November 12, 2015

Joint Committee on Telecommunications, Utilities and Energy  
Hon. Benjamin Downing, Senate Chair  
Hon. Thomas Golden, Jr., House Chair  
Room 473B, State House  
Boston, MA 02133

RE: H2916, “An Act to expand the bottle bill” – SUPPORT

Dear Chairpersons Downing and Golden and members of the committee,

The Container Recycling Institute supports H2916, which would add water bottles to the definition of beverage containers under the Commonwealth’s highly-successful beverage container deposit law (“bottle bill”), and would restore funding to the Clean Environment Fund. We will comment on both issues in this letter.

**Restoring the Clean Environment Fund Will Create Sustainable Funding for Recycling**

Unclaimed deposit revenue for the carbonated beverages now covered by the deposit system currently amounts to $34 million a year, but these monies are currently absorbed by the General Fund. Were water to be added to the deposit system, CRI estimates that an additional $16 million in unclaimed deposits would be generated annually. Putting a combined $50 million in unclaimed deposit revenue into the Clean Environment Fund would enable the Commonwealth to create a **substantial, sustainable fund for improving recycling.** By contrast, the “penny plan” for funding recycling as laid out in H646 and H2880 would use a more complicated method to generate far less revenue, and would sunset in 3 years with no replacement plans.

**Adding Water Bottles to the Deposit Law**

CRI supports expanding (updating) the Massachusetts deposit law to include non-carbonated water bottles, because these bottles:

- now comprise **28% of the beverage market** – a larger category than beer -- as Figure 1 shows,
• are consumed in the same places as carbonated beverages
• are made from identical materials, and
• are the fastest-growing segment of the beverage market, as Figure 2 shows.

But without the financial incentive that the nickel deposit provides, only 20% of water bottles sold in Massachusetts are now being recycled (or 1 in 5 sold), in contrast to about 75% of soda and beer bottles and cans recycled (65% are returned through deposit redemption, and about 10% are recycled through curbside programs).

More importantly, bottled water is a beverage whose sales growth shows no signs of abating. As Figure 2 shows, U.S. water bottle sales have exploded over the last two decades: from under 5 billion sold in 1996, to almost 60 billion in 2014. This number is even larger when sales of flavored or otherwise enhanced non-carbonated waters are included.

Changes in Americans’ drinking patterns have negative repercussions for PET plastic recycling rates in Massachusetts, and nationwide. Because plastic water bottles in non-deposit states (and in partial-deposit states such as Massachusetts) are only recycled at a rate of 20%, when they take market share away from carbonated beverages that have a recycling rate of 30-95% (depending on the beverage and state), this change results in less recycling.

Adding Water to the Deposit System Will Save Money for Municipalities, Decrease Litter and Save Energy

CRI estimates that adding water to the bottle bill will result in 8 thousand tons of additional PET bottles recycled annually. Benefits of this additional recycling include:

- Less litter along our roads, waterways, parks, and city streets
- Lower litter cleanup costs for municipalities and businesses
- Avoided municipal costs to recycle and dispose of water bottles
- More job opportunities in PET recycling industries
- Energy savings of about 250 thousand MBTUs, which is equivalent to the total residential energy needs of almost 3 thousand Massachusetts homes for a year.

1 After water is added to an existing bottle bill, there typically is an adjustment period of a few years during which the overall redemption rate drops, because new containers are covered by the law. It takes some time for consumers to learn that water bottles are now subject to a deposit, and to bring them back with the same regularity that they redeem carbonated beverage containers.
• Greenhouse gas emissions reductions of 8.6 thousand metric tons of carbon dioxide equivalent per year. This is like taking almost 1,700 cars off the road.

To date, six other states have updated their deposit laws to include water and/or other beverages: Connecticut, Oregon, New York, Maine, California, and Hawaii. Their transitions to include water have been relatively smooth; some consumer re-education is necessary for people to learn that water bottles that were once not covered by the deposit now are.

For the foregoing reasons, the Container Recycling Institute urges you to support H2916. Thank you for the opportunity to submit comments on this bill. Please contact me with any questions you may have.

Sincerely,

Jenny Gitlitz
Consultant to the Container Recycling Institute

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About the Container Recycling Institute (CRI)

CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of used beverage containers and other consumer-product packaging. Its mission is to make North America a global model for the collection and quality recycling of packaging materials. We do this by producing authoritative research and education on policies and practices that increase recovery and reuse; by creating and maintaining a database of information on containers and packaging; by studying container and packaging reuse and recycling options, including deposit systems; and by creating and sponsoring national networks for mutual progress. CRI envisions a world where no material is wasted and the environment is protected. It succeeds because companies and people collaborate to create a strong, sustainable domestic economy.