



**To: Members of the Senate Committee on Finance**  
**Fr: Paul Burns, VPIRG**  
**Re: Markets, MRFs and the Bottle Bill**  
**Dt: May 3, 2022**

The markets for recycled material in this region and across the country have improved dramatically since China closed its doors to most U.S. recyclables in 2018. This means that the argument that some opponents of the Bottle Bill used to make about how aluminum cans and PET plastic bottles are practically the only items of value in curbside recycling programs is no longer true.

The price for recycled fibers like paper and cardboard, which made up 78% of the recyclables at CSWD by ton in 2019, has recently hit its highest prices since before China implemented its National Sword policy.

Under H.175, some PET and aluminum that currently goes to MRFs would instead go through the Bottle Bill program where it would retain higher value. PET plastic and aluminum are believed to be less than one percent of materials handled at the CSWD MRF and not all of these are beverage containers. Most of the aluminum containers are already covered by the Bottle Bill. Aluminum and PET bottles do have value. But the MRFs are already making a lot more money from the sale of the other recyclable material from their facilities than they were just a year ago.

In fact, **Casella's recycling profits have doubled in the last year**. CSWD reported selling recycled paper at a loss, -\$31/ton in 2019. This Fall the average Northeast price rose to +\$160/ton. This is a difference of nearly \$3.5 million.

Though recycling commodity prices are always volatile, there is evidence that the price of fibers will stay comfortably above their recent historic lows. One important development is that international [markets in China and elsewhere are opening back up](#). Even more significantly, the recent increase in the number of domestic facilities that process recycled fibers. In their March 2022 report called [Domestic Recycled Paper Capacity Increases](#), the Northeast Recycling Council (NERC) states:

When NERC first published this list in November 2018, it included new capacity projects at 17 mills, of which three projects were completed. The latest update includes new capacity projects at 28 mills, of which 17 have been completed. The total new capacity in this report reflects the potential for more than 8 million TPY of new capacity to use OCC and mixed paper.

Shawn State, president of Pratt Industries' recycling division (the nation's fifth largest fiber packaging company), [said](#):

North American mills are already increasing recycled paper capacity to accommodate material that once went overseas; more mills are accepting mixed paper in their products; and more mills are being built overall. **That represents huge potential for the next four or five years.**

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Furthermore, Casella - **who just finished what they called “arguably the best year in the company’s history,” where they estimated almost \$1 billion in revenues for 2022 - [announced last month](#)** that they had purchased Northstar Pulp & Paper, a paper mill for use in processing these fibers. Casella expects to generate \$26 million in annualized revenues from this purchase. **Given that Casella controls the market of paper and cardboard for both MRFs in the state, this purchase is promising for the long-term health of markets for Vermont’s fibers.**

Despite this stable movement in the commodities market, the revised draft of H.175 contains a provision that would **require beverage producers to reimburse MRFs:**

“The plan shall document how facilities certified under chapter 159 that process beverage containers to make them usable as recycled commodities will be compensated by the producer responsibility organization.”