

CGA Environment Committee Room 3200 300 Capitol Avenue Hartford, CT 06106

### Re: Coalition Sign-On Statement in Support of Modernizing Connecticut's Bottle Bill

Dear Committee Chairs, Co-Chairs and esteemed committee members,

We, the undersigned, are united in our strong support for expanding and modernizing Connecticut's Container Deposit Law (AKA the Bottle Bill) as a means of increasing recycling in Connecticut, saving municipalities money, addressing the solid waste & recycling crisis, the climate emergency and protecting our environment. Important steps Connecticut can take to create a working, modern deposit program include:

- ✓ Increasing the handling fees paid to redemption centers & authorized retailers for each container collected;
- ✓ Expanding the deposit law to cover non-carbonated beverages, wine & liquor bottles; and
- ✓ Raising the deposit value to at least 10 cents on covered containers.

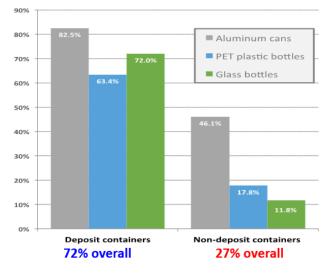
#### **Refundable Container Deposits Work**

Refundable container deposits are a proven, effective method of collecting recyclable containers and creating efficient markets for PET plastic, glass and aluminum. Passed as a litter-prevention measure in 1978, Connecticut's bottle bill has successfully captured billions of single-serve beverage containers, saving taxpayers millions in recycling costs over time.

Nationwide recycling data show that states with bottle deposit programs on average achieve a recycling rate almost three times that of non-deposit states<sup>1</sup>. These programs are complementary to existing curbside recycling programs, as they are effective at capturing single-serve beverage containers which are typically consumed on the go. In Connecticut, just 27% of non-deposit cans and bottles are recycled through curbside recycling, compared to 72% for deposit containers overall<sup>2</sup>.

#### **The Problem**

The container deposit system works best when most container types are covered and consumers are properly incentivized to participate<sup>3</sup>. Unfortunately, Connecticut's bottle bill has not been updated in many years to keep up with changing market trends and inflation. As a result,



Source: "2015 Beverage Market Data Analysis," Container Recycling Institute, 2017.

<sup>&</sup>lt;sup>1</sup> Presentation by Susan Collins, Container Recycling Institute. CT Recyclers Coalition Conference (2019)

<sup>&</sup>lt;sup>2</sup> "Modernizing Connecticut's Bottle Bill," Eunomia (2018)

<sup>&</sup>lt;sup>3</sup> "Michigan Bottle Deposit Law" and "Oregon Bottle Deposit Law," Bottlebill.org (2019)

Connecticut has the lowest performing deposit system in the world, with a redemption rate on covered containers at 51%<sup>4</sup> (a 37% drop in container recycling from where the state was 15 years ago)<sup>5</sup>. In order to modernize and optimize Connecticut's container deposit program, the CT General Assembly must address three key components of the law, without delay:

 <u>Handling fees insufficient to cover rising costs of doing business-</u> like the deposit value, the handling fees paid to redemption centers and retailers under Connecticut's deposit program are outdated and in urgent need of an adjustment. These handling fees are paid by the beverage distributor to a redemption center or retailer for each container collected. In some cases, beverage distributors have defrayed those costs by passing them on to retailers in the form of a container handling surcharge.<sup>6</sup>

StateHandling FeesCTBeer - 1.5¢<br/>Soda, Water - 2¢ME4.5¢MA2.25¢ - 3.25¢NY3.5¢VT3.5 - 4¢

Connecticut's handling fees are lower than those in our neighboring states. As a result, several CT redemption centers have closed their doors in recent years, leaving CT residents with fewer convenient options for beverage container recycling. This shifts the cost of container recycling back onto municipalities and can directly impact the state's declining recycling rates.

- 2. Incomplete coverage of beverage types- beverages like sports drinks barely existed when Connecticut's bottle bill was established in 1978, yet they make up a growing share of today's beverage market. According to the Container Recycling Institute (CRI), Connecticut could capture an additional 416 million containers each year, by expanding the program to include non-carbonated beverages, including juices, teas, coffee, sports drinks, wine, liquor and hard cider. This would go a long way to increase recycling and reduce litter in our state, while providing much needed relief to municipalities struggling with the rising cost of recycling.
- 3. <u>5 cent deposit creates a weak incentive to recycle-</u> the five cent deposit on covered beverage containers was established in 1978 and has not been adjusted over time to keep up with inflation. As a result, Connecticut's redemption rate on covered containers is 51%, while states with a 10 cent deposit (Michigan and Oregon) enjoy redemption rates around 90%. If adjusted for inflation over time, Connecticut's deposit value would be about 19 cents in today's market.<sup>7</sup>

# **Rising Recycling Costs Impacting CT Municipalities**

Connecticut has relatively few in-state and local options available for processing glass, plastic, aluminum and other recyclables. Coupled with the impacts of the Chinese National Sword policy, this reality has contributed to extreme price volatility within recyclable commodities markets- resulting in skyrocketing recycling costs for cities, towns and private haulers. For example: the Town of Fairfield once generated up to \$50,000/year in profits selling their recyclables overseas-today the total cost of the city's municipal recycling program is over \$525,000/year. The City of Stamford went from generating \$95,000/year in revenue, to a \$700,000/year expense in just a few years<sup>8</sup>. Through expansion, Connecticut could divert more than 40,000 tons of material from single-stream recycling and more than 30,000 tons of material from single-stream recycling and more than 30,000 tons of material from source to grapple with the rising costs of recycling<sup>9</sup>.

