

June 5, 2024

By Email

The Honorable David A. Bennett Chair, House Committee on Environment and Natural Resources State House Providence, RI 02903

> RE: Just Zero Supports House Bill 8312, An Act Relating to Health and Safety — Beverage Container Recycling Act

Dear Chair Bennett:

Thank you for the opportunity to provide testimony regarding House Bill 8312, the Beverage Container Recycling Act. **Just Zero supports House Bill 8312.** We also urge the House Committee on Environment and Natural Resources to consider making several targeted amendments to the bill to ensure that the beverage container deposit return system that it would create is as effective as possible.

Just Zero is a nonprofit organization working in Rhode Island and across the country with communities, policy makers, and others to implement just and equitable solutions to climate-damaging and toxic production, consumption, and waste disposal practices. We believe that all people deserve Zero Waste solutions with zero climate-damaging emissions and zero toxic exposures.

House Bill 8312 would create a beverage container deposit return system — more commonly referred to as a "Bottle Bill" — in Rhode Island. Just Zero strongly supports Bottle Bill programs because they are, without question, the most effective recycling programs in the U.S. and across the world. If enacted, House Bill 8312 would reduce litter, increase recycling and reuse, and create jobs.

I. Bottle Bill Programs are Popular and Increasingly Prevalent.

Dozens of jurisdictions around the world have implemented Bottle Bills, with new programs developing each year. The first Bottle Bill was established in 1970, in British Columbia, Canada.¹

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¹ Reloop, <u>Global Deposit Book – 2022: An Overview of Deposit Return Systems for Single-Use Beverage Containers.</u> (Nov. 2022)



Since then, over 50 additional jurisdictions have adopted programs, including ten U.S. states, almost all Canadian providences, and a large portion of the European Union.² Right now, over 290 million people live in communities with a Bottle Bill.³ This number is expected to grow as more programs come online. Just this year, in addition to Rhode Island, Florida, Illinois, Maryland, New Hampshire, New Jersey, and Washington have all considered proposals to implement new Bottle Bill programs.

II. Bottle Bills Offer Significant Benefits.

Bottle Bill programs are popular and prevalent because they reduce litter, increase recycling, and create jobs. Moreover, as a form of producer responsibility, Bottle Bill programs provide these benefits while also helping save consumers and governments money.

A. Litter Reduction

Placing a refundable deposit on every single-use beverage container sold in Rhode Island will incentivize consumers to hold on to their empty containers and bring them back for recycling. Essentially, the refundable deposit creates an understanding that while you are buying the beverage, you're renting the container. This incentive is extremely important because most single-use beverages are consumed on-the-go and outside of the home. This is why you see plastic soda bottles, rather than plastic peanut butter jars, littering, parks, streets, and streams.

After Hawaii enacted a Bottle Bill program in 2005, the number of beverage containers collected during Hawaii's Coastal Cleanup fell from 23,471 in 2004, to 10,905 in 2007 – a 53% drop in just three years.⁴ These litter reductions have occurred in all ten states with Bottle Bills. A 2020 study by Keep America Beautiful found that states without Bottle Bills have double the amount of beverage container litter than their Bottle Bill counterparts.⁵ Less litter doesn't just mean cleaner, more vibrant communities, it also means less spending on clean-up efforts. Estimates show that the United States spends more than \$11 billion on litter clean up every year.⁶

² Id.

³ Id.

⁴ Haw. Dep't of Health, Report to the Twenty-Fifth Legislature 9 (2009).

⁵ Keep America Beautiful, <u>2020 National Litter Study</u>. Page. 3. May 2021.

⁶ Andrew Lisa, <u>It Costs Over \$11 Billion Per Year to Clean Up Litter – How the Pandemic's Effect on Trash Output</u> <u>May Make It Worse</u>, Yahoo. (April 22, 2021).



B. Increased Recycling Rates

Litter reduction is not the only benefit these programs provide. On average, states with Bottle Bills have double the recycling rates than those that rely solely on curbside recycling programs.⁷ In terms of plastic and glass bottles, Bottle Bill programs produce recycling rates that are often three times higher than single-stream recycling.⁸

The refundable deposit in Bottle Bills helps incentivize the return of empty containers, which in turn drives up the recycling rates. However, Bottle Bills don't simply increase the number of containers that are returned for recycling. They also create a higher quality of recycled material which significantly increases the likelihood that the containers will actually be recycled to manufacture a new product. Although the ten Bottle Bill states only represent 27% of the U.S. population, they account for over 50% of all beverage containers recycled annually.⁹ Moreover, Bottle Bill states also have higher overall recycling rates as their municipal and curbside recycling systems can better focus their efforts on capturing and recycling other common recyclables.¹⁰

