deposits are commonly referred to as the "escheats".

Slide 3: The Bottle Bill is not a sexy piece of legislation that generates headlines and drives political careers like the expansion of broadband, the increase in minimum wage, or the repair and recovery of Lake Champlain. And container redemption is not a sexy industry. It is dirty, sometimes smelly, physical work, and we make our living 4 cents at a time – the handling fee that is added to the 5 cent deposit when our redeemed containers are bought by TOMRA on behalf of the container manufacturers. But we make a difference – in the lives of our employees, the lives of our customers, and to the environment of Vermont and beyond. Quietly, working largely out of sight, the Bottle Bill is the

most successful piece of environmental legislation in Vermont and its success is driven by the workers who redeem those containers. If you want to celebrate and reward success, if you want to add momentum to one area where we are winning a critical battle for sustainability during this Climate Emergency that you have declared, I urge you to vote to expand the Bottle Bill and make the necessary once-per generation increase in the container handling fee.

Some people agree that the Bottle Bill has been a success but ask “Why mess with success? If it ain’t broke, don’t fix it.” But in business (and hopefully in government), there is another adage that says that if something works, it should be done more – that we should focus our energy on what we have proven works and is effective and do more of it. Beyond that, despite a dramatic increase in the amount of recyclable material being placed by Vermonters in their recycling bins over the past decade, we have seen a big *reduction* in the amount of material that ultimately gets recycled. In some communities in Vermont, redeemed containers are basically the only stream of material actually being recycled. The most prominent recent example of this, but not a rare one, was the discovery of dumping of recyclable glass by the Chittenden Solid Waste District in landfills. How can this be? It is well-documented and undisputed that the widespread adoption of “single-stream” recycling has decimated recycling in the United States generally, and in Vermont specifically.

You’ve heard this week, that the expansion of the Bottle Bill would result in too many redeemed containers to handle. What a great problem to have. Triple the amount of containers being recycled in Vermont! That should be where we are going. We see no problem with this. We definitely need TOMRA to increase their collection capacity to handle ours – we typically fill two full trailers per week. We would expect to increase that to a pick-up almost every day – 5 or 6 per week. For other RCs, they typically get picked up on an ad hoc basis with partial loads. With increased volume, they could shift to full loads picked up on a more scheduled basis like we do. We are working with a couple, Jacob and Kim Trobibley, who own several RCs, to put together a voluntary “best practices” training that we would offer to other RC owners to help them to scale up successfully and make this a win-win for everyone.

Slide 4: Single-stream was a well-meaning attempt to both streamline the collection side of recycling while making recycling easier for individuals. One container. All your recyclables. It sounded great. Unfortunately, this has proved to be too easy. People regularly place unrecyclable materials mixed in with the recyclable ones, with the result that the entire stream becomes contaminated and the effort required to re-separate those materials far outweighs the economic value of the resulting recycling stream so recycling companies understandably choose not to do it. The recycling stream becomes just another garbage stream for a world that is being broadly and systemically poisoned by plastic waste. Redemption Centers on the other hand, provide the least contaminated stream of recyclables in Vermont. The materials are separated by type (glass, plastic, or aluminum), by size (over 15 categories), and in some cases sorted by brand. Single-stream has failed as a policy experiment, utterly and completely. I urge you to fix that legislation as well, but in the meantime, please expand the system that has worked for Vermont for nearly 50 years and is broadly supported by a huge majority of Vermonters.

Slide 5: So what is our impact really – we humble redeemers with our bags of nickels? Most of us measure the Bottle Bill from the perspective of our kitchens or garages, where a bag of cans and bottles sits for a week or two and is redeemed occasionally when it gets full. It feels good and you

get a few bucks in your pocket, but what impact can that really be having in a world that is being crushed by the weight of environmental devastation? Is it really worth it?

We sure think so. Putney Rd Redemption Center is the largest “independent” among redemption centers, and we redeem about 10,000,000 containers per year! We estimate that we are about 6% of the VT redemption market. And what do we achieve with those 10,000,000 nickels?

