



Massachusetts Sierra Club
10 Milk Street, Suite 632
Boston MA 02103-4621
www.sierraclubmass.org
office@sierraclubmass.org
(617) 423-5775

July 30, 2011

Chairman John Keenan
Joint Committee on Telecommunications, Utilities and Energy
State House, Room 473B
Boston, MA 02133

Chairman Ben Downing
Joint Committee on Telecommunications, Utilities and Energy
State House, Room 413F
Boston, MA 02133

Re: .Testimony in Support of H.890/S.1650
An Act Updating the Bottle Bill

Dear Chairman Downing, Chairman Keenan, and Members of the Committee,

Thank you for providing this opportunity to offer our comments on H.890/S.1650, An Act Updating the Bottle Bill. The Sierra Club wishes to express our strong support in favor of this important proposed legislation.

The Sierra Club is the oldest and largest non-profit, non-partisan organization environmental organization in the country. With over a forty year history in this chapter, the Massachusetts Sierra Club represents about 22,000 members throughout the state and nearly one million nationwide. We fight for clean air, clean water, the preservation of the Commonwealth's most precious natural spaces, and healthy, vibrant communities.

Introduction

The Massachusetts Bottle Bill is by far our state's most successful recycling effort.

- As a result of the bottle bill and other recycling efforts, 80% of DEPOSIT beverage containers are recycled compared to only 22% that curbside captures of non-covered containers. .
- It stops valuable petroleum-based plastics from going to our state's disappearing landfills.
- It dramatically cuts litter – litter that burdens our state and municipalities to clean up.
- It saves communities up to \$7 million in trash disposal costs
- It provides the feedstock for Massachusetts-based recycled materials such as upholstery, carpeting, and Polartec-type fleece.
- Is an important component of the state's booming recycling economy, which is \$498 Million in annual payroll, and an estimated \$95 million in state tax revenue.¹

- Reaches on-the-go beverages, which are out of the reach of curbside programs

Our Bottle Bill was passed 30 years ago. It is the most effective program ever devised to PREVENT litter. Not only has our bottle bill been a huge success, it has become a model for other states, Canadian Provinces, and nations throughout the world.

Unfortunately, because of huge changes in consumer tastes, now 1/3 of beverages sold— over a billion bottles and cans in Massachusetts — are unintentionally outside the deposit system. The solution is simple: the legislature needs to update the BB to include these containers.

Why update the bottle bill now? In 1983, non-carbonated beverages in single-serve containers were virtually non-existent. Deposits covered just about every on-the-go beverage sold. Nobody even dreamed of bottled water, Gatorade, or favored iced teas. But now these ubiquitous beverages comprise about one-third of the entire beverage market. National bottled water sales alone have grown from under 2 billion units in 1993 to over 20 Billion units today--surpassing even beer sales.

Meanwhile, our streets, parks, and ballfields are once again becoming litter-strewn, our landfills are reaching capacity, and our storm drains are being clogged by non-deposit beverage containers

Seven states currently include non-carbonated beverages in their bottle bills: Maine and California, Connecticut, Hawaii, Oregon, New York, and Michigan. These states have successfully integrated non-carbonated bottle and can collection into their deposit system. A proposal to add non-carbonated beverages to Vermont's deposit law is pending. Other states are also looking to implement deposit systems, including New Hampshire, Arkansas, Colorado, Illinois, Indiana, Minnesota, Nevada, Tennessee, Washington, West Virginia, and Wisconsin.

PET Plastic: A valuable resource or a waste that will burden our landfills? The vast majority of the containers that would be covered under the update are made of PET Plastic, or *polyethylene terephthalate*, which is made of 99% petroleum. Consumers like PET because it's lightweight, shatter-resistant, and re-sealable - just right for people on-the-go. It's also virtually indestructible. Therein lies the problem: PET will not break down. 1000 years from now, discarded containers will be the same as they are today. Fortunately, PET is easily recyclable. Recycled PET plastic is primarily used for carpeting, upholstery, and Polartec-type fleece products — which are made right here in Lawrence, Lowell, Cummington, Waltham, North Attleboro, and Westport.

Environmental Savings and Carbon Reduction: Our bottle bill has resulted in diverting over 100,000 tons of containers from our landfills. Meanwhile beverages not covered have resulted in 60,000 tons of containers being sent to landfills. Adding these containers would save over 250,000 MMBTUs of energy, a carbon equivalent of over 46,000 MTCE. This huge savings would further allow the state to meet its carbon reduction goals.

