



March 9, 2016

Joint Committee on General Law  
Hon. Carlo Leone, Co-Chair  
Hon. David A. Baram, Co-Chair  
Legislative Office Building, Room 3500  
Hartford, CT 06106

**RE: Testimony regarding CRI's opposition to SB312**

Dear Chairpersons Leone and Baram and members of the committee,

The Container Recycling Institute (CRI) opposes SB312, "An Act Requiring The Department Of Energy And Environmental Protection To Study Bottle Bill Beverage Container Refund Values And Redemption Fees." **SB312** would study the repeal the existing beverage container deposit law (the "bottle bill"), and in its place would impose a 4-cent fee on all carbonated and non-carbonated beverages, with collected revenues to be used to promote recycling and anti-littering programs in the state.

If it resulted in repealing Connecticut's beverage container deposit law, SB312 would be a step backwards for recycling, which is contrary to the bill's stated intent. In particular, a repeal would:

- Decrease recycling and increase landfilling
- Decrease revenue for the State
- Have net increased costs for municipalities and the taxpayers that fund their recycling programs
- Have net increased taxes, due to the 4-cent fee
- Increase litter throughout the State
- Increase the use of energy and the production of greenhouse gases
- Eliminate redemption center jobs, and possibly others in various recycling industries

In addition, a repeal of the container deposit law would financially result in a big give-away to local and multi-national beverage companies at the expense of consumers/taxpayers, municipalities, small and large businesses in the state, the State of Connecticut itself, and local charities. The financial benefits of a new recycling fund would likely not come close to compensating municipalities, businesses and the state for their losses.

CRI has conducted a brief analysis of SB312, since the bill doesn't contain many details of the proposed study. Even so, we can outline which stakeholders will be winners under this bill, and which stakeholders will be losers.

## Financial Implications: Winners and Losers

**WINNER: The Beverage Industry:** Beverage bottlers and distributors would save millions of dollars under a bottle bill repeal, because they would no longer have to pay deposit-program handling fees, or incur the other costs associated with container collection and processing. They are a winner if the container deposit law is repealed.

**UNKNOWN: Recipients of new tax monies** generated by the proposed 4-cent fee. CRI estimates that a 4-cent fee on almost all classes of beverages (except dairy) would generate approximately \$100 million a year in tax revenue. SB312 calls for this tax revenue to be used “to promote recycling and anti-littering programs in the state,” but there are no specifics as to how such monies would be allocated. In theory, they could be disbursed as grants to municipalities or private companies, but at present this is an open question. It is also questionable as to whether this level of funding will be sufficient to fund enough additional recycling programming to offset the loss of the highly-effective deposit program.

**LOSER: Beverage consumers, who will now be paying new taxes.** The source of funding to be studied if SB 312 passes will be beverage consumers, who will be paying a new 4-cent tax for every beverage sold in the state, whether they recycle their containers or not. If this new tax was applied to all beverages (not just those covered by the current deposit law), the annual new tax would amount to \$104 million per year.

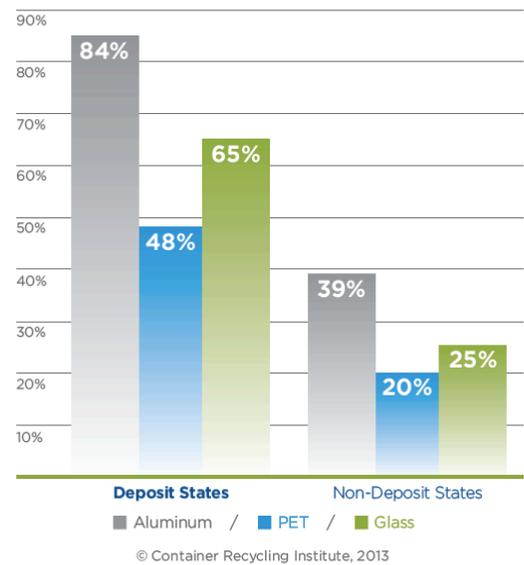
**LOSER: the State of Connecticut.** According to the CT Department of Revenue, \$28.9 million in unclaimed deposit revenue was remitted to the State in 2014. If the bottle bill were to be repealed, unclaimed deposits would disappear as a revenue source: a **\$289 million loss over a 10-year period**. SB312 provides no replacement for these lost funds.

