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April 14, 2011

Chair Saviello, Chair Hamper and members of the Environment and Natural Resources Committee
c/o Legislative Information
100 State House Station
Augusta, ME 04333

RE: LD1324, "An Act to Create Consistency and Fairness in Maine's Bottle Bill" – OPPOSE
"An Act to Exempt Wine Bottles from Maine's Container Redemption System" -- OPPOSE

Dear Senator Saviello, Representative Hamper and Members of the Environment and Natural Resources Committee,

Founded in 1991, the Container Recycling Institute (CRI) is a national non-profit organization that studies and promotes policies and programs that increase recycling of beverage containers and packaging, and shift the social and environmental costs associated with manufacturing, recycling and disposal of container and packaging waste from government and taxpayers to producers and consumers.

LD 1324, entitled, "An Act to Create Consistency and Fairness in Maine's Bottle Bill," would actually do just the opposite, by inconsistently applying the deposit to some containers and not others, which would result in consumer confusion.

The Container Recycling Institute opposes LD 1324 and LD 1417, because reducing the scope of the State's beverage container deposit law would reduce recycling, increase landfilling, increase costs for municipalities and taxpayers, increase consumer confusion, and increase the production of greenhouse gases.

LD 1324 Would Decrease the State's Recycling Rate, and Would Increase Landfilling of Beverage Containers

Refundable deposits have been shown to be an efficient and effective way to significantly increase recycling rates of beverage containers. In the 10 states that have refundable deposits, the beverage container recycling rates average 80%. In all other states, the beverage container recycling rate is below 25%. No other container-focused recycling program achieves these types of recovery rates like refundable deposit programs.

In fact, the Province of Ontario, Canada, decided to go in the opposite direction of this proposed bill a few years ago. They took wine and liquor containers <u>out of</u> their curbside recycling program, and added these containers to their container deposit program. The recycling rate for wine and liquor bottles increased to over 77%. As a result of this change, the City of Toronto reported that the municipal cost savings from not having to collect wine and spirit containers in their existing curbside program was a net savings of $448,000 in 2007; and $381,000 in 2008 due to a reduction in processing and disposal costs.[1] (These cost savings are for Toronto only, and other municipalities likely have experienced proportional savings.)

LD 1324 Would Increase Costs to Municipalities and their Taxpayers and Ratepayers
It is notable that the structure of LD 1324 would relieve the beverage industry from having to pay for the collection of many PET containers and some glass containers, but would leave all aluminum containers in the program. Aluminum is the only material type that has a higher scrap value than the cost of recycling. LD 1324 is structured to leave the profitable containers with the beverage industry, and unload some of the most costly containers onto municipalities and taxpayers.

In the Province of Ontario, Canada, the curbside recycling program for packaging and printed paper is partially paid for by industry, and they have developed a very good set of peer-reviewed activity-based-costing statistics. Their cost model for 2011 shows that aluminum generates net revenues of $532 per ton, while glass has a net cost of around $150 per ton, and PET is the most expensive, at a net cost of $1,000 per ton. (These statistics are published on the Stewardship Ontario web site.)

In a recent newspaper editorial, the Maine Beverage Association mentioned the handling fee expenses of the program, but neglected to mention any program revenues. At current market values for scrap, the beverage containers may be worth over $15 million annually, and the beverage industry also keeps approximately $6 million in unredeemed deposits each year.

LD 1324 Would Increase Consumer Confusion
Currently, nearly all beverage containers are included in Maine's beverage container deposit law. This bill would exempt some of the containers that are currently covered by the law, namely, those over 28 ounces in size.

Most wine bottles are 750 milliliters in size, which is equal to 25.4 ounces, but some wine bottles are larger. Many liquor bottles are also 25.4 ounces, but some are larger. Therefore, some wine and liquor bottles would be included, and some wouldn't. One-liter soda bottles are 33 ounces in size, so would be excluded from the deposit program under this bill, as would two-liter soda bottles.

LD 1417 would remove only wine bottles from the container deposit program, which would also increase costs to municipalities and taxpayers, reduce recycling, increase greenhouse gases and increase energy usage for glass manufacturers.