Landfills: Beverage containers make up 5.2% of our waste stream by weight, and approximately 15% by volume, depending on the amount of compression. The landfills in Massachusetts are filling up with PET bottles. Can we afford to send PET bottles to the dump — or toss them into the environment as litter? Despite DEP's goal of having our state balance our trash disposal habits so that we are neither an exporter nor importer of trash², we are currently exporting roughly 20% of our trash to other states and countries — and this figure is growing annually. One by one, our landfills are closing — and the ones

that are still open are near capacity. Every percentage point that we increase our recycling rate brings us that much closer to holding off the day when our garbage problem becomes a garbage crisis.

Compliments Curbside: The Bottle Bill works 3-4 times better in capturing bottles than the curbside program alone, making it a perfect companion to curbside recycling. One third of the beverages consumed today – like bottled water, and bottled juices – didn't even exist 30 years ago when we implemented the Bottle Bill. *Eight out of every ten of these new drink bottles are not being recycled.*

Saves Resources: Since its inception in 1983, the deposit system has kept an estimated 35 billion beverage containers out of local landfills and incinerators—saving about 2.5 million tons of marketable aluminum, glass and plastic in Massachusetts. It has also prevented untold millions of bottles and cans from being littered on the state's roads and highways, parks and beaches. The current bottle bill diverts approximately 150 thousand TONS of material from Massachusetts dumps and incinerators each year, saving energy and resources. The deposit system has recovered an estimated 2 million TONS of aluminum, glass and plastic containers since its inception in 1983, saving an estimated 13 million barrels of crude oil equivalent, and has reduced greenhouse gas emissions by 2 million tons.³ It has also prevented countless of bottles and cans from being littered on the state's roads and highways, parks and beaches.⁴

Producer Responsibility: The bottle bill is a perfect example of producer responsibility. A staggering 3.3 BILLION beverages are sold annually in Massachusetts. The bottlers should be responsible for helping recycle the resulting mess, and not placing the entire burden on the state, municipalities, and taxpayers. As the producers of the problem, they should be responsible for the pennies that are required to recycle each empty bottle. But currently, over 1 billion containers go into municipal trash every year. A billion containers is hard to visualize – but if you put them in Fenway Park, it would fill Fenway to overflowing.

Public Support: At recent hearings, the members of this committee heard from environmental groups, municipal recycling directors, legislators, members of the public, redemption centers, and many others. The public support is, and has been for years, overwhelming to update our bottle bill and improve our recycling rates. Unfortunately, on the other side of this issue are those who profit from the current system. While they may raise issues about having competing recycling systems or consumer convenience, or perpetuate myths about the “failure of our existing bottle bill” or “cross-border fraud” that even the industry's own studies discredit, the real issue here is maximizing their profit. And while profit isn't bad, trying to squeeze the three additional pennies per bottle that they claim it will cost them – at the expense of the environment and the taxpayers – just doesn't make sense.

Recycling Rates and Litter: It is no secret that the recycling rates throughout the Commonwealth are stagnant. While some cities boast recycling rates of 30-40%, the state's larger cities such as Boston, Lowell, and Springfield are recycling only 11% of their waste.

In the past 8 years, there has been a marked increase in litter. Surveys of parks and interviews with park personnel and maintenance personnel in our cities and towns have determined that each year, litter is becoming more of a problem.^{5 6} There is a direct correlation between the amount of litter and the increasing share of the beverage market held by non-deposit containers.

Some if the increase can be traced back to decreases in municipal and state budgets to maintain and clean our parks – and some can be traced to decreased public anti-litter campaigns.

Passage of the Bottle Bill will alleviate the problem by decreasing the amount of litter, and by using the voluntarily forfeited nickes to fund litter and recycling awareness. The CEF (Clean Environment Fund) was the vehicle that had been successfully providing funds for many projects including those that resulted in cleaner parks, annual increases to recycling rates, and litter clean ups.

Industry critics argue that a bottle bill expansion will not reduce litter, but the evidence contradicts this. After conducting a series of clean-ups across the Commonwealth, Mass Riverways found that “it is over twelve times more likely that a non-deposit container will end up littering our waterways than will a deposit container.”

