

**CRI responds to the National Soft Drink Association's
 Attack on the BEAR MSRP report**

Background: On January 16th 2002, Businesses and Environmentalists Allied for Recycling (BEAR), a project of Global Green USA, released a report entitled "Understanding Beverage Container Recycling: A Value Chain Assessment Prepared for the Multi-Stakeholder Recovery Project (MSRP)." This report was a product of seven months of collaborative work by a team of four consulting firms and a 24-member advisory board representing groups on all sides of the beverage container recovery debate.

The MSRP report found that beverage container recycling has "stagnated or...declined in recent years." In 1999, the combined national recycling rate for all container types was only 30% by weight, and 41% by units. According to the report, 114.4 of the 192.5 billion containers sold in 1999 were not recycled.

The purpose of the report was to evaluate various beverage container recovery programs and compare the costs of each program. After examining the costs and recycling rates of several different methods of recovery, as they operated in 1999, the report found that 29% of the U.S. population living in the 10 deposit states recovered over 50% of all the beverage containers recycled nationally, at an average cost of about a quarter of a cent per container more than in non-deposit states (or 1.5¢ per six-pack of soda).

The same day the BEAR report was made public, the National Soft Drink Association (NSDA) issued a press release calling the report "inaccurate," "unreliable," and "flawed." NSDA suggested that the report was biased, and even intentionally manipulated to present the views of deposit advocates.

In the following pages, CRI responds to some of the allegations in NSDA's press release of Jan. 16, 2002:

- ❖ **NSDA writes:** "...Deposits are inefficient, [and] expensive..."
- ❖ **CRI responds:** The average cost of recovering beverage containers (including revenue from material sales) was 1.53¢ per container in the 10 deposit states, compared to 1.25¢ in the 40 non-deposit states. The report also found that the 10 deposit states recovered an average of 490 containers per capita per year through all recycling programs combined, while the 40 non-deposit states only recycled 191 containers per capita, as the below table shows.

Bang for the Buck: Container Recovery Cost vs. Success Rate							
	Population, 1999 (million)	Percent of U.S. population	Net recovery cost (a) (¢/unit)	Per capita recovery (units)	Total annual recovery (billion units)	Percent of U.S. recovery	Total cost (million)
	A	B	C	D	E	F	G
40 Non-Deposit States	199.9	71%	1.25	191	38.2	49%	\$ 477
10 Deposit States	81.6	29%	1.53	490	40.0	51%	\$ 612
Total or Average	281.5	100%	1.31	278	78.2	100%	\$ 1,024

(a) Includes revenues from material sales (aluminum, plastic, glass); does not include the forfeited deposit value of unredeemed containers.
 Source for columns A, D, and E: Table ES-1, "Understanding Beverage Container Recycling: A Value Chain Assessment Prepared for the Multi-Stakeholder Recovery Project," Businesses and Environmentalists Allied for Recycling (BEAR), Global Green USA, January 16, 2002.
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- ❖ **NSDA writes:** “An analysis of the BEAR report conducted by Northbridge Environmental Management Consultants shows that California’s container recovery system costs approximately \$275 per ton, not the \$118 per ton claimed by the BEAR report. At the same time BEAR underestimated costs in California, they overestimated costs of collecting beverage containers via curbside recycling...The Northbridge analysis shows the costs per ton for curbside and drop-off recycling to be less than the costs for California or any other forced deposit system.”
- ❖ **CRI responds:** Even if the NSDA were correct in its per ton upward revisions of the net collection and processing costs for the California redemption system, and its per ton downward revision of the net costs for residential curbside systems, *the California redemption system still comes out to be less expensive per container, AND three times more effective at recovering beverage containers than curbside recycling alone*, as the below table shows.

Net Collection and Processing Costs for Curbside and CA Redemption System (cents per unit recovered, including revenue from material sales)			
	Net costs		Per capita recovery
	(BEAR report)	(NSDA revisions)	(BEAR report, units)
California Redemption System	0.55	1.27	373
Residential Curbside Systems (in non-deposit states)	1.72	1.40	127
<i>CA costs as a fraction of curbside costs</i>	32%	91%	
<i>CA's effectiveness compared to curbside recycling in non-deposit states</i>			294% more effective
Source for BEAR data: Table ES-1, “Understanding Beverage Container Recycling: A Value Chain Assessment. Prepared for the Multi-Stakeholder Recovery Project.” Businesses and Environmentalists Allied for Recycling (BEAR). January 16, 2002.			
Source for NSDA data: "Revised Summary of Beverage Container Recovery Costs from the BEAR Report," Northbridge Environmental Management Consultants, February 7, 2002.			
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- ❖ **NSDA writes:** (D)eposits undermine curbside programs,” “strip[ping] these programs of their most valuable component, beverage containers.”
- ❖ **CRI responds:**
 - 1) **The only truly valuable container collected by curbside programs is aluminum cans.** All other beverage containers cost far more to collect and process than they generate in revenue. But the expectation that aluminum can revenues will “carry” the collection of other less valuable containers is misguided. Aluminum can market share of soft drinks is being eroded by plastic (PET) bottles--a trend that poses a far greater threat to municipal curbside revenues than deposit laws.
 - 2) **NSDA perpetuates a false assumption that local governments must choose between curbside programs and deposit laws.** In fact, the two are *not* mutually exclusive. We live in a diverse society where beverages are purchased and consumed in a variety of locales, and we need *a multiplicity of recycling options* to meet these needs. The growing number of beverage containers purchased *away from home for immediate consumption* can be captured with financial incentives such as deposits, but are beyond the reach of curbside programs. 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, and the amount of PET beverage bottles landfilled and incinerated rose from 359,000 to 943,000 tons per year.