# The Problem with Glass

Glass recycling has become another major challenge for municipalities across Connecticut. Single-stream recycling programs typically produce mixed color, broken, and contaminated glass, which has little or no value on the commodities market, versus clean bottle bill glass, which has a positive scrap value. Glass from single-stream programs can cost as much as \$95/ton to dispose of as alternate daily cover (ADC)<sup>10</sup>; while clean, separated deposit glass, has an

<sup>&</sup>lt;sup>4</sup> "Connecticut," BottleBill.org

<sup>&</sup>lt;sup>5</sup> "Modernizing Connecticut's Bottle Bill," Eunomia. (2018)

<sup>&</sup>lt;sup>6</sup> Customer invoice, SYSCO (March 2018)

<sup>&</sup>lt;sup>7</sup> Bureau of Labor Statistics Inflation Calculator. (Accessed on February 1, 2019)

<sup>&</sup>lt;sup>8</sup> "Connecticut's Recycling Market Collapses," Ken Dixon. CTPost. (March 2019)

<sup>&</sup>lt;sup>9</sup> Conservation Law Foundation (January, 2020)

<sup>&</sup>lt;sup>10</sup> Housatonic Resources Recovery Authority

average scrap value of \$20/ton.<sup>11</sup> Unfortunately, much of the glass that goes into single-stream in Connecticut is trucked out of state as ADC. A survey of 45 Materials Recovery Facilities throughout the northeast found that facilities accepting curbside material send almost 40 percent of glass straight to the landfill to be buried or used as landfill cover<sup>12</sup>.

According to DEEP, approximately 60% of the glass that goes into the blue bin comes from glass wine & liquor bottles. By establishing a refundable deposit on wine & spirits, Connecticut can create an efficient process for capturing hundreds of tons of glass annually, while producing uniform, high-quality material that can be used to manufacture new bottles again and again. The States of Iowa and Maine have had a deposit on wine & liquor bottles for decades, and they each boast recycling rates for glass bottles over 80%<sup>13</sup>.

### Solution- Modernize the CT Bottle Bill

Modernizing the bottle bill is a common-sense step towards increasing recycling and preventing litter in our communities, and it provides Connecticut with a valuable opportunity to save municipalities money. More than 104,000 tons of glass, plastic and aluminum are generated each year in Connecticut from beverage containers not covered by the program. Connecticut residents are currently paying to throw away a majority of material from non-deposit containers. Currently, recycling rates for non-deposit, non-carbonated beverage containers are as low as 12% for glass, 18% for PET plastic, and 46% for aluminum cans. DEEP's own data shows that over 20,000 tons of deposit-bearing PET plastic bottles alone are wasted every year in Connecticut, much of which is destined to be burned, emitting PCBs, Mercury and Dioxins.

In addition to improving recycling in Connecticut, expanding the bottle bill can create significant financial savings for municipalities on litter collection and disposal. According to the Connecticut River Conservancy, beverage containers were the most common litter item found in the Connecticut River watershed in 2019<sup>14</sup>. National recycling data overwhelmingly suggests that container deposit programs are the most effective policy options for reducing litter from discarded beverage containers- a study of coastal litter in countries with and without bottle bill programs in place found that those with a deposit program had a 40% overall reduction in coastal litter<sup>15</sup>. In addition, CRI estimates that the bottle bill saves Connecticut taxpayers and private businesses \$2.3 million annually in avoided litter abatement costs. As non-carbonated beverages are brought into the deposit system, those savings are projected to increase by \$200,000 per year!<sup>16</sup>

# A Majority of Connecticut Voters Support Modernizing the Bottle Bill

A January 2020 poll of likely voters in Connecticut found that 81% support expanding the state's bottle deposit program to include all recyclable containers, including 64% who strongly support expansion. That strong support includes 75% of Democrats, 62% of independents and 51% of Republicans surveyed, in addition to 55% of men, and 72% of women surveyed!<sup>17</sup>

Connecticut's bottle bill is a critical piece of our state's recycling infrastructure. The program carries multiple economic and environmental benefits for our state, including saving municipalities millions and preventing pollution that threatens our waterways, open spaces, and climate. Modernizing the program would go a long way to increase the efficiency and quality of recycling in Connecticut, create green jobs, and clean up our communities - all while saving taxpayers money. Connecticut lawmakers have waited far too long to address these important issues and as a result, recycling in our state has suffered. Please make expanding and modernizing Connecticut's bottle bill a top priority for the 2020 regular legislative session. We appreciate your support, and are eager to work with you on this important issue.

Respectfully submitted, (see last page for organizational sign-ons)

<sup>&</sup>lt;sup>11</sup> "Testimony for House Bill 7294," Susan Collins of The Container Recycling Institute. (March 2019)

<sup>&</sup>lt;sup>12</sup>"Northeast MRF Glass Survey Report," NERC (October, 2018)

<sup>&</sup>lt;sup>13</sup> BottleBill.org

<sup>&</sup>lt;sup>14</sup> Source to Sea 2019 Progress Report," Connecticut River Conservancy (2019)

<sup>&</sup>lt;sup>15</sup> "Economic incentives reduce plastic inputs to the ocean," Schuyler et. al. (October 2018)

<sup>&</sup>lt;sup>16</sup> "Testimony for House Bill 7294," Susan Collins of The Container Recycling Institute. (March 2019)

<sup>&</sup>lt;sup>17</sup> "CT Voters Support Expanding Renewable Energy," Greenberg Quinlan. (January 2020)

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