After surveying litter along 213 miles of Maine shoreline, the Center for Marine Conservation found that bottle and can litter on state beaches dropped 30% within a year after the bottle bill was expanded to include non-carbonated beverage containers. The New York group “Scenic Hudson” has also found that 61% of the container litter collected in its annual “Great River Sweep” consists of non-carbonated, non-deposit containers, even though they comprise only 22% of total beverage sales in New York. Even in New Jersey, which has a litter tax and a “Clean Communities” program, beverage container litter is slightly higher than the national average.⁷

States without bottle bills do a poor job of recovering bottles and cans. The multi-stakeholder BEAR report found that the average beverage container recycling rate in the non-deposit states was 22% in 1999, in contrast to the average of 70%+ in the bottle bill states. In other words, at an additional cost of just over one and half cents per six-pack, the recovery rates in bottle bill states are more than 3 times higher than in states without bottle bills.⁸

In fact, recycling rates have fallen even as curbside program access has tripled, because of the increasing number of beverages being consumed away from home. Businesses and local government agencies simply do not have the will or the resources to fund the enormous cost of placement and servicing of recycling bins in a wide range of public places. The deposit system provides a financial incentive for recycling, and an infrastructure that would otherwise not be available.

Redemption Centers Need Support: Redemption centers accept all empty containers, regardless of the brand or where the customer bought them. Approximately one-third of container redemptions take place at redemption centers. These locally-owned businesses are an integral part of the redemption-recycling system. Redemption is a labor and space intensive business. Like every other business in the state, their labor costs have gone up. But while other stores can raise their prices, the redemption centers’ are fixed. Not only have labor costs gone up, but also have rents, taxes, costs for fuel and costs now placed on them by bottlers and distributors. Redemption centers are slowly but surely being squeezed out of business - and the entire redemption center system is in danger of complete collapse. The redemption centers are only requesting a cost of living increase and they, need help which doesn't come from the state or the taxpayer. It's the money the bottlers pay to make sure that their empties are properly returned and recycled, out of state's landfills, and out of the litter stream.

BOTTLE BILL FACTS AND MYTHS

FACT: Do we need a deposit system even though we have curbside recycling?

Although curbside is a great program, it unfortunately only works with beverages consumed at home and does little for those consumed on the go.

For example, if the ballfield down the block from your house was lettered with water bottles, placing more recycling bins in your living room will have no effect.

If we compare any state that has a bottle bill to one that doesn't, you'll see that bb-covered beverage containers are redeemed/recycled at about 80%⁹. But in states without bottle bills, their containers sadly are recycled only 22%¹⁰ of the time. Curbside AND bottle bills work together – and those places where they exist together have the highest recycling rates.

The claim that one must “choose” between curbside programs and deposit systems is a myth.. Recycling data proves that both systems are necessary. Despite a tripling in the number of curbside programs in the U.S. from 1990-2000, the quantity of aluminum cans wasted increased from 554,000 to 691,000 tons a year. The amount of PET beverage bottles landfilled and incinerated rose from 359,000 to 943,000 tons per year.¹¹ States without bottle bills have only a meager 22% recycling rate¹², while states with a bottle bill typically have a 70-90% rate. Also note that less than 6%¹³ of the additional containers that would be captured under the updated bottle bill are aluminum cans. Plastic bottles (vs. aluminum cans) account for the greatest share, (78%) of all containers that would be captured under an updated BB.

Will the bottle bill take valuable plastic and aluminum from municipal systems?

A municipality public works department doesn't look at profitability as their primary responsibility. Their goal is to collect waste, recycling as much as they possibly can. Second, very few of the additional beverages would be in aluminum cans – the vast majority are in PET plastic bottles which, unfortunately, don't command a very high price in raw material. With that in mind, over 200 cities and towns have signed a resolution that supports the UBB, calling on the legislature to help them reach their mandate of increasing recycling. The DEP estimates that municipalities will save up to \$7 million annually in trash collection fees.

Is the bottle bill a tax? A tax – by definition – is money that you have to pay the government. A deposit is something that you temporarily give, typically to a merchant – and that you get back later.

***Tax:** [tæks]: n. An amount of money that you have to pay to the government so that it can pay for public services.¹⁴*

***Deposit:** [di-poz'-it]: n. A sum of money which you pay when you start renting something. The money is returned to you if you do not damage it.¹⁵*

For example, if you rent a tool at the rental center for \$20; you need to give them a \$100 deposit. If you decide to keep the tool and forfeit the \$100 because you're just too busy, claiming that the rental cost was \$120 is simply wrong. A voluntarily-forfeited deposit isn't a tax. It's the same with beverages, except that *it's just a nickel*.