**LOSER: Municipalities.** Connecticut *cities and towns would need to spend more money on recycling if SB312 caused a repeal of the container deposit law*. Most of the material now recycled through the deposit program would be collected by municipalities: either for recycling, or for trash disposal. Under a deposit repeal, these thousands of tons of material would represent a new liability for municipalities rather than a new asset, because a huge amount of new glass and plastic—both low-value materials when collected via single-stream recycling—would become the burden of municipal recycling collection.

- **Recycling rates will be lower** under curbside programs than under a deposit system, resulting in a lower tonnage of collected recyclable beverage containers in total. In 2014, about 68% of the carbonated beverage containers and water bottles sold in Connecticut were recycled: 58% through the deposit system, and an estimated 10% through curbside. But CRI evidence gathered from existing non-bottle bill states throughout the United States (see Figure 1) shows that the mostly likely recycling rates under a bottle bill repeal will be about 40% for aluminum, 20-25% for plastic, and under 30% for glass.

- **Lower quality scrap:** Single-stream curbside material is contaminated, and of a lower quality than clean, separated deposit program material, and it commands lower per-ton scrap revenues. Curbside PET plastic currently sells for 40% less per pound than PET bottles collected through deposit-return systems. Curbside glass, in fact, can cost \$20/ton to recycle—when markets can be found for it at all—versus deposit glass that has a \$20/ton scrap value. Municipalities in Connecticut report that glass that is collected in curbside programs is not recycled; rather it is used as daily cover at landfills.
- **Municipalities will incur increased collection and disposal costs** for the higher volumes of beverage container trash generated. Municipalities will also have to deal with more beverage container litter, which will increase their litter collection.

**Figure 1: Deposit States Have Higher Beverage Container Recycling Rates**



In other words, under a bottle bill repeal, cities and towns will both be losers.

**LOSERS: Redemption center owners and employees.** Under a bottle bill repeal, redemption centers across the State would close, and jobs would be lost. Connecticut’s redemption centers will lose millions in handling fees, and retailers will also lose millions in handling fees every year as a result of the proposed changes. These small businesses employ an average of 4 employees each—including some that are developmentally disabled. Were the bottle bill to be repealed, the handling fees paid by beverage companies would disappear, and the redemption centers would close. Their owners, and the people they employ, would be losers.

**LOSER: The environment.** The environment also stands to suffer if the bottle bill is repealed. CRI estimates that in 2010, over 70 thousand tons of deposit aluminum, plastic, and glass carbonated beverage containers, and non-carbonated water bottles, were recycled in Connecticut. This was accomplished via the 58% redemption rate, with an estimated 10% additional recycling through curbside programs. As previously noted, CRI estimates that under the elimination of the deposit system, the recycling rates for aluminum, plastic, and glass will drop to 25% to 40%, resulting in a loss of as much as 20 thousand tons of material collected for recycling each year: **material that would then become trash**. Even that is an optimistic scenario, because it is well known that deposit material is of a much higher quality than material that comes through single-stream recycling and MRF processing; so the actual amount recycled under a repeal will be significantly lower due to material contamination, and sorting and processing losses.

**The thousands of tons of new trash represent not just additional material clogging up landfills and incinerators across the State—containers that used to be recycled—but additional beverage container litter.**

