

January 14, 2022

The Honorable Howard Pearl
Chairman, House Environment and Agriculture Committee
New Hampshire House of Representatives
107 N. Main St.
Concord, NH 03303

RE: HB 1652: Relative to the Recycling of Beverage Containers

Chairman Pearl and Honorable Committee Members:

Thank you for the opportunity to provide testimony in support of House Bill 1652, an Act Relative to the Recycling of Beverage Containers.

Conservation Law Foundation (CLF) is a member-supported nonprofit advocacy organization working to conserve natural resources, protect public health, and build healthy communities in New Hampshire and throughout New England. Through its Zero Waste Project, CLF aims to improve solid waste management through source reduction, recycling, and composting.

HB 1652 would create a container deposit return system – often referred to as a bottle bill – in New Hampshire. With a bottle bill, customers pay a deposit on every single-use beverage container (like a water, soda, or beer bottle) that they purchase. They then get the deposit back when they return the container to a retailer or redemption center for recycling. Through this incentive, bottle bills improve recycling and reduce litter.

I. Why Does New Hampshire Need a Bottle Bill?

Currently, four out of six New England states have bottle bills.¹ Through its bottle bill, Maine collects 84% of its cans and bottles for recycling.² New Hampshire does not currently have any data on the percentage of cans and bottles recycled. However, it is likely in line with the national average which is roughly 24%.³ This means that an overwhelming majority of bottles and cans are not being recycled, but are instead either buried in landfills, burned in incinerators, or littered throughout our streets, parks, rivers, and beaches. When bottles and cans are landfilled, they take up space which could otherwise be saved for materials that cannot be reduced, reused, recycled, or composted.

¹ Olivia Synoracki, *Comparing New England's Bottle Return Programs*, Conservation Law Foundation, Available at <https://www.clf.org/blog/comparing-new-england-bottle-return/>.

² *Id.*

³ Container Recycling Institute, *Bottle Bills*. Available at <https://www.container-recycling.org/index.php/issues/bottle-bills>

II. How Does it Work?

Under HB 1652, customers would pay a 10-cent deposit for every single-use beverage container they purchase. They would get that deposit back when they return the empty container to a retailer or independent redemption center for recycling. Those retailers and redemption centers turn over the collected containers to a beverage distributor (or “deposit initiator”). The distributor reimburses the retailer or redemption center for the deposits, pays them a 3.5-cent handling fee, and sells the source-separated containers to recyclers. The handling fee supports the collection work and ensures that companies producing all these containers bear some responsibility for recycling them.

Connecticut’s bottle redemption program has lower handling fees—2 cents for water and soda and 1.5 cents for beer—and its redemption centers have struggled to make ends meet.⁴ A 3.5-cent handling fee would allow Rhode Island to keep pace with states like New York, Maine, and Vermont, which have handling fees between 3.5 and 4.5 cents.

III. Who Keeps Track of the Money?

The distributors track of the deposits they collect (or “initiate”) when they sell containers to retailers and the deposits they pay back to retailers and redemption centers. If they are holding on to any “unclaimed” deposits, they pay them to the State—half of that money goes into the general fund, and half of it to the State Recycling Fund. If they pay more in deposits than they collect, the State makes them whole out of unclaimed deposit funds.

IV. Why is the Deposit 10 Cents?

Many of the state’s that already have bottle bills set the deposit of five cents decades ago. Overtime, inflation has made the five-cent deposit less impactful, and it is not too small of an incentive to support robust redemption rates. Connecticut and Massachusetts have 5-cent deposits, and they only collect around 50% of their containers.⁵ Both states are currently working to increase their deposits to 10 cents. The two U.S. states with ten-cent deposits on beverage containers—Michigan and Oregon—have redemption rates of 89% and 86% respectively.⁶

⁴See Patrick Skahill, *Has Connecticut’s “Bottle Bill” Changed From Environmental Law to Cash Cow?*, Connecticut Public Radio, Jan. 24, 2017,

<https://www.wnpr.org/post/has-connecticuts-bottle-bill-changed-environmental-law-cash-cow>.

⁵Olivia Synoracki, *Comparing New England’s Bottle Return Programs*, Conservation Law Foundation, Available at <https://www.clf.org/blog/comparing-new-england-bottle-return/>.