*"I know a tax when I see one," commented **Barbara Anderson of Citizens for Limited Taxation**, "and whatever else I might think of the Bottle Bill, it's not a tax."⁶*

*"The deposit system associated with the Bottle Bill is not a tax, it's an entirely different type of charge," says **Michael Widmer of the Massachusetts Taxpayers Foundation**.¹⁷*

If someone is just too busy, the state gets the nickel. And since the state spends millions directly and indirectly for litter cleanup and waste disposal, what could be more fair?

Is there a better way?

As dedicated environmentalists, the Sierra Club wishes that there were better way. But in countries around the world, it's 100% proven that this is – by FAR – the best way anywhere. And if and when there is a better way to help protect our environment and preserve our resources, we'll be at the state house promoting it.

Are container return areas in food markets a health hazard?

There are no recorded health code violations of container return areas at any of the state's supermarkets or groceries.¹⁸ Supermarkets, grocers, and liquor stores in the state have been doing an excellent job of maintaining very high levels of cleanliness. Inspections at the facilities of Stop & Shop, Star/Shaws, Market Basket, Big Y, and liquor stores such as Martignetti's and Kappys have all shown that these firms are meticulous in maintaining the cleanliness of their facilities.

Don't beverage containers represent a tiny portion of the waste stream? According to the Environmental Protection Agency, beverage containers comprise 5.2% of the municipal solid waste stream but, when measured by weight, an estimated 15-20%¹⁹ of the waste stream when measured in terms of volume. Since landfills fill up by volume, not weight, wasted beverage containers consume a disproportionate amount of landfill space and should be accorded appropriate attention. Because no Massachusetts community wants to host a new landfill, or a new waste-to-energy facility, we should strive to divert as much material as possible from the waste stream. The updated bottle bill is an integral part of managing our waste.

The carbon produced by moving empty deposit bottles around DOES NOT exceed the environmental savings from recycling. Surveys show that most people who redeem their bottles are currently bringing their empties back to the place of purchase while they are shopping for groceries.^{20 21}

Will bottlers need to put fleets of trucks on the road to collect their empties, adding to vehicle exhaust pollution?

No. The collection of the majority of the empties is subcontracted to TOMRA and ENVIPCO. Only the few of the very largest bottlers use their own trucks. The others can be retrieved when delivering new inventory.

Will small stores have enough space for more empties? Under H.890/S.1650, small stores under 4000 square feet can get an exemption from taking back empties. This exemption will help small stores that may not have the room to sort and store empty containers.

Is the small handling fee that bottlers reasonable? The additional fees incurred by the bottlers - who produce the material that becomes litter and trash - will be only a

couple of cents per container on average. However, numerous studies, including the recently released report by the DEP, show that prices will be maintained. Those bottlers who are claiming that they are close to failing are being affected by changing consumer tastes, not the tiny cost increase created by the UBB. An example of recent year's earnings: Pepsico : \$6.2 Billion; Coca-Cola \$7.8 Billion; Nestle (bottler of Poland Spring) \$59 Billion; Ocean Spray's 2007 sales: \$1.9 Billion; Polar Beverage 2006 sales: \$250 million. It's also important to note that the beverage industry sells in excess of 3.3 Billion containers annually in Massachusetts.

Is it true that the forfeited nickels are too much for consumers? If you buy a bottle of Coke every day at work (\$1.80 average price) and discard the empty container, thus choosing to forfeit the deposit, at the end of the year, you'll have spent \$450 on Coke, and forfeited only \$12.50 in deposits.

Is cross-border redemption (“redemption fraud”) a significant problem?

Cross-border redemption problems were solved by some bottlers by having different bar codes for deposit vs. non-deposit states. They evaluated their potential losses and realized that it made good business sense; all bottlers should adopt this practice. The estimate for cross border losses is less than 5%, making enforcement more costly than the potential loss. With increased education and enforcement, this amount will decrease further.

