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The Honorable Christopher Bray
Chair, Senate Committee on Natural Resources and Energy
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 Chairman Bray, Vice Chair Westman and members of the committee:

The Can Manufacturers Institute (CMI) supports H. 175, which would add additional carbonated and noncarbonated canned beverages into the deposit program. CMI urges the committee to advance the bill. CMI is the U.S. trade association representing metal can makers and their suppliers. The industry employs more than 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 is committed to achieving ambitious national recycling rate targets for aluminum beverage cans starting with a 70 percent rate by 2030. While the U.S. aluminum beverage can recycling rate in 2020 was an industry-leading 45 percent, reaching this target will require effective policy solutions, the foremost tool being beverage container deposit return systems (DRS). CMI and our aluminum can sheet suppliers support deposit programs because they are vital sources of used beverage cans. The Container Recycling Institute conducted analysis, which 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 36 percent in non-deposit states, they average just under 80 percent in states with such programs.¹ The cans that aluminum suppliers receive from deposit states tend to be far cleaner and of higher quality, making recycling easier and more economical.²

Aluminum recycles forever and has an existing circular system in the United States with 93 percent of recycled cans getting turned into new ones.³ During last year's hearing in the House Committee on Natural Resources, Fish, and Wildlife, 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 80 percent of the energy needed to make a can from raw materials.⁴

¹ https://www.container-recycling.org/index.php?option=com_content&view=article&id=730&Itemid=1372

² <https://resource-recycling.com/recycling/2020/03/03/in-our-opinion-the-right-design-for-container-deposits/>

³ https://www.aluminum.org/sites/default/files/2021-11/2021_KPI_Report_1.pdf

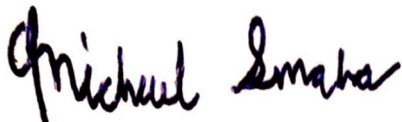
⁴ <https://www.aluminum.org/sites/default/files/2021-10/2021AluminumCanLCARreportFullVersion.pdf>

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, 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.⁵ 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 have become thinner. In fact, 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; this action reflects our industry's commitment to environmental stewardship. As a result, the depth of the incisions on ends is less deep and less visible today than in the past. There is very little room on can ends for additional state insignias that demarcate container deposit laws. If one more state was 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

⁵ <https://www.cancentral.com/sites/cancentral.com/files/public-documents/GBB%20Report%20Aluminum%20Can%20Drives%20U.S.%20Recycling%20System%20Final%202020-0623.pdf>