- 3) It is important to note that there are *enormous environmental impacts* associated with this quantity of wasting. CRI estimates that the equivalent of *15 million barrels of oil* were used, and *2.3 million tons of greenhouse gases* were emitted to the atmosphere in the process of manufacturing 48 billion new soda bottles and cans to replace those wasted in 1999. The environmental costs are broken down by material type in the table below.

Selected Environmental Impacts of Replacing Wasted Soft Drink Containers							
	Soda containers wasted, 1999 (a)		Replacement energy required (b)			Greenhouse gases generated (c)	
	(billion units)	(tons)	(MBtu/ton)	(million MBtu)	(million bbls crude oil equiv.)	(MTCE/ton)	(million MTCE)
	A	B	C	D (= B x C)	E	F	G (= B x F)
Aluminum cans	29.7	447,817	158.2	70.8	12.26	4.09	1.8
PET plastic bottles	16.7	625,255	26.3	16.4	2.84	0.72	0.5
Glass bottles (non-refillable)	0.6	127,287	1.4	0.2	0.03	0.16	0.0
Total	46.9	1,200,359		87.4	15.1		2.3

(a) Column A: derived from figures provided by American Plastics Council, Glass Packaging Institute, Aluminum Association, U.S. Department of Commerce, Beverage Marketing Corporation, and Container Recycling Institute. Column B: Table ES-2 in "Understanding Beverage Container Recycling: A Value Chain Assessment Prepared for the Multi-Stakeholder Recovery Project," Businesses and Environmentalists Allied for Recycling (BEAR), Global Green USA, January 16, 2002, uses the following conversion factors (in containers per ton): Aluminum: 66,225; PET: 26,702; Glass: 4,581.

(b) Column C: the BEAR report, Table ES-2. 1 barrel of crude oil has an energy value of 5.78 Mbtu.

(c) Column F: the BEAR report, Table ES-2. MTCE = Metric tons of carbon equivalent.

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In light of these environmental costs--and many others not described here--it is unacceptable to promote any beverage container recovery system whose success rate has proven far inferior to that of deposit systems working in conjunction with other forms of collection.

- ❖ **NSDA writes:** "NSDA also reaffirm[s] its commitment to comprehensive curbside and drop-off recycling as the most efficient way to maximize recycling all types of solid waste."
- ❖ **CRI responds:** CRI agrees that comprehensive and cost-effective recycling programs are needed to collect multiple materials in the waste stream. A comprehensive system includes drop-off and buyback centers, curbside programs, **and** deposit systems. Together these methods combine to maximize container recovery. Deposit systems are the only proven method of achieving beverage container recycling rates that exceed 80%, and they can--and should--operate in tandem with other forms of recycling collection.
- ❖ **NSDA writes:** "Deposit laws are a 1970's solution to a 21st Century problem."
- ❖ **CRI responds:** Deposit laws enacted in the 1970's and 1980's were ahead of their time. The trend is toward **more--not less--producer responsibility** in the form of deposits, and recycling goals that industry is required to meet. The most outdated thing about current deposit laws is the nickel refund value, which has failed to keep up with inflation over the years. In Michigan, the only state where the deposit is a dime, the redemption rate exceeds 95%. Such high levels of beverage container recycling have never been achieved by curbside programs.

- ❖ **NSDA writes:** “[BEAR] produced a flawed report designed to support the views of deposit law advocates.”
- ❖ **CRI responds:** The BEAR/MSRP process included multiple stakeholders from every side of the deposit law debate with a goal of producing a fact-based report that looked at the costs and effectiveness of several beverage container recovery programs. The final report was the result of a 7-month long process that included numerous in-person meetings, conference calls and email communications involving all stakeholders, including the Coca-Cola Company--a member of NSDA.
- ❖ **NSDA writes:** “BEAR missed an opportunity to provide a real service to communities across the country by delivering an unbiased study of options for handling solid waste.”
- ❖ **CRI responds:** By abstaining from the MSRP process, many of NSDA’s member companies, including PepsiCo, missed an opportunity to take part in this historic multi-stakeholder dialogue, thereby failing to contribute constructively to the debate about the most cost-effective way to recover the greatest amount of beverage containers. NSDA’s idea of “community service” is getting local communities (i.e. taxpayers) to pay for recycling beverage container waste. NSDA portrays itself as a proponent of recycling and litter control. In fact, the NSDA is a trade association representing the interests of manufacturers and distributors of carbonated beverages, not the public interest.

Information Available on the Web:

- For more information on BEAR, including links to the MSRP report and press coverage to date, please go to: www.globalgreen.org/bear/.
- The NSDA January 16th and February 8th press releases can be accessed at:
www.container-recycling.org/projects/bear/NSDARelease--011602.pdf
and
www.container-recycling.org/projects/bear/NSDARelease--020802.pdf
- The NSDA-funded critique of the BEAR report, carried out by Northbridge Environmental Management Consultants, can be found at:
<http://www.container-recycling.org/projects/bear/NorthbridgeCritique.pdf>
- The BEAR response to the NSDA-funded critique can be viewed at:
<http://www.container-recycling.org/projects/bear/BEARNorthbridgeResponse--020702.pdf>
- For more information on beverage container recycling and deposit legislation, see CRI’s two websites:
www.container-recycling.org and www.bottlebill.org.