LD 1324 Would Increase the Production of Greenhouse Gases
Using USEPA statistics, beverage containers make up about 5.5% of the waste stream by weight. Measuring waste quantities by weight is a relic of the past, and ignores more relevant environmental criteria. When measured by greenhouse gases that can be saved by recycling, beverage containers make up about 20% of the waste stream (source: USEPA). It is therefore extremely important to recycle beverage containers, and to make the materials into industrial feedstock.

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[1] Source: Amendments to Processing Fees Due to LCBO Deposit Return Program, report to Public Works and Infrastructure Committee from General Manager, Solid Waste Management Services: October 29, 2008.

Proponents of LD 1324 have implied that car and truck travel for recycling of beverage containers is a negative impact, but they exaggerate the amount of car and truck miles travelled, and fail to account for the greenhouse gas savings from recycling.

<u>Exaggerated Impacts --</u>
The estimate of miles driven to redeem containers from DSM Environmental Services, Inc. from their 2007 report to the Vermont Agency of Natural Resources cites data collected at drop-off recycling centers in Orwell and Cornwall, Vermont. These towns have populations of 990 and 1,100, respectively, and may not be representative of the entire State of Maine, which includes both urban and rural areas, and also has hundreds of redemption centers and many more retail locations that consumers can use to redeem beverage containers. Readers of this DSM study have also questioned the high number assumed for people returning containers as a separate trip, rather than as part of a larger errand run.

<u>Accounting for Greenhouse Gas Reductions from Recycling Beverage Containers—</u>
When a container is landfilled, it must be "replaced" with a new container made from 100% virgin materials. The amount of greenhouse gases avoided through recycling is the difference in emissions from producing containers with 100% virgin materials versus using 100% recycled materials. At the current 85% rate of recycling of beverage containers in Maine, the greenhouse gas savings are the equivalent to the annual emissions of 19,395 cars. At the average rate of 12,000 miles per year, the mileage equivalent is over 230 million miles. In other words, the greenhouse gas savings from recycling beverage containers in Maine is enough to drive a car around the entire circumference of the earth over 9,000 times, or to the moon and back 300 times.

However, even this level of environmental performance can be improved, and we offer the following suggestions:

1. The companies that are back-hauling beverage containers should continue to do so, as this practice results in the least possible environmental impacts.
2. Beverage companies should seek to compact beverage containers where possible, in order to increase the amount of empty containers per truck.
3. Beverage companies should seek to add more companies to existing commingling agreements, to reduce the number of separate collections. These same beverage companies operate programs in Canada where they have banded together as a single entity to collect recyclables from redemption centers.
4. The single greatest thing that beverage companies can do to reduce their carbon footprint is to increase the recycled content in their primary packaging. Indeed, Coca-Cola's corporate sustainability report states that, "primary packaging is responsible for the largest part of the carbon footprint of our products." Sadly, beverage companies only use about 4% recycled content in PET bottles in the US, on average. Meanwhile, a few leaders are using 100% recycled PET to make their bottles, like Naked Juice, Rainbow Light, Portico Spa, Naya Water, Eldorado Water, and others. If LD 1324 passes, it would certainly make the PET situation worse, by reducing the amount of PET collected for recycling.

The Worldwide Trend is Toward Bringing More Beverage Containers into Deposit Programs
While proponents of LD 1324 may mention Delaware's repeal as a trend, that action is the exception to the worldwide trend. There are over 35 beverage container deposit programs in the world. Delaware's law was the smallest and weakest law, covering only 19% of the beverage containers in that State, and the law was very poorly enforced.

Since the year 2000, 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. In the last few months, new laws have passed in Guam and the Northern Territory of Australia. The worldwide trend is clearly to bring more and more beverage containers under deposit.

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The Container Recycling Institute urges you to reject LD 1324 and 1417 and to reject any measures that would reduce the scope of Maine's bottle bill, the most effective recycling program in the State.

We hope that the information we have provided is helpful to you. Please do not hesitate to contact me if you have any questions.

Sincerely,

Susan V. Collins
Executive Director
Container Recycling Institute

Cc: Members of the Committee on Environment and Natural Resources