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Testimony of Betty McLaughlin, Executive Director  
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SB 661 An act expanding the beverage container redemption provisions to include noncarbonated beverages.

SB 662 An act expanding the beverage container redemption provisions to include water bottles.  
Hartford, CT  
February 2, 2009

Senator Meyer, Representative Roy, and members of the Environment Committee, my name is Betty McLaughlin. I am the Executive Director of the Container Recycling Institute (CRI), a national non-profit research and public education organization founded in Washington, DC in 1991. CRI serves as the national clearinghouse for information on beverage container sales, recycling and wasting in the United States.

Like most states that have container deposit legislation (CDL) Connecticut's law was enacted before the proliferation of non-carbonated beverages like energy drinks, iced teas, juice drinks and water packaged in single serving containers. Because these single serve containers were not marketed in 1978, the legislation was drafted to capture beer and soda, the predominant liquid refreshment drinks of the time. In the thirty-one years since the legislation was passed these non-carbonated beverages have become more popular with consumers and now outpace soda sales by more than 2 ½ -to-1.

Connecticut's 2007 Solid Waste Management Plan established a recycling goal of 58% of all municipal solid waste. The plan recommended adding "at least" water bottles to your redemption program to meet that goal. California and Maine both updated their deposit laws to include non-carbonated beverages, Oregon's law includes water, and Hawaii included carbonated and non-carbonated beverages in their program implemented in 2005. New York, Massachusetts, Vermont, Michigan and Iowa are considering legislative proposals to update their systems. Florida, Tennessee, North Carolina, West Virginia and New Jersey are considering CDL proposals. Congress is considering national container deposit legislation to help address climate change through increased recycling.

In 2006, 575 million plastic water bottles were sold in CT. While the bottled water segment of the liquid refreshment market is the largest and fastest growing one, its competitors – energy drinks, iced teas, and juice drinks make up 33.7% of the non-carbonated beverage market in Connecticut. Including these beverages would capture an additional 164 million plastic bottles, 50 million glass bottles and 49 million aluminum cans annually.

CRI supports your efforts to improve Connecticut's beverage container recovery program. We encourage you to include additional beverages in this recycling system and to work with the industries that will be affected by these changes to craft an equitable system that maintains the high quality collection rates that Connecticut's existing legislation garners.

beverage containers than giving them their money back when they do. The five-cent incentive encourages people to return their empties for redemption rather than discard them in a nearby trash receptacle.

The deposit system is especially important for beverages that are consumed on the go, away from the at-home recycling bin. At a May 2008 Waste Expo presentation sponsored by the National Solid Waste Management Association, the American Beverage Association noted that one third of all soft drink beverages are consumed away from home. Using 2006 data (the last year for which CRI has completed its "Beverage Market Data Analysis), that one-third translates into 676 million containers in Connecticut.

In 2002, Businesses and Environmentalists Allied for Recycling (BEAR) created a multi-stakeholder task force to assess beverage container recycling programs in the U.S. Recycling industries, environmental groups, USEPA, municipalities, manufacturers that use recycled materials, waste haulers, and Coca-Cola were members of the task force; additional corporate, non-profit and government entities participated as advisors. BEAR compared costs and revenues for typical recycling systems, analyzed costs and revenues by material, and assessed the overall effectiveness of beverage container recovery programs. Deposit systems were found by this multi-stakeholder group to "result in the highest level of recovery." BEAR's report, *Understanding Beverage Container Recycling*, further states, "Deposit systems recover containers from all generators and have little if any yield loss (emphasis added) in the recovery stage. As a region, the ten deposit states achieved through all types of recovery programs an overall recovery rate of 71.6 percent, compared to 27.9 percent in non-deposit states." [NB: The 11<sup>th</sup> deposit state, Hawaii, enacted its law in 2003 so was not included in the BEAR study.] The full BEAR report is available at [www.globalgreen.org/bear](http://www.globalgreen.org/bear).