⁶See Genevieve Grippo, *An Effort to Dramatically Expand Michigan’s Bottle Deposit Law is Back*, Newschannel 3, Dec. 29, 2019,

<https://wwmt.com/news/local/an-effort-to-dramatically-expand-michigans-bottle-deposit-law-is-back>; Cassandra Profita, *Oregon Bottle Deposit System Hits 90 Percent Redemption Rate*, NPR, Feb. 4, 2019,

<https://www.npr.org/sections/thesalt>

[/2019/02/04/688656261/oregon-bottle-deposit-system-hits-90-percent-redemption-rate](https://www.npr.org/sections/thesalt/2019/02/04/688656261/oregon-bottle-deposit-system-hits-90-percent-redemption-rate).

V. What is People Bring Containers from Maine, Massachusetts, or Vermont Here?

There are measures in HB 1652 to prevent this kind of “cross-boarder redemption.” The bill permits bottlers to use state specific labels on bottles and cans, so that retailers and redemption centers can spot containers that were not sold in-state. Moreover, the bill requires large retailers to use “reverse vending machines” which can scan returned empty containers to keep track of redemptions compared to sales. All distributors will provide reports to the Department of Environmental Services on the types and volumes of beverage containers sold and redeemed. These reports will help keep track of any irregularities. Additionally, Massachusetts and Vermont are currently working to increase the value of their deposits from five cents to ten cents. This would minimize the incentive for anyone to try to fraudulently redeem containers purchased outside of the state.

Importantly, under HB 1652, no retailers or distributors can lose money because of “cross-boarder redemption.” Retailers are compensated by distributors for deposits, so redemption of out-of-state containers cannot impact them financially. Moreover, any distributor that pays more in deposits than it collects will be compensated out of the unclaimed deposit fund.

VI. What Are the Benefits for New Hampshire?

An analysis of bottle bills across the U.S. shows that bottles bills are highly effective at (1) increasing the number of bottles and cans recycled, (2) increasing the quality of recycled materials, (3) reducing litter, and (4) transitioning states away from single-use containers to reusable and refillable systems of consumption.

HB 1652 Will Increase the Number of Bottles and Cans Recycled in New Hampshire.

On average, states with container deposit laws have double the recycling rates than those that rely solely on single-stream recycling. According to the Container Recycling Institute, states with container deposit laws recycled aluminum, PET, and glass at a rate of 78%, 59%, and 64% respectively.⁷ Conversely, states without container deposit laws recycled these materials at much lower rates, 36% for aluminum, 14% for PET, and 14% for glass.⁸

HB 1652 Will Increase the Quality of Recycled Material Generated in New Hampshire.

Not only do bottle bills increase the number of bottles and cans recycled, but they also create a much higher quality of recycled material which makes the product more valuable and more likely to be used to create new goods and products.

The convenience of single-stream curbside recycling programs comes with a cost, contamination. Single-stream recycling depends first and foremost on educated consumers making the right choice about what can and cannot go into their recycling bins. From there, the burden is on Material Recovery Facilities (MRFs) to remove any unrecyclable materials that made its way

⁷ Jenny Gitlitz, *U.S. Container Recycling Rates and Trends*, Container Recycling Institute, pg. 7, (Oct. 2013). Available at <https://www.legis.iowa.gov/docs/publications/SD/698850.pdf>

⁸*Id.*

into the recycling stream while also processing and sorting remaining commingled recyclables. These sorting processes are imperfect. According to the National Waste and Recycling Association, 25% of what is placed into single-stream recycling is too contaminated to go anywhere other than a landfill or incinerator.⁹

Additionally, the remaining materials collected curbside that separated correctly and are still technically recyclable may not be getting recycled according to the highest and best use of the material based on how contaminated it is. The overall quality of the recycled material is a leading factor that determines what the recycled material is ultimately used for. This difference in quality can be the difference between recycling and downcycling. Downcycling is using the recycled material for inferior uses which have a less environmental or economic benefit than recycling the material into a new recyclable product. A common example is using glass for road construction. While this practice better than simply landfilling the material, glass can be recycled infinitely, so recycling it into new glass bottles instead of using it for construction projects is inherently more economically and environmentally valuable.

