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March 11, 2021

The Honorable Janet Ancel
Chair, House Committee on Ways and Means
Vermont State House
115 State Street
Montpelier, VT 05633-5301

RE: Support for H. 175, an act relating to the beverage container redemption system

Dear Chair Ancel, Vice-Chair Kornheiser and members of the Committee:

The Can Manufacturers Institute (CMI) is the U.S. trade association representing metal can makers and their suppliers. The industry employs over 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.

CMI and our aluminum can sheet suppliers support deposit programs because they are vital sources of used beverage cans. Last year, an analysis by environmental research firm Circular Matters 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 40 percent in non-deposit states, they average more about 80 percent in states with such programs. **The cans that aluminum suppliers receive from deposit states tend to be far cleaner and of higher quality, making recycling easier and more economical.**¹

Aluminum recycles forever, creating a circular system so used cans are made into new ones. During the February 17 hearing on the bill, TOMRA testified that the cans they collect in Vermont are sent to Kentucky, where Logan Aluminum remelts them into aluminum can sheet to make new cans and other products. Using recycled cans saves more than 90 percent of the energy needed to make a can from raw materials.² The value and existing robust market for aluminum cans also helps the entire recycling system, by effectively subsidizing the recycling of less valuable materials.

Supporters of single-stream curbside recycling programs will argue that the quality of used beverage cans coming out of material recovery facilities, or MRFs, is the same quality as those collected through a deposit program. This assumes that all MRFs have invested in sorting technology to pull cans from the paper and other commodities coming through the sorting lines. Yet, research conducted by the solid waste management firm, Gershman, Brickner & Bratton,

¹ <https://resource-recycling.com/recycling/2020/03/03/in-our-opinion-the-right-design-for-container-deposits/>

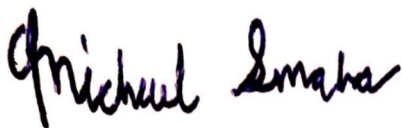
² <https://www.aluminum.org/major-sustainability-gains-north-american-aluminum-industry>

Inc., found that 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.³ Novelis, a leading producer of flat-rolled 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.

H. 175 also includes language allowing for flexibility of where the deposit value and label can be placed on the can. Currently, seven other deposit 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 become thinner; this action reflects our industry's commitment to environmental stewardship. The depth of the incisions on ends is less deep and less visible today than in the past as a result. 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. There is very little room on can ends for additional state insignias that demarcate container deposit laws. If one more state were to implement a beverage container deposit, there would not be 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.

H. 175 is an important step in updating and improving the program to help ensure more beverage cans are collected and not lost to landfill. Vermont's deposit program is an important source for used beverage cans that are highly valued and sought after by aluminum suppliers. CMI thanks the committee for your consideration of our comments and we urge you to pass the bill. Please do not hesitate to contact me if I can answer any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael Smaha". The signature is written in a cursive, slightly slanted style.

Michael Smaha
Vice-President, Government Relations
Can Manufacturers Institute

³ <https://www.cancentral.com/sites/cancentral.com/files/public-documents/GBB%20Report%20Aluminum%20Can%20Drives%20U.S.%20Recycling%20System%20Final%202020-0623.pdf>