How low can you go?

After six years of decline, UBC recycling is headed for the ICU

NEW YORK — The U.S. beverage industry continues to oppose mandatory container deposits even in the wake of the latest tally for aluminum used beverage can (UBC) recycling, down in 2003 for the sixth straight year.

While deposit legislation remains in effect in 10 states, there have been no new ones since the 1980s and a “national bottle bill” championed by some invari-
ably fails to get off the ground every year. The American Beverage Association, Washington—until recently known as the National Soft Drink Association—defended its position, claiming that deposit systems had proved to be burdensome and costly.

Judith Thorman, the association’s vice president for state and local government affairs, said that recycling enthusiasts ought to favor comprehensive or typical curbside programs, which she said have an average cost of $125 a ton vs. the $500-

paid per ton cost of deposit programs.

“Used containers are such a small per-
centage of the waste stream, perhaps 2 percent,” Thorman said in an AMM inter-

view. “Look at New York, where residents pay for recycling programs in addition to the deposit program. And when someone is getting a nickel per container, the con-
tainers are stolen from the curbside pro-
gram, so collection companies and com-

munities lose those materials.”

The beverage industry’s list of deposit-

law disadvantages also includes these conten-
tions:

• Developing the capability to handle and process empty beverage containers requires significant capital investment as well as substantial labor expenses and operating costs.

• Bottlers must invest in additional warehouse space to store, sort and process material and must purchase and install equipment such as conveyors, balers and crushers. Because delivery vehicle space must be set aside for empty containers, more delivery trucks are required to ship the same amount of product. In addition, bottlers might purchase new vehicles dedicated to hauling empty containers.

• Bottlers also must hire new route drivers. Since drivers could spend 20 per-
cent of their time handling empties, new drivers are necessary to maintain the cur-

rent level of service for customers. Addi-
tional labor is required to sort and handle empty containers at warehouses, to oper-

ate processing equipment and to perform auditing and oversight functions.

• In some bottle-bill states, bottlers also are required to pay a surcharge to retailers or other redemption operations for each container returned. These “handling fees” are meant to offset costs incurred by the retailer or redemption center.

• Bottle hills also impose significant burdens on retailers and consumers. Retailers must designate space and staff to count, sort and store empty bottles and cans. This might mean acquiring new equipment, adding space onto stores, redesigning existing space, hiring new staffing and incurring extra costs for sanita-

tion and insect and rodent control.

• Consumers must separate deposits from their existing recyclables and take the bottles and cans with them when they go to a store, rather than leaving them at the curb for pickup.

The Container Recycling Institute, how-

ever, continues to champion the mandato-

ry deposit system. Pat Franklin, executive
director, said in a report that it “is an anti-
dote to this tide of waste.” Not recycling, she said, translated to “wasted energy, habitats destroyed and pollution generat-
ed by mining and processing bauxite and other raw materials to make new cans.”

Jenny Gitlitz, the institute’s research
director and author of a 50-page recycling report, “Trashed Cans,” published in June 2002, said the 2003 recycling rate was actu-

ally worse than the 50 percent reported earlier this year (AMM, May 24) because the Aluminum Association, which along with the Can Manufacturers Institute and the Institute of Scrap Recycling Industries conducted the survey that led to the rate, folded imports into its data.

“The Container Recycling Institute found a rate of 44.3 percent,” Gitlitz said. “Why should can recycling of imports near the borders of Mexico and Canada be counted? The cans weren’t brought in the States or consumed in the States.”

Gitlitz said her organization employed the same method as the U.S. Environmen-
tal Protection Agency’s Office of Solid Waste in deriving a recycling rate. Howev-

er, she pointed out that whichever method was used, the data showed a steady year-to-year deterioration in recy-

cling and an increase in cans sent to land-

fills and incinerators.

“The major brands—Coke, Pepsi, Anheuser Busch, Miller—should be doing a lot more,” Gitlitz said. “Because cans are labeled ‘recyclable’ doesn’t mean they get recycled. It’s not just the con-
sumer who is responsible for recycling.”