C. Job Creation

In addition to reducing litter and increasing recycling rates, Bottle Bills also create good, local jobs. In fact, reports show that Bottle Bills can create between 11 and 38 times more jobs than curbside recycling.¹¹ These jobs include technicians to service reverse vending machines, bag drop systems, and other forms of beverage container collection, storage, and sorting systems. As well as jobs associated with hauling beverage containers from redemption locations to centralized storage areas. There are also other indirect jobs associated with increased recycling and manufacturing of recycled materials. A recent analysis of New York's Bottle Bill found that the program supports 5,700 jobs statewide.¹²

 ⁷ Container Recycling Institute, <u>U.S. Nominal Recycling Rates by Deposit Status</u> (2019).
⁸ Id.

⁹ Marissa Heffernan, <u>Report: Bottle Bills States Recycle More, Provide Models</u>, Resource Recycling. (Jan 2, 2024).

¹⁰ Eunomia, <u>The 50 States of Recycling: a State-by-State Assessment of US Packaging Recycling Rates</u>. (Dec. 2023).

¹¹ Reloop, <u>Factsheet: Deposit Return Systems Create More Jobs</u> (2022).

¹² Sarah Edwards, Eunomia Research and Consulting, Inc., <u>Employment and Economic Impact of Container</u> <u>Deposits</u>, table E1 (Jan. 2019).



D. Saving Consumers and Government Money

As a form of producer responsibility, Bottle Bill programs provide these benefits at no cost to consumers or government. At a time where recycling systems are struggling and plastic production and waste is increasing, the idea at the center of Bottle Bill programs remains that the companies that manufacture and distribute single-use beverage containers should ultimately be responsible for the end-of-live management of them. If a Bottle Bill program is created in Rhode Island, cities, towns, and residents will no longer be stuck paying to collect, sort, and recycle these containers. Instead, the large companies that manufacture them will be responsible.

III. House Bill 8312 Includes Several Key Elements of Successful Bottle Bills.

House Bill 8312 incorporates several features that would help Rhode Island create and implement a highly successful Bottle Bill program, including wide coverage of most beverage container types, a strong 10-cent deposit, container redemption rate targets, and reuse goals.

A. Beverage Container Definition

House Bill 8312 includes a broad definition of "beverage container" that would include in the deposit return program all containers between 50 milliliters and 3 liters that contain any type of beverage, with limited exceptions. Simply put, the more types of containers – including bottled water, soda, juices, sports drinks, energy drinks, coffees, teas, beer, wine, liquor, and small alcohol "nips" – that the program covers, the more the program can do to reduce litter and improve recycling.

B. Strong Refundable Deposit

Under House Bill 8312, each beverage container sold in Rhode Island would have a refund value of 10 cents. A 10-cent deposit is a key feature of high-performing bottle bill programs. The two U.S. states with 10-cent deposits on beverage containers – Michigan and Oregon – have the highest redemption rates in the country, at or above 80 percent.¹³ Connecticut, after years of

¹³ See Genevieve Grippo, An Effort to Dramatically Expand Michigan's Bottle Deposit Law is Back, Newschannel 3, Dec. 29, 2019, <u>https://wwmt.com/news/local/an-effort-to-dramaticallyexpand-michigansbottle-deposit-law-is-back</u>; Cassandra Profita, Oregon Bottle Deposit System Hits 90 Percent Redemption Rate, NPR, Feb. 4, 2019, <u>https://www.npr.org/sections/thesalt/2019/02/04/</u> 688656261/oregon-bottle-deposit-system-hits-90-percent-redemption-rate.



declining redemption rates, recently increased its deposit value to 10 cents.¹⁴ The evidence is clear: the higher the deposit value, the more effective the program.

C. Redemption Rate Targets

House Bill 8312 sets minimum redemption rates that the Producer Responsibility Organization ("PRO") administering the program is required to achieve. The minimum redemption rate starts at 70% before eventually rising to 90%. This is realistic and achievable. High-performing Bottle Bill programs can and have attained redemption rates of 90% and above. A report from Eunomia on Bottle Bill programs in Europe found that the redemption rates vary between 84% and 96%, with a median rate of 91%.¹⁵

Oregon adopted a redemption target-based approach and it proved to be extremely successful. In 2011, the Oregon legislature adopted language that would require the deposit value to increase from five cents to ten cents if the redemption rate fell below 80% for two consecutive years.¹⁶ The redemption rate dropped to 64.5% in 2014, and only rose to 68.3% in 2015.¹⁷ As a result, the deposit value increased, and the redemption rate skyrocketed to 90% in 2018.¹⁸

D. Reuse Goals

House Bill 8312 also mandates that all beverage producers and the PRO ensure that, within twelve years, 25 percent of all beverage containers shall be reusable. This is an important mechanism that will ensure Rhode Island's program works to develop and incorporate reuse and refill components. Additionally, the minimum reuse requirement is aligned with commitments made by several of the largest beverage companies. Pepsi has pledged that 20% of its total beverage sales will be covered by reusable programs by 2030. Coca-Cola has pledged to reach 25% in the same timeframe.