### ***No Taxpayer funding***

Deposit and refund systems cost the taxpayers nothing. Towns are not responsible for deposit container recycling at all – no trucks, no contracts, no tipping fees, and no personnel costs. The entire program is privately funded and privately run. The costs of recycling deposit containers are borne by those who use the products, not the general taxpayer. Because the costs are borne by the industry, and ultimately, the consumer, any price increase in the product should be considered a "user fee." BEAR researched curbside collection costs by materials, and found costs to recycle aluminum cans using a co-mingled curbside program averaged \$585 per ton, glass bottle costs averaged \$284 per ton, and plastic bottles collected curbside cost an average \$1,120 per ton. Published in 2002, the report cited costs from studies conducted in the mid-nineties; fuel and labor costs have risen dramatically since then. Per ton costs by material more accurately reflect the true cost of curbside collection. This is so because co-mingled costs deceptively make collection costs seem lower since newspaper and glass are significantly heavier than plastic and aluminum. It is important to remember also that the beverage industry's collection costs are offset by the revenue they receive from the sale of these valuable commodities.

Beyond the obvious benefit of not having to raise taxes, private industry funding ensures stability for the long-term success of recycling. Volatile municipal budgets and competing needs put collection of recyclables at risk for under-funding or budget cuts. If collection of recyclables is uncertain, private industry investment in processing facilities is tenuous. Private industry commitments to use recycled materials in their manufacturing is also uncertain. For recycling to be successful, all three components – collection, processing and end use – must be economically viable and permanent.

### ***High quality***

Another advantage of CDL is the quality of materials collected for recycling. CDL collects exceptionally clean material because it is not co-mingled with or contaminated by other materials in the collection process. When papers, glass, metal and plastic are all collected together and compacted in a single recycling truck, the levels of contamination increase. Broken glass and plastic in newspaper bales can cause paper mill shutdowns, equipment breakage and costly repairs. These expenses devalue recycling programs, and waste recyclable material that is discarded because of contamination.

## Benefits of CDL for beverage containers

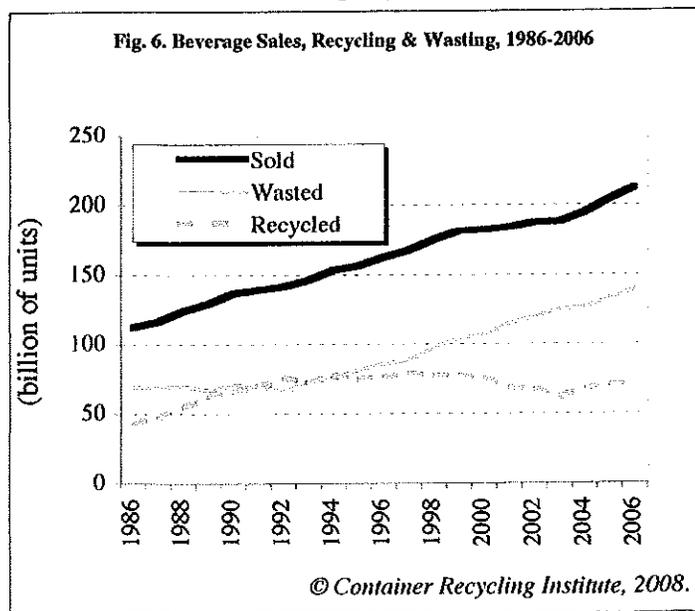
Container deposit legislation is in place in eleven U.S. States, and in states and countries worldwide. CDL was originally designed to be a deterrent to littering and it continues to be one of the most effective tools ever devised for that purpose. Even when these containers are littered, the deposit is an incentive for someone to pick them up for refunds. The small scrap value of the aluminum, glass or plastic in one container is not enough to entice anyone to pick up this litter and find scrap dealers to recycle these containers. On the other hand, convenient redemption options and a five-cent deposit are enough to engage the “unofficial litter patrol” in routine pickups of roadways, parks and beaches. Without them, municipalities would incur more public works costs to pay workers to pick up litter, and to dispose of it at waste to energy incinerators.

Enterprising distributors quickly discovered that returned containers could be recycled for their significant scrap value. What had been envisioned as a litter control measure was now recognized as one of the most effective recycling policies ever devised. CDL has three elements that are unsurpassed by any other recycling collection system: high participation rates, no taxpayer funding is required, and high quality material.