- We have a team of 4-6 employees, depending on the time of year, including a Manager who is been with Putney for nearly ten years and three other team members who have been with us for over five years. No employee has a college degree. Every employee is a lifelong Vermonter. Our payroll supports that team and their families.
- We provide \$500,000 per year to our customers. That money goes to individuals to help them make ends meet, and also supports dozens of schools, churches, service organizations, sports teams, and charitable organizations in and around Brattleboro. Our partnership with Windham Solid Waste generates charitable donations by allowing customers at the transfer station the option of redeeming containers rather than placing them in the recycling bin. Saves money for the Waste District and helps fund local charities.
- By removing those containers from the waste stream, we save local transfer stations and solid waste districts the cost of handling over 30 tons of glass per year.
- Beyond Putney, the Bottle Bill statewide also helps to keep Vermont’s roadways clean of litter, with an incentive for people to pick up containers they see thrown on the side of the road, and in 2020 provided about \$3,000,000 in escheats to the State of Vermont which are being used to help clean up Lake Champlain – hey maybe Redemption is sexy after all!

Not bad for a pile of nickels.

Slide 6: Here is what House Bill 175 will do:

- Expand the Bottle Bill beyond carbonated beverages to cover water, juice and sports drinks, wine, virtually all beverages except for milk. When the Bottle Bill was enacted 50 years ago, it had not occurred to people yet that they had to carry around tap water with them at every moment as though they were trekking through the Sahara desert. Most people had never heard yet of Gatorade and it would be many years before the sports drink market exploded. Wine was more of a niche market too, far less popular in the US than beer or liquor. The only reason these weren’t covered then is because they didn’t represent a lot of the total number of containers. There is no rational reason to not have these beverages carry their weight with carbonated beverages. If local Vermont breweries support this recycling program, why are we letting large multinational beverage companies get away with not doing their share?
- The Bill would also increase the deposit from \$0.05 per container to \$0.10. This increase has been made in several Bottle Bill states already. First, it recognizes the increasing cost to all of us imposed by the need to manage used beverage containers. This is a societal cost that is not otherwise covered by the industry generating the cost. Scientists tell us now that a typical unborn baby already has traces of microplastics in her endocrine system. Before she is even born! Plastics pollution is endemic across ecosystems and across species. It is hard to

overestimate the immense cost to society of the “convenience” of plastic. This deposit increase will also increase the incentive to redeem, so that more people will choose redemption rather than throwing the containers away or pitching them in their recycling bin where they are in increasing danger of not being recycled at all in the single-stream system.

- Finally, the Bill would increase the handling fee paid to Redemption Centers by one half of one penny per container, for non-commingled containers – that is, those that need to be sorted by brand. We actually recommend the half-penny increase across the board to all types of containers. Our revenues are a function of legislation. We are a regulated market where the government sets our prices we get for our containers, but government does not set our costs. My partners and I are active supporters of the \$15 minimum wage, and we pay above the current minimum wage at Putney. But our shop could not survive a move to \$15 per hour if that change happened today. After the payment of deposits to redemption customers, Payroll, Payroll taxes and Workers Compensation insurance (which is a function of payroll) represent over well over half of our expenses. Vermont is a high-cost labor market, as we all know. Each one of our employees is worth more than they make, as are all Vermonters at the low end of the wage scale. Please do not make a false choice between what is good for Vermont workers and what is good for the environment.
- I would like to briefly address the fraud issue that has been highlighted by a few commenters. It happens and it definitely transfers money from VT to neighboring states, though no one has good data on how much. The fact is that we struggle to get Vermonters to pull containers out of their single-stream bins and into a redemption bin, so the suggestion that lots of people are doing so in other States just to bring them here seems far-fetched. But in any case, do not let this issue be obscured by the very people who have created it. Our staff is extremely diligence about not redeeming containers that do not have a VT label or stamp – we are graded on that by TOMRA in fact and have an excellent record. But beverage manufacturers have made the business decision to sell VT-stamped containers in neighboring markets where there is no Bottle Bill. Just like plastic pollution, this is just another case where large corporate interests have chosen to impose costs on society rather than bear those costs themselves. Do not allow them to now argue about the injustice of a situation they knowingly created.

Last Slide: I hope that I have given you a useful picture of how the Bottle Bill works in the real world. How it affects real Vermonters. How it affects our environment. How it has been a greater success than was ever hoped for. How these little nickels make a big difference. Please vote for House Bill 175 and build on this great success.

Thank you

John Langhus

Owner, Putney Road Redemption