She said that perhaps 50 percent of Amer-

ica’s population lacked access to curb-

side programs.

The tonnage of wasted or non-

reclaimed cans translated to the output of four major aluminum smelters, Gitlitz said. Production of aluminum from virgin materials was energy intensive and harmful to many ecosystems, she said. Harmful air emissions from secondary production were shown to be just a small fraction of those from primary ingot production in a report using data from the U.S. Department of Energy’s Office of Industrial Technologies.

Gitlitz said the national recycling rate would have been far worse than it was had it not been for stronger performances in the existing deposit states.

However, the beverage group’s Thor-

man said there was “an incredible amount of fraud” in such states, with non-deposit cans brought in illegally to reclaim money.

Not much encouragement could be found from one UBC recycler in a deposit state. Thomas Mele, president of Connecti-
cut Metal Industries Inc., Monroe, Conn., said he had concluded that the retail can business “is no longer effective,” having begun to decline “10 to 15 years ago.”

Mele’s company also operates a retail buy-back center in Piscataway, N.J., pay-
ging 40 cents a pound, “the same as we did a decade ago.” Volumes had dropped con-
siderably, Mele said. The former Reynolds Metals Co., now part of Alcoa Inc., Pitts-
burgh, was no longer a factor in used can purchases, he said, and Anheuser-Busch “doesn’t give out flatteners and trailers for collections any longer.”

Moreover, the deposit state of Con-

necticut had its own problems. When cans aren’t collected, the state’s bottlers escape paying 2 cents apiece and also keep 5 cents apiece from the deposit fund. “They’re ahead 7 cents for every trashed can,” he said.

A can scrap buyer for a large trading company—taking in some 500,000 pounds a month in the summer—said various changes had occurred among the major players. He confirmed that Anheuser-

Busch stopped providing trailers and flat-

teners, adding that Alcoa also withdrew handling equipment.

Wise Alloys LLC, operator of the for-

mer Reynolds processing plant at Muscle Shoals, Ala., also brought an end to its buy-back programs because staffing and other costs weren’t justified, he said.

“Alcoa won’t buy UBCs from anyone who is not on the Alcoa list of qualified suppliers,” he said. “A lot of people aren’t taking the trouble to go out and collect cans. This past summer we didn’t see as many cans coming in. There are just a few major companies left. Some buy directly from dealers and brokers.”

Meanwhile, large-scale collections of UBCs by Alcan Inc., Montreal, and David J. Joseph Co., Cincinnati, could be mis-

leading, he said. The companies sell to Commonwealth Aluminum Inc., which in turn has the material processed and melt-

ed by Inco Recycling Inc., Irving, Texas.

Commonwealth is a unit of Common-

wealth Industries Inc., Louisville, Ky., which will soon merge with Inco (AMM, Nov. 3).

The two firms have had a companion opera-
tion using can scrap. When the scrap is returned to Commonwealth’s rolling mill in Uhrichsville, Ohio, it isn’t used for can sheet production. Rather, it is converted to alloy 3105, which is used to produce a range of products from fan blades and mail boxes to such housing applications as lascas and sol-

fits, according to Commonwealth’s Web site.

The trade source cited another possi-

ble reason so many more UBCs were trashed: the can scrap sometimes winds up at material recovery facilities (MRFs), where it is sorted and cleaned. However, buyers either offer less money or refuse it altogether, he said. “I offered three deals (around 120,000 pounds) of the MRF cans and I turned the seller down,” he said. “I don’t know if they ever got sold. The MRF cans are contaminated and hardly anybody wants them.”

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By Edward Worten

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UBCs Trashed

Billion of cans

Millions of pounds

Year

1999

2000

2001

2002

2003

Source: Container Recycling Institute and the U.S. EPA.

The UBC Recycling Seesaw: Returns Are Down While Trashed Cans Soar

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—Jenny Gitlitz, Container Recycling Institute