Dear Members of the Environment Committee,

The Container Recycling Institute supports Raised Bill No. 5457, “An Act Concerning Bottle Redemption Centers.” This bill seeks to update the Connecticut deposit system by raising the handling fee from the current 1.5¢ on beer and 2¢ on carbonated soft drinks and water to 3.5¢ on all deposit beverages.

Raising the handling fee is long overdue. The costs that retailers and redemption centers incur for rent, labor, transportation, equipment, and insurance have all risen steadily over the years, yet Connecticut handling fees have remained stagnant for more than three decades: in 1983, the carbonated soft drink handling fee was increased from 1¢ to 2¢, and in 1986, the beer & malt handling fee was increased from 1¢ to 1.5¢.

With these handling fees, retailers and redemption centers are financially strained, and are not in a position to improve operations to better serve customers, such as being open for longer hours, hiring adequate staff, or keeping their facilities and equipment clean, updated and in working order. Inconveniences in redemption lead to consumer frustration, and may be partially responsible for Connecticut’s relatively low redemption rate (48.5% for 2016) compared to New York (66%), Massachusetts (57%), Vermont (75%), and Maine (84%).

Neighboring deposit states have already raised their handling fees to better compensate retailers and redemption centers for their operations. In New York, the handling fee is 3.5 cents; in Vermont and Maine, the handling fee is 3.5 cents for most containers and four cents for those containers that are not part of a commingling agreement; in Massachusetts, the handling fee is 3.25 cents for redemption centers and 2.25 cents for retailers.

Raising the Connecticut handling fee to be more in line with these states’ handling fees is necessary to maintain a functional and efficient deposit redemption infrastructure: one that supports consumers in having a convenient and frustration-free redemption process. The impact on consumers will be minimal to nonexistent. If the distributors and retailers choose to increase prices on beverages, note that Connecticut’s redemption rate of approximately 50% means that the increased cost per container sold (due to the handling fee increase) would be one penny or less per container sold.

In addition, we recommend simplifying the bill language to refer to “all deposit beverage containers,” rather than naming each beverage type. Because the beverage market keeps growing and changing—necessitating periodic changes to the deposit law—more general language will make future updates easier to implement.

Thank you for giving CRI the opportunity to submit our comments in support of Raised Bill 5457. Please contact me with any questions you may have.

Sincerely,

Susan Collins
President and Executive Director, Container Recycling Institute

About the Container Recycling Institute: CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of beverage containers and other consumer-product packaging.