### *High Rates*

CDL enjoys very high return rates that consistently outperform any other collection method. In 2006, two out of every three bottles and cans sold in the United States were not recycled. This 34% overall recycling rate is down from the overall rate of 41% in 2000, and down twenty percentage points from the all-time high of 54% in 1992. From the late 1980's until the mid-90's, recycling rates rose nationwide as curbside collection was instituted. By 2001, there were almost 10,000 curbside collection programs across the United States; the number then plateaued as local budgetary pressures constrained the adoption of additional programs. This reliance on local property taxes to fund materials recovery has stagnated both private sector recycling infrastructure investments, and commitments to using recycled content in manufacturing. Ironically, as access to curbside collection increased throughout the late 90s, recycling rates for all three major beverage container materials began to decline, and have continued to do so. This decline is due to the increase in consumption of beverages away from home, and in public places where there are few available collection outlets for recycling.

While national overall recycling rates average around 34%, states with five-cent deposits recycle 66-75% of all beverage containers sold. Michigan, with its 10-cent deposit achieves a return rate over 95%. Nothing works more effectively at encouraging consumers to recycle their



## Connecticut Beverages Sold in 2006 (millions of units)

Beverage Type	Non-Traditional Materials										Total, All Materials													
	Aluminum Cans	Steel Cans	Plastic Bottles			Glass Bottles		Subtotal, Traditional Materials	Gable-top cartons	Aseptic Boxes		Foil Pouches	Subtotal, Non-Traditional Materials											
			PET	HDPE	Total Plastic	One-Way	Refillable							Total Glass										
<b>I. Carbonated</b>																								
Carbonated Soft Drinks	686	0	266	0	266	6	1	7	959	0	0	0	0	0	0	0	0	0	0	0	0	0	959	
Beer	317	0	1	0	1	322	1	323	642	0	0	0	0	0	0	0	0	0	0	0	0	0	642	
Domestic Sparkling Water	3	0	11	0	11	16	0	16	30	0	0	0	0	0	0	0	0	0	0	0	0	0	30	
<b>2a. Non-carbonated, non-alcoholic</b>																								
Domestic Non-Sparkling Water (≤1 gal)	0	0	561	14	575	6	0	6	580	0	0	0	0	0	0	0	0	0	0	0	0	0	580	
Sports Drinks	0	0	40	0	40	0	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	40	
Fruit Beverages	15	1	66	25	91	25	0	25	132	41	47	57	146	277										
Ready-to-drink Tea	19	0	25	8	33	25	0	25	77	3	0	0	3	81										
Energy Drinks	16	0	0	0	0	0	0	0	16	0	0	0	0	16										
2a. Subtotal, non carbonated, non-alcoholic	49	1	692	48	739	56	0	56	845	45	47	57	149	994										
<b>2b. Non-carbonated, alcoholic</b>																								
Domestic Table Wine	0	0	0	0	0	38	0	38	38	0	0	0	0	38										
Spirits (Liquor)	0	0	11	0	11	18	0	18	28	0	0	0	0	28										
2b. Subtotal, Non-carbonated alcoholic	0	0	11	0	11	56	0	56	66	0	0	0	0	66										
<b>TOTAL</b>	<b>1,055</b>	<b>1</b>	<b>980</b>	<b>48</b>	<b>1,028</b>	<b>455</b>	<b>2</b>	<b>458</b>	<b>2,542</b>	<b>45</b>	<b>47</b>	<b>57</b>	<b>149</b>	<b>2,691</b>										

**Summarized notes and sources:**

Source (for citation purposes): "2006 Beverage Market Data Analysis," The Container Recycling Institute, 2008.  
 Sales derived from: "Beverage Packaging in the U.S., 2007 Edition," Beverage Marketing Corp., December 2007; with additional data from BMC and the Beer Institute.  
 Data excludes: milk; wine coolers, champagne and sparkling wine; frozen fruit concentrates.  
 2006 was the first year PET beer bottles were counted by the Beer Institute. About 222 million were sold in the U.S., or one third of 1% of all packaged beer sold.  
 U.S. Census Bureau, 2006 state pop. estimate (million): 3.5

Complete notes, sources, and assumptions are available on request from the Container Recycling Institute.

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