



## CRI Comments on “The Costs of Beverage Container Redemption in Vermont”

A Report by DSM Environmental Services, Inc. for the Vermont Agency of Natural Resources Solid Waste Program

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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.

In June 2007, DSM Environmental, a consulting company based in Vermont released a report entitled *The Costs of Beverage Container Redemption in Vermont, Final Report June 2007*, which provides estimates of the costs of beverage container redemption in Vermont.

CRI believes that the estimates provided are based on inaccurate assumptions. More importantly, the data used is unavailable for review by an independent third party. Therefore CRI believes that the analysis is may provide misleading information. The following briefly describes the most critical errors associated with the report and analysis.

These are summarized as follows:

- 1) The study uses proprietary data from the consulting firm Northbridge Environmental and its own study *Vermont's Bottle Bill: Costs, Impacts, and Expansion*. These data are not available for review by a third party to ensure that they are accurate. We are concerned because of the bias that exists on the issue of container redemption by the retail, grocer and distributors, and their own consulting company. Without an independent review of the costs and assumptions made, we are concerned that they may be inflated in an effort to support repeal of the current program. In this context, there is lack of transparency and no third party oversight.
- 2) The study uses a “total cost allocation method” and allocates all costs of running the main business of selling full goods to the redemption business, such as allocating taxes; insurance; etc.  
An alternative approach, “marginal cost accounting” calculates redemption-only direct costs. This would exclude fixed costs because they would still exist with or without the redemption function. Both accounting methods are reasonable, however there is no way to determine how costs were allocated using the “total cost allocation method”, and given the inherent bias against redemption, we are concerned that these costs may be overstated. Again, we are unable to review the cost allocation methodology.
- 3) One of the critical assumptions made and applied to the total costs is that consumers are making a dedicated eight mile round trip to redemption centers. This completely omits the fact that most redemptions are usually done while part of a larger errand which would have

been made anyway even without having to redeem containers. The rationale for applying a dedicated transportation cost is weak, as is the research used to attain this assumption.

- 4) ,The study does not address how the system can be made more efficient through best practices. There are many other deposit refund programs that currently operate more efficiently, with lower costs of operations. Once again, we question why the authors did not offer any cost saving opportunities in their study. Rather, in their conclusion, the authors compare the costs to a curbside collection program. This apples-to-oranges comparison is further evidence of bias, given that the curbside collection program recovers mostly paper and paper packaging (>78% on average in Vermont), which has a significantly lower cost-per-ton than collection of beverage containers.
- 5) Some beverage industry lobbyists are using the estimate of “dedicated miles travelled” to claim that the container deposit program has a negative environmental impact. These statements are incredibly misleading, because they omit the savings of greenhouse gases that occur as a result of recycling beverage containers. The USEPA has developed an on-line calculator to calculate greenhouse gas savings through recycling. The beverage containers recycled in Vermont lead to greenhouse gas savings that are equivalent to taking 9,266 cars off the road. With each car’s average of 12,000 miles driven, that is the equivalent of saving the emissions of driving over 111 million miles. The greenhouse gas savings from recycling are therefore over 14 times as much as the dedicated miles that are claimed to be driven to return beverage containers in Vermont.