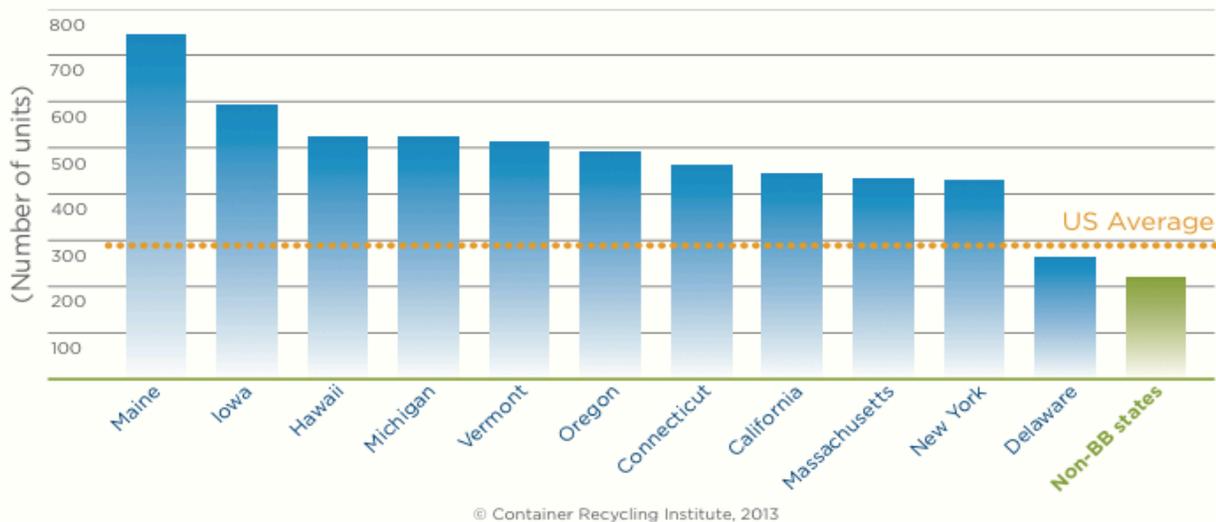
**There are also energy and greenhouse gas impacts from the loss of thousands of tons of recyclables.** When glass, aluminum, and plastic containers are wasted rather than recycled, they must be replaced with containers made from 100% virgin materials, whose manufacture requires tremendous amounts of energy, and generates CO2 and other potent greenhouse gasses.

The forgoing should make it abundantly clear that under a bottle bill repeal, the environment will be a loser.

### **Connecticut is a leader in recycling; a bottle bill repeal would set Connecticut back**

As Figure 2 shows, Connecticut's deposit program recycles more than 400 beverage containers per capita: nearly twice as many as the average in non-deposit states (216). It is clear that Connecticut's program is successful, and the proposed changes would unnecessarily dismantle the program.

**Figure 2: Per Capita Containers Recycled in Deposit and Non-Deposit States - All Container Types, 2010**



### **The Worldwide Trend is Toward Bringing More Beverage Containers into Deposit Programs**

There are more than 40 container deposit programs worldwide. Since the year 2000, there have been 17 new and expanded deposit laws around the world. Container deposit programs have been expanded to include more beverage types, like water, in California, New York, Connecticut and Oregon. In Ontario, Canada, wine and liquor were added to their program in 2007. Hawaii and Germany both started new comprehensive deposit programs in 2005. 2011 brought new programs to Fiji, Guam, the Northern Territory of Australia, Turks & Caicos, while Lithuania implemented their container deposit law this year (2015). The worldwide trend is clearly to bring more and more beverage containers under deposit programs because of their success.

For all of the above reasons, the Container Recycling Institute urges you to reject SB312, and to reject any measures that would reduce the scope of Connecticut's container deposit program, the most effective recycling program in the State.

Thank you for the opportunity to submit comments on this bill. Please contact me with any questions you may have.

Sincerely,

Susan Collins  
President, Container Recycling Institute

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**About the Container Recycling Institute (CRI)**

CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of used beverage containers and other consumer-product packaging. Its mission is to make North America a global model for the collection and quality recycling of packaging materials. We do this by producing authoritative research and education on policies and practices that increase recovery and reuse; by creating and maintaining a database of information on containers and packaging; by studying container and packaging reuse and recycling options, including deposit systems; and by creating and sponsoring national networks for mutual progress. CRI envisions a world where no material is wasted and the environment is protected. It succeeds because companies and people collaborate to create a strong, sustainable domestic economy.