March 11, 2019

Statement of the Connecticut Food Association – Environment Committee

In opposition of Committee Bill 7294 - AN ACT CONCERNING BOTTLE REDEMPTION IN THE STATE.

The Connecticut Food Association (CFA) proudly advocates on behalf of the food retail industry. Its mission is to promote the growth of Connecticut’s grocery community and its supplier network.

Legislators should be looking at other options to raise revenue beyond imposing additional forced deposits on juices, teas, and sports drinks. Connecticut’s grocers currently redeems almost 90% of the 625mm redeemed soft drink and beer containers. No other retailer that sells beverages whatever their channel of trade, serve as reliable & convenient redemption hubs like our state’s grocers. In many instances grocery stores take back more containers than they sell.

Between the cost of redemption machine rentals and labor to keep bottle rooms clean, grocery stores lose money redeeming bottles and cans. If you were to increase the amount of items coming back to grocery stores by almost 10%, or approximately 62mm containers as this bill will do, the almost sole entity providing this valuable community service loses more money. With bottle rooms being a cost center and expansion always a risk, many of CFA’s members feel as if they are being punished for providing this service and the law has become a burden for them.

Connecticut’s 2009 expansion to include water bottles in the deposit system was not a success for redeemers. The inclusion of water doubled the amount of redeemable volume with no offset in costs for the redemption of the materials. By 2013 the total number of containers redeemed in Connecticut was actually 21 percent lower than it was in 2009 and our state has the lowest redemption rate of any of the 10 deposit states at 49 percent.

Improving Connecticut’s recycling infrastructure to be more cost-effective and simple is our ultimate goal. There is a reason that redemption centers are going out of business and that’s because the current system needs to be fixed. There are $37mm in unclaimed nickels that are not utilized for the infrastructure needed to have a more robust system. The windfall in unclaimed deposits for the state comes at the expense of residents who are really paying a tax, not a deposit on soft drinks. We need a 21st century model that brings various stakeholders together, allows the state to keep a portion of the monies and most importantly, improves an outdated law.

Respectfully,

Wayne Pesce