



Vermont State Senate Testimony on Expansion of the Bottle Bill (H. 158)

Natural Resources & Energy Committee

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Members of the Committee,

Cover slide: Thank you for the opportunity to join you 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 158. It's great to be here in person with you after having testified in previous years via Zoom. For those Members who are new to the House, congratulations on your positions and I look forward to getting to know you all better.

Slide 1: My name is John Langhus and I live in Norwich. I am a former Member of the Norwich Selectboard, a renewable energy entrepreneur and am the owner of Wisdom & Power, a Vermont energy and climate consulting firm. Most relevant today, I am one of the 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 nearly six years now. This is a picture of our crew in front of our shop. We understand that Putney Rd is the single largest independent Redemption Center in VT, responsible for about 6% of the statewide volume.

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 handling fee (4-cents for sorted brands); 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 3 ½ 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 now more than once, 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, you should do more of it! – 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 that is actually being recycled. The most prominent recent example of this, but not a rare one, was the discovery in 2018 that the Chittenden Solid Waste District had been dumping recyclable glass over several years 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.

Some have argued against this bill 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. That should be our goal. 100% net zero and 100% recycling of recyclable materials. The only problem in an increase in volume is the poor support history for the industry by TOMRA as the monopoly company that picks up bottles from redemption centers. However, this legislation you’re considering requires the producer responsibility organization to ensure more regular pickups which will either be performed by TOMRA or a new pickup agent. This will provide relief to many redemption centers.

We are large enough that we get picked up as full trailers – two full trailers per week on average. We would expect to increase that to a pick-up almost every day – 4 or 5 per week. For other RCs, they typically get picked up on an ad hoc basis with partial loads – this is hard to schedule and hard to predict, and often results in a strain on their storage capacity in small shops. 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 Trombley, who own several RCs, to put together a voluntary “best practices” training that we could offer to other RC owners to help them to scale up successfully and make this a win-win for everyone.

Slide 4: Single-stream recycling 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 proven 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 that 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. Our materials are sold for sometimes twice as much as single-stream materials, and are able to be recycled again and again. 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 83% of Vermonters based on statewide surveys.

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 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 over ten years and three other team members who have been with us for over six years. No employee has a college degree. Every employee is a lifelong Vermonter. Our payroll supports that team and their families. In the time we have owned Putney Rd our headcount has stayed steady while our payroll has doubled – we are committed to paying a living wage to our employees and each one is paid above Vermont’s minimum wage – some considerably more.
- 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 contaminated, single-stream 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 158 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 drinking water with them at every moment as though they were trekking through the desert. Most people had never heard 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 material percentage of the beverage container waste stream. 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 create a producer responsibility organization which all beverage manufacturers would have to participate in. What this means practically is that instead of sorting dozens of different types of beverage containers by brand, Redemption Centers would only need to sort by size and material type.
- This bill would require more regular pickup of containers from redemption centers.
- Finally, the Bill would increase the handling fee paid to Redemption Centers by one penny per container, for non-commingled containers – that is, those that need to be sorted by brand. We actually recommend the 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. After the payment of deposits to redemption customers, Payroll, Payroll taxes and Workers Compensation insurance (which is a function of payroll) represent most of our expenses. Vermont is a high-cost labor market, as we all know, and labor is generally in short supply. 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.
- Lastly, as a redemption center in a town bordering two states, I want to touch on an issue that will likely be brought up by others – cross-border redemption fraud. It happens and it transfers some 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 drive to Vermont to redeem them here seems far-fetched. To address one question/comment that has come up - Oregon is bordered by 4 states – three do not have BBs. Michigan is bordered by three states, none of which have a BB. Iowa is bordered by 6 states, none of which have BBs. **But in any case, do not let this issue be obscured by the very people who have created it.** Our staff is extremely diligent 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. Every container is checked as it is counted. 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. Please do not allow them to argue about the injustice of a situation they have 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 158 and build on this great success.

Thank you

John Langhus

Owner, Putney Road Redemption