Is the deposit system “antiquated” or tried and true? Opponents of the current deposit law on returnable bottles point to redemption rates as evidence of the declining functionality of the deposit system. *This is a misrepresentation.* While it is evident to everyone that a nickel isn't what it used to be, 5 cents *still* provides an effective financial incentive as a deposit. Our 80% redemption/recycling rate recycled.²² for containers covered by the bottle bill is still nearly triple *the non-bottle bill state average recycling rate of 22%.*

If this is passed, will retail prices will NOT go up: This is exactly what the bottlers said in 1983 – and they say in every state where bottle bills are proposed. However research shows that this claim is fiction. A wide ranging report²³ from the Massachusetts Department of Environmental Protection debunked a range of industry assertions. Their report concluded that prices are typically the same in bottle bill and non-bottle bill states. It also showed that despite industry claims that consumer choices would decrease, variety was solely dependent on store size.

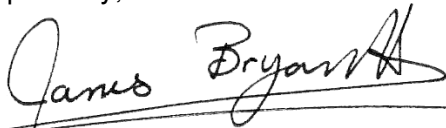
Is this the right time? Will this update hurt our economy? Back in 1983, when the original bottle bill was passed, the industry was foretelling economic doom, and massive job losses. During this period, mortgage rates were over 20%. Unemployment was 9.7%. But – oddly – nothing bad happened! Soda prices remained the same, sales increased slightly, and people drank as much Coke and Pepsi as they did before, People LIKED the incredible effect that the bottle bill had on litter, and they were aware that the bottle bill resulted in a huge increase in recycling.

Will this hurt border communities? Will people drive across the border to save 5¢ on a *refundable deposit*? At current gas prices, it costs approximately about \$1.20 to drive 5 miles each way to another grocery store. If a shopper has unlimited spare time, and wants to throw away any savings on gas, there is a possibility that they may do this once or twice before they smarten up. They'll quickly realize that it's easier just to shop at their own store and cash in the empties. Despite this false claim, many border communities have endorsed the Bottle Bill Update.

Conclusion: The existing bottle bill is a system that works. It has a huge positive impact on recycling. It dramatically reduces litter. It's a system that's been working effectively for 30 years. It is appropriate now to update the bottle bill by including water and other popular non-carbonated beverages. By doing so, Massachusetts can re-establish itself as a national leader in recycling.

The Sierra Club respectfully requests that the committee report this bill favorably.

Respectfully,



James McCaffrey
Director
Massachusetts Sierra Club



Phillip Sego
Coordinator, Bottle Bill Update Campaign
Massachusetts Sierra Club

¹ The Massachusetts Recycling Economy (fact sheet), Mass DEP, Nov. 2010.

² Massachusetts Solid Waste Master Plan: 2006 Revision, June 2006

³ Container Recycling Institute, 2009

⁴ Container Recycling Institute, Jenny Gitlitz, October 25, 2005.

⁵ Town of Wayland, Wayland Beautification Project

⁶ Waste Reduction Program Assessment and Analysis for Massachusetts, Tellus Institute, Feb 2005

⁷ Steven R. Stein. "Sweating the Litter Things." *Resource Recycling*, May 2005.

⁸ "Understanding Beverage Container Recovery: A Value Chain Assessment Prepared for the Multi-Stakeholder Recovery Project, Stage 1." Businesses and Environmentalists Allied for Recycling (BEAR), a Project of Global Green USA, January 16, 2002.

⁹ Massachusetts Dept. of Environmental Protection estimate of 70% redeemed plus 10% recycled curbside.

¹⁰ National Association for PET Container Resources (NAPCOR), Report 2008.

¹¹ Container Recycling Institute website data.

¹² National Association for PET Container Resources (NAPCOR), Report 2008.

¹³ Container Recycling Institute's Beverage Market Survey (2005).

¹⁴ Collins English Online Dictionary

¹⁵ Collins English Online Dictionary

¹⁶ Letter to J. Domenitz, Masspirg, June 21, 2011

¹⁷ Letter to J. Domenitz, Masspirg, June 21, 2011

¹⁸ "The 10¢ Incentive to Recycle." Container Recycling Institute, Arlington, VA 2004.

¹⁹ PET takes up 9.8 cubic yards per ton as opposed to 2.75 cubic yards per ton for "average" landfill materials, BEAR Report(2002); EPA Landfill Waste and Geotechnical Stability Report, Feb 2003.

²⁰ Twenty telephone calls and emails made by The Sierra Club during the week 10/19/05 to 10/23/05.

²¹ DSM Environmental (Ascutney, VT), in a study commissioned by the Massachusetts Department of Environmental Protection.

²² Container Recycling Institute, website, retrieved Aug 2009

²³ Available at the website of Mass DEP. <http://www.mass.gov/dep/recycle/reduce/bottleca.htm>