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**Connecticut General Assembly
Joint Environment Committee
Public Hearing on House Bill 5618
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Written Testimony

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Co-Chairs Kennedy, Miner, and Demicco, and members of the Committee, thank you for this opportunity to submit written testimony in opposition to House Bill 5618, which increases the handling fee paid by distributors on bottled water and other beverages that are part of the state's redemption program.

The International Bottled Water Association (IBWA) is the trade association representing all segments of the bottled water industry, including spring, artesian, mineral, sparkling, well, groundwater and purified bottled waters. IBWA represents bottled water bottlers, distributors and suppliers throughout the United States, including several small, medium and large-size companies doing business in Connecticut. IBWA's stated mission is to serve the members and the public, by championing bottled water as an important choice for healthy hydration and lifestyle, and promoting an environmentally responsible and sustainable industry.

IBWA has always been a strong advocate for recycling and supports comprehensive, multi-industry approaches to recycling and solid waste management. However, HB 5618 places an undue burden on distributors and manufacturers in Connecticut while doing little to actually increase recycling rates or provide support to the industry in the state. Instead of resorting to past plans of increasing the actual deposit (which would have a significant negative impact on recycling), HB 5618 simply shifts the fiscal responsibility of Connecticut's redemption program on to distributors and manufacturers via an inequitable increase in the handling fee.

IBWA is proud to be a supporter of The Recycling Partnership (formerly Curbside Value Partnership) that has been working diligently across the country to aid in community efforts to increase recycling via curbside collection and new recycling technologies. On a regular basis, The Recycling Partnership is rolling out new collection programs in cities and towns that are dealing with the same issues Connecticut and other state and municipalities are trying to address – how do we increase recycling. The work and success of The Recycling Partnership has shown

at least one way to make programs more efficient is by making it as easy as possible for consumers to recycle.

Attempts to increase recycling and jobs by increasing handling fees or deposits amounts is short-sighted and fiscally irresponsible. Such plans only take into account the immediate needs of the state and one industry. IBWA suggests state leaders take this opportunity to fully evaluate the state redemption and recycling systems and bring together all parties that would be impacted to find a solution that will prove viable for everyone. Manufacturers, environmentalists, regulators, retailers, redemption centers, and consumers should all be included in any discussions on how to best bring Connecticut into the 21st century in recycling and waste management.

The goals of any such undertaking should focus on how best to increase recycling in the state, promote the jobs associated with the industry, provide an equitable fee structure, reduce fraud in the current redemption system, and determine how this would all work while keeping the existing system solvent and providing proper economic incentives. There are several systems throughout the U.S. and the world that can be closely examined to provide sound and proven data to improve Connecticut's existing beverage container deposit program.

It has been well documented that Connecticut's beverage container deposit program ranks as the least efficient in the country. For FY 2016, the state's redemption rate stood at just over 49 percent, much lower than neighboring states New York (66 percent) and Massachusetts (56 percent), the latter of which does not even include bottled water in their redemption scheme.

An increase in the deposit amount on certain products (as proposed in Senate Bill 787) or an increase in the handling fee will not help jump start the faltering redemption program. Instead, they will have a negative impact on manufacturing, sales, and overall business in the state. Not to mention a negative impact on consumers who will be forced to pay extra for everyday products. The issue is not so much about a steady decrease in redemption numbers as it is a lack of vision on the future of recycling for the state and the country.

Since Connecticut first instituted its beverage container deposit program, recycling technology has advanced significantly and shined a light on these arcane collection systems that fail to understand the real objective of recyclables collection – to increase recycling. Forcing consumers to pay extra and return used containers, placing a fiscal burden on manufacturers and distributors to subsidize the deposit scheme through fees ultimately passed on to consumers, and requiring retailers to handle the return of used containers and burdening them with state regulation and oversight has done little to help Connecticut increase recycling numbers.

It is clear that the idea behind this legislation is to increase recycling in the state promote the bottle redemption industry. However, that may not work. Instead, the jobs that are currently being filled to deal with the mandates of the redemption system would be better off, and could possibly grow in number, if the focus was turned to true recycling jobs.

The goal of the state should be to increase recycling of all products, not just recycling of beverage containers. IBWA therefore suggests that Connecticut legislators take a closer look at

what has been successful done in other states and countries. Delaware serves as an excellent example of realizing the inadequacies of a redemption program and turning to universal recycling for residents and all bars and restaurants. This change has brought a steady increase to the state's recycling numbers for all products and supports jobs in the industry.

When looking at jobs and the economy, it is important to note that the bottled water industry is a strong economic driver in Connecticut. Companies in Connecticut that manufacture, distribute and sell bottled water employ as many as 2,278 people in the state and generate an additional 3,962 jobs in supplier and ancillary industries. These include jobs in companies supplying goods and services to manufacturers, distributors and retailers, as well as those that depend on sales to workers in the bottled water industry. The jobs currently generated by the bottled water industry in Connecticut are good jobs, paying an average of \$86,900 in wages and benefits.

Not only does the manufacture and sale of bottled water create good jobs in Connecticut, but the industry also contributes to the economy as a whole. In fact, the bottled water industry is responsible for as much as \$2.05 billion in total economic activity in the state. The industry also generates sizable tax revenues. In Connecticut, the bottled water industry and its employees pay over \$75.67 million in taxes including property, income, and sales based levies.

In conclusion, IBWA and its members, both in Connecticut and nationwide, strive to make a product that is healthy, refreshing, and takes into account the environmental impact of our product, both in manufacturing and waste management. IBWA is a strong advocate for comprehensive, multi-industry approaches to recycling and solid waste management. Efforts to increase recycling or jobs related to recycling by forcing additional fiscal burdens on manufacturers and distributors will do little to raise recycling numbers and impact employment in the state. For these reasons, IBWA requests that Committee members oppose HB 5618.