¹⁴ See Susan Haigh, Connecticut Lawmakers Pass Major Expansion of Bottle Bill, NBC Connecticut, June 3, 2021, <u>https://www.nbcconnecticut.com/news/politics/connecticutlawmakers-debate-major-expansion-of-bottle-bill/2501536/</u>.

¹⁵ Eunomia, <u>PET Market in Europe State of Play: Production, Collection, and Recycling Data</u>, pg. 14. (2020)

 ¹⁶ Talia Richman, Oregon Bottle Deposit Will Go From Nickle to Dime Next Year, Oregon Live. (Jan 9, 2017).
Available at https://www.oregonlive.com/portland/2016/08/oregon_bottle_deposit_will_go.html
¹⁷ Id.

¹⁸Id.



IV. Targeted Amendments Would Increase the Effectiveness of House Bill 8312.

Just Zero respectfully suggests several amendments to House Bill 8312 to help improve the Bottle Bill program and would create and guarantee the program's success. First, Just Zero recommends that the bill be amended to enhance the ability of the Rhode Island Department of Environmental Management to take enforcement action against the PRO if the PRO or beverage producers fail to comply with requirements in House Bill 8312, the stewardship plan submitted by the PRO, or the redemption targets or reuse goals in the bill. As drafted, House Bill 8312 permits the PRO to take intermediate steps – including proposed amendments to the stewardship plan and participating in a public rulemaking process to impose additional requirements on the PRO – if the PRO fails to meet targets or goals. Adequate and enforceable penalties will incentivize the PRO to operate the program in a manner that will ensure that targets and goals are consistently achieved.

Second, Just Zero is concerned that House Bill 8312 does not require retailers to redeem empty beverage containers or host beverage container processing mechanisms. The bill must be amended to address this. If consumers cannot easily and conveniently return their empty containers, the program will not be effective. Retail oriented approaches to redemption consistently achieve redemption rates of 90%.¹⁹ This approach is intuitive and convenient for consumers who can return their empty containers at the same types of stores they typically purchase beverages from in the first place. This also reduces the need for additional trips or stops for redemption. Therefore, we strongly urge the Committee to amend the bill to require that retailers offer redemption services.

Third, Just Zero is also concerned that House Bill 8312 does not incorporate a "handling fee" to help fund the Bottle Bill program. Handling fees are small fees (usually between 3.5 and 5 cents) paid by beverage distributors to retailers and redemption centers for each container they collect and return to the distributor or PRO. These fees are separate from the deposit or refund value paid for the empty containers. Most U.S. states and foreign jurisdictions with Bottle Bills incorporate a handling fee. It is the most effective funding mechanism to ensure that retailers and other redemption locations are compensated for the work they do to collect, sort, and store empty containers and it guarantees that the costs of a Bottle Bill are borne by beverage producers rather than consumers.

¹⁹ Reloop, <u>Global Deposit Book 2022: An Overview of Deposit Return Systems for Single-Use Beverage Containers</u>, p. 15. (Nov. 2022).



V. Conclusion

House Bill 8312 would reduce litter, improve recycling, help Rhode Island transition to refillable beverage containers, and create green jobs. It will also help Rhode Island address the growing plastic pollution crisis. In 2017, less than 6% of the 5.9 billion pounds of PET bottles sold in the U.S. were recycled.²⁰ The failure to meaningfully recycle plastic bottles contributes to the exponential growth in worldwide plastic production, which is projected to rise from 837 billion pounds produced in 2015 to almost 4 trillion in 2050.²¹

With House Bill 8312, Rhode Island can create a robust and effective Bottle Bill program that will protect the environment and the economy. For these reasons, Just Zero urges you to support this bill. Thank you for your time and consideration of this testimony.

Sincerely,

Kevin Budris Deputy Director Just Zero

²⁰ NAPCOR, <u>Report on Postconsumer PET Container Recycling Activity</u>, pg. 4 (2018).

²¹ David Azouly, Plastic & Health: The Hidden Costs of a Plastic Planet, pg. 6 (2019).