In fact, a nationwide study found that only 40% of glass from single-stream curbside recycling is used to create new containers or manufacture fiberglass – both considered high-end uses based on their ability to limit the need for new glass in manufacturing processes.¹⁰ The remaining 60% either ends up in a landfill (40%) or used as a substitute for asphalt for highway construction projects (20%).¹¹ In comparison, 98% of the glass collected through Bottle Bill systems gets used to make new containers or manufacture fiberglass, with only 2% used for road construction.¹²

Unlike single-stream curbside recycling, bottle bills create a steady stream of clean recyclables that are highly marketable. Which is why the companies that manufacture bottles and cans strongly support bottle bills. According to the Glass Packaging Institute, nearly 60% of all the glass recycled into new bottles in the United States comes from the ten Bottle Bills states.¹³ Similarly, the Can Manufacturers Institute found that while the ten Bottle Bill states only use about a quarter of all aluminum beverage cans, they generate more than a third of all cans that are recycled.¹⁴ For similar reasons, Darrel Collier, the Executive Director of the National

⁹Maggie Koerth, *The Era of Easy Recycling May be Coming to an End*, FiveThirtyEight (Jan. 10, 2019), Available at <https://fivethirtyeight.com/features/the-era-of-easy-recycling-may-be-coming-to-an-end/>

¹⁰ Container Recycling Institute, *Bottle Bills Produce High-Quality Recyclable Materials*, (2019). Available at <https://www.bottlebill.org/index.php/benefits-of-bottle-bills/bottle-bills-produce-high-quality-recyclable-materials>

¹¹*Id.*

¹²*Id.*

¹³ Testimony of Scott Defife – President of the Glass Packaging Institute before the Vermont House Committee on Natural Resources, Fish, and Wildlife. (Feb. 24, 2021). Available at <https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Natural/Bills/H.175/Witness%20Documents/H.175-Scott%20DeFife-Glass%20Packaging%20Institute-2-24-2021.pdf>

¹⁴ Testimony of Michael Smaha – Vice President of Government Relations for the Can Manufacturers Institute before the Vermont House Committee on Natural Resources, Fish, and Wildlife. (Feb. 24, 2021). Available at

Association for PET Container Resources has asserted that “beverage container deposit programs are essential to preserve the supply of postconsumer recycled PET.”¹⁵ Recyclers rely on Bottle Bill PET plastic for the quality material needed to make new containers.

HB 1652 Will Reduce Litter and Create a Cleaner New Hampshire

Bottle Bills also significantly reduce litter. After Hawaii implemented a bottle bill in 2005, the number of beverage containers collected during Hawaii’s International Coastal Cleanup fell from 23,471 in 2004 to 10,905 in 2007—a 53.5 percent drop over just three years.¹⁶ The deposit is a powerful incentive to return bottles and cans to be recycled rather than littering them around the state.

In 2020, Keep America Beautiful compared litter in states with and without bottle bills. The report found that states without bottle bills had significantly more bottles and cans littered than their bottle bill counterparts.¹⁷ KAB estimated that non-Bottle Bill states had double the amount of container litter as Bottle Bill states.¹⁸ What’s more, the study found that non-Bottle Bill states also had more overall litter, not just bottles and cans.¹⁹

HB 1652 Can Create Jobs and Foster Economic Growth

Moreover, bottle bills create jobs. Studies have shown that redemption programs can support more than **30 times** as many jobs as curbside recycling.²⁰ Additionally, bottle bills create at least five times more jobs in container collection, sorting, and transporting than in garbage collection, hauling, and landfilling.²¹ Across the border, Maine’s bottle bill supports more than 1,000 jobs at hundreds of redemption centers across the state and has spurred millions of dollars in direct and indirect economic activity.²²

Bottle bills also save taxpayers money because manufacturers, distributors, retailers, and consumers share the responsibility for recycling beverage containers. The system increases the

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Natural/Bills/H.175/Witness%20Documents/H.175~Mike%20Smaha~Can%20Manufacturers%20Institute~2-24-2021.pdf>

¹⁵ National Association for PET Container Resources, Press Release – Trade Associations Align in Support of Beverage Container Deposit Programs. (April 20, 2020). Available at <https://napcor.com/news/manufacturing-container-focused-trade-associations-align-in-support-of-beverage-container-deposit-programs/>

¹⁶ Haw. Dep’t of Health, *Report to the Twenty-Fifth Legislature*, 9 (2009).

¹⁷ Keep America Beautiful, *2020 National Litter Study*, p. 3. (May 2021). Available at https://kab.org/wp-content/uploads/2021/05/Litter-Study-Summary-Report-May-2021_final_05172021.pdf

¹⁸*Id.*

¹⁹*Id.*

²⁰ See Jeffrey Morris and Clarissa Morawski, Container Recycling Institute, *Returning to Work: Understanding the Domestic Jobs Impacts from Different Methods of Recycling Beverage Containers*, 11 (2011), <http://www.container-recycling.org/assets/pdfs/reports/2011-ReturningToWork.pdf>; Sarah Edwards, Eunomia Research and Consulting, Inc., *Employment and Economic Impact of Container Deposits*, table E1 (2019).

