April 1, 2016

Chair Spencer and Members of the Environment and Solid Waste Committee
State House Annex
P.O. Box 068
Trenton, NJ 08608

RE: Testimony of the Container Recycling Institute on “Smart Container Act” for the Environment and Solid Waste Committee

Dear Chairwoman Spencer,

The Container Recycling Institute is a nonprofit research organization that was founded in 1991 and is a leading authority on the economic and environmental impacts of recycling used beverage containers and other consumer-product packaging. Our mission is to make North America a global model for the collection and quality recycling of packaging materials. We produce research reports, maintain two websites, produce weekly electronic newsletters, host webinars and sponsor working groups and networks. We have hundreds of members throughout the U.S. and internationally. Our members include local governments, states, recycling businesses, beverage and packaging manufacturers, individuals and more.

**Beverage Containers Deposit Laws have High Recycling Rates**

Refundable deposits have been shown to be an efficient and effective way to significantly increase recycling rates of beverage containers. In the 10 states that have refundable deposits, the beverage container redemption rates average 84%. In all other states, the beverage container recycling rate is below 25%. In non-deposit states, the recycling rate for glass beverage containers is 25%, while the rate for glass averages 65% in deposit states. For PET plastics, they are recycled at a 20% rate, on average, in states without a deposit, compared to 48% in deposit states.

No other container-focused recycling program achieves the high recovery rates of refundable deposit programs.
The Worldwide Trend is Toward Bringing More Beverage Containers into Deposit Programs

There are more than 40 beverage container deposit programs in the world. The first program started in British Columbia, Canada, 45 years ago. The worldwide trend is clearly to bring more and more beverage containers under deposit programs because of their success. Since the year 2000, there have been 17 new and expanded container deposit laws around the world. Container deposit programs have been expanded to include more beverage types, like water, in California, New York, Connecticut and Oregon. Hawaii and Germany both started new comprehensive deposit programs in 2005. In 2011, 4 new laws were passed throughout the world. Lithuania implemented a new container deposit law in 2015. These programs have very high recycling rates, ranging from 70% to over 90% in some programs. None of them are funded through government taxes.

Curbside Recycling isn’t Very Effective at Increasing Beverage Container Recycling Rates

As the following chart shows, from 1990 to 2000, as more Americans got access to curbside recycling, the percentage of beverage containers recycled actually decreased. In 1990, access to curbside recycling was less than 20% while beverage containers were being recycled at a rate of a little less than 50%. By the year 2000, curbside recycling access had grown to over 60%, but beverage container recycling had dropped to 40%, mainly as the result of the shift to drinking more beverages away from home.
It is important to also note that the current 40% combined (national) beverage container recycling rate is not solely a result of the residential curbside access as shown in the chart above; rather, it includes container recovery produced by beverage container deposit systems operating in 11 states (which were home to about 30% of the national population in 2010.)

Containers Have Higher Scrap Value if they Are Free of Contamination

For background, aluminum is the only material type that has a higher scrap value than the cost of recycling, whether it is collected in a curbside recycling program or container deposit program. For other material types, the sum of collection and processing costs exceed scrap value revenue.

In addition, containers collected through curbside programs have a lower scrap value than they do when they are collected through a container deposit program. In particular, PET plastic is worth 40% less when collected through curbside programs because of increased contamination. Furthermore, PET scrap prices have been dropping due to the recent drop in oil prices. Aluminum prices have been dropping due to overproduction in China.

Glass has little to no value when it is collected and processed by single stream curbside recycling programs. In contrast, glass collected through container deposit programs does have value and does find markets in new glass bottle and fiberglass manufacturing.

Recycling Reduces Greenhouse Gases

Using USEPA statistics, beverage containers make up about 5.5% of the waste stream by weight, but when measured by greenhouse gases that can be saved by recycling, beverage containers make up about 20% of the waste stream (source: USEPA/Valiante). It is therefore very important to recycle beverage containers, and to make the materials into industrial feedstock.

It is sometimes said that car and truck travel for recycling of beverage containers is a negative impact, but that reasoning fails to account for the greenhouse gas savings from recycling. The USEPA finds that there is still a significant reduction in greenhouse gases from recycling, even after considering transportation impacts.
No Tax Dollars are Used for Container Deposit Programs

Container deposit programs are funded without using government taxes. The funding mechanism is contained within the program itself, so that only the producers and consumers of beverage products are the ones who pay for the recycling system. That compares to curbside recycling programs, which are funded by taxpayers or ratepayers, whether they purchase beverages or not.

Container deposit programs are typically operated by the private sector, or by a special agency and fund within state government. Therefore, municipalities are relieved of the burden of collecting and disposing of beverage container waste. They also save money by not having to collect as many beverage containers that are littered or fill public space waste bins.

Container deposit laws helps reduce beverage container litter

Traditionally, mitigation of litter was a primary reason for the implementation of deposit return programs. Recent data from Hawaii, Canada and the Great Lakes confirms that container deposit laws reduce beverage container litter by half, on average. Less litter means lower costs to the State and municipalities for litter collection and disposal.

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I’ll be happy to answer any questions you may have.

Sincerely,

Susan V. Collins
President
Container Recycling Institute