²¹*Id.*

²² Natural Resources Council of Maine, *Product Stewardship A Success for Maine: Case Study – The Bottle Bill*. Available at https://www.nrcm.org/wp-content/uploads/2013/09/bottle_bill_case_study.pdf

efficiency of the market for recyclable materials by requiring commercial beverage manufacturers to assume some responsibility for managing materials. Local governments save money that would otherwise be spent on collection, recycling, or disposal of cans and bottles.

Bottle bills also reduce costs to towns and taxpayers by reducing costs for litter collection, and curbside recycling. By removing beverage containers from the curbside recycling system, this lowers the cost of collecting, transporting, and recycling these containers. This is especially true for glass bottles which are very heavy and less recyclable when processed through curbside recycling systems.

Bottle Bills Can Pave the Way for Refill and Reuse Systems

Bottle Bills can also be used to transition away from single-use beverage containers to systems with refillable and reusable containers. While recycling saves natural resources and limits the environmental footprint of creating new products, it is not a perfect and it is not what we should be striving for. Large amounts of energy are needed to collect, transport, process, and reassemble recycled materials into new products. Reusing glass bottles requires 93% less energy than recycling. Moreover, these bottles can be reused anywhere from 25-50 times, if not more.²³

Container deposit laws establish the infrastructure and consumer culture that can chart the path toward reuse over recycling. Container deposit laws were initially designed to reflect a system first utilized by the beverage companies. Before the introduction of one-way disposable containers, beverage companies relied on consumers to return bottles to be refilled. Glass bottles were expensive to manufacturer and refilling saved costs. To incentivize refilling, beverage companies utilized a deposit-refund system. Prior to the 1960's and the explosion of aluminum and eventually plastic beverage containers, refillable bottles that carried a deposit had a 96% return rate.²⁴

In 2018, Oregon begun utilizing its existing deposit return infrastructure to launch a statewide refillable bottle system.²⁵ This system utilized approximately 245,000 refillable beer bottles.²⁶ The bottles can be refilled up to 40 times and were made primarily from recycled glass.²⁷ The bottles are designed to be easily separated from the rest of glass collected through the deposit

²³ Bill Sipper, *It's Time for Glass Again – Can We End Beverage Industry's Use of Plastic?* Waste Advantage (Aug. 13, 2019). Available at

<https://wasteadvantagemag.com/its-time-for-glass-again-can-we-end-beverage-industrys-use-of-plastic/>

²⁴ Jenny Gitlitz, *U.S. Container Recycling Rates and Trends*, Container Recycling Institute, pg. 7, (Oct. 2013). Available at <https://www.legis.iowa.gov/docs/publications/SD/698850.pdf>

²⁵ Jared Pablen, Resource Recycling, *Oregon Group to Launch Refillable Bottle Program*, (Feb. 7, 2017). Available at <https://resource-recycling.com/recycling/2017/02/07/oregon-group-launch-refillable-bottle-program/>.

²⁶ *Id.*

²⁷ Cassandra Profita, *Oregon Launches First Statewide Refillable bottle System in U.S.*, NPR, (Sept. 17, 2018).

Available at

<https://www.npr.org/sections/thesalt/2018/09/17/645548896/oregon-launches-first-statewide-refillable-bottle-system-in-u-s>



return system.²⁸ Once separated, the bottles are not processed for recycling but sent to a cleaning facility and then eventually sent back to participating breweries where they are refilled. For consumers, nothing has changed. Since launching in 2018, 410,155 bottles have been diverted from recycling for reuse.²⁹ Currently 95 beer, cider, and wine brands are available through the reuse system.³⁰

Reusable containers avoid the crushing environmental and health harms associated with the production and disposal of single-use plastic containers, and the energy requirements associated with producing and recycling billions of plastics, glass, and aluminum containers. Oregon is currently developing a system to quantify the carbon savings from the new reuse program.³¹

VII. Now is the Time to Act

New Hampshire needs a bottle bill now. HB 1652 would improve recycling, decrease litter, reduce the amount of valuable recyclable material being landfilled or incinerated, protect our land, rivers, and oceans, and provide green local jobs. With House Bill 5280, Rhode Island can create a robust bottle redemption program that would protect our environment and our economy. For these reasons, CLF respectfully urges the passage of House Bill 5280. Thank you for the opportunity to submit this testimony. I am happy to answer any questions you may have.

Sincerely,

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²⁸*Id.*

²⁹ Oregon Redemption Center, Bottle Drop. Available at <https://www.bottledropcenters.com/buy-refillable-containers/>

³⁰*Id.*

³¹*Id.*