

January 17, 2022

Environment & Agriculture Committee
Representatives Howard Pearl, Judy Aron, & Barbara Comtois
Legislative Office Building, Room 303
33 N State St., Concord, NH 03301

By email: Howard.Pearl@leg.state.nh.us, Judy.Aron@leg.state.nh.us, Barbara.Comtois@leg.state.nh.us

Dear Chair Pearl, Vice-Chair Aron, Clerk Comtois, and Members of the Committee,

We are writing in support of [House Bill 1652](#), “An Act Relative to the Recycling of Beverage Containers.” This bill would establish a beverage container deposit law in New Hampshire, effective 1/1/23.

We applaud this bill for:

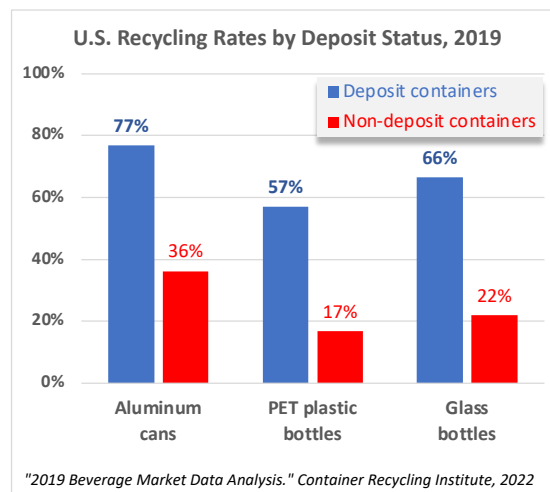
1. Including most non-carbonated beverage types, including **wine and liquor**. Doing so will generate clean, high quality glass that is desired by glass manufacturers, and will help alleviate the pressure that the state has been experiencing to find aggregate uses for glass collected through municipal programs.
2. Specifying a **deposit of 10¢**, and setting a **binding target of 90% redemption**. Michigan and Oregon, the two U.S. states with dime deposits, have achieved much higher redemption rates—89% and 86% respectively in 2019—than the deposit states with nickel deposits (where reported redemption rates range from 50% to 67%). Ten cents is a strong financial incentive for people to return containers rather than throw them in the trash or litter them. When consumers who purchased the drinks do not take bottles and cans in for refund themselves, there are always other people and groups ready to do the redemption for them to generate income.
3. Giving authority to the Department of Environmental Services to **raise the deposit and the handling fee at their discretion**. This will help the deposit program keep up with inflation.

The national scene:

For almost 50 years, deposit laws, or “bottle bills,” have achieved recycling rates up to three times higher than those of bottles and cans without deposits. As the graphic shows, more than three quarters (77%) of aluminum cans with a deposit were recycled nationwide in 2019, in contrast to 36% of cans lacking a deposit. The differences for bottles are more pronounced: 57% vs. 17% for non-deposit PET plastic, and 66% vs. 22% for non-deposit glass.

Deposits have multiple benefits, including:

- **Achieving much higher recycling rates than municipal recycling programs alone.**



- **Transferring** the financial and operational responsibility for recycling from the local taxpayer to the producers of disposable beverage containers.
- **Adding value to local economies** through the sale and processing of scrap materials.
- **Avoiding greenhouse gas emissions and reducing energy use** by displacing virgin materials in manufacturing.
- **Reducing litter** that is expensive for public and private entities to clean up, that causes injuries to people and domestic animals, and that adds to harmful ocean plastic waste.

What deposits can achieve in New Hampshire:

Increasing beverage sales nationwide has led to burgeoning bottle and can waste. **Based on national statistics, CRI estimates that 75% of the 1.4 billion beverage bottles and cans sold in New Hampshire in 2019 were wasted:** littered, landfilled, or incinerated. That level of consumption and wasting represents a significant burden on taxpayers: whether through municipally-run recycling programs or municipally-contracted trash pick-up and disposal.

If New Hampshire were to pass this deposit bill and if the goal of 90% redemption were attained, CRI estimates that the state would recycle **more than 900 million additional containers annually—or more than 75,000 tons of metal, glass, and plastic**—over and above the recycling currently taking place. By reducing the need to make new bottles and cans from virgin materials, this additional recycling would eliminate almost 70,000 tons of greenhouse gas emissions: **an amount equivalent to taking about 15,000 cars off the road for a year.**

We are optimistic that there will be strong markets for deposit containers generated in New Hampshire, in part because there are already five well-established deposit states in the northeast (CT, MA, ME, NY, and VT), and in part because multiple global beverage brands have made public commitments to increase their use of recycled materials, as the below table shows.

Selected plastics reduction commitments by global brands		
Company	Timeframe	Commitment or target
Coca-Cola	by 2030	Equivalent of 100% of containers collected and recycled
Coca-Cola	by 2030	Average 50% recycled content in bottles
Danone	by 2025	100% of packaging reusable, recyclable or compostable
McDonald’s	by 2025	100% of guest packaging from renewable, recycled or certified sources
Kraft Heinz	by 2025	100% of packaging recyclable, reusable or compostable
Nestlé	by 2025	100% of packaging recyclable or reusable

Reprinted from CRI's Winter 2018 newsletter

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These lofty goals can only be met through the increased availability of high-quality beverage bottles and cans for use as feedstock in new containers. Deposit programs consistently generate such high-quality bottles and cans. For example, deposit-grade PET bottles had an average value of 15¢ per pound in 2020, **twice the value of non-deposit, curbside PET** (7.3¢ per pound).¹

¹ Annual average commodity price for 2020 sourced from RecyclingMarkets.net. Measured in the southwest region: the only US region for which deposit *and* non-deposit PET grades are tracked.

Financial benefits of a New Hampshire deposit law:

The fiscal note attached to this bill did not contain any bottom-line dollar figures of how the State might benefit from a deposit law. CRI has estimated, however, that the State could reap as much as **\$14 million in unclaimed deposit revenue annually**. That figure was arrived at by multiplying an estimated 1.4 billion deposit units sold annually by 10% (the inverse of a 90% redemption rate), and then by the 10¢ deposit. This \$14 million gain would be greater than the losses enumerated in the fiscal note.

The fiscal note also mentioned an anticipated loss of revenues to municipalities as the aluminum cans and PET plastic bottles in their curbside streams get diverted to the deposit system. This is only half of the story, however. Removing these items—and bulky glass bottles—from curbside programs (and MRFs) will enable local governments to streamline their collection and processing operations, *incurring net savings rather than net costs*.

Worldwide acceptance of deposits

Deposits on beverage containers are now available to over 400 million people worldwide. With the announcement of 10 new deposit laws in 2019 and 2020 (including New Zealand, Singapore, Slovakia, and Belarus), **640 million people** will have access to deposit programs by 2023. This trend is projected to continue as more nations realize that deposits are a vital part of the solution to the problem of bottle and can waste.

Suggestions to improve HB 1652:

1. **Redemption centers:** the bill states that “any person” may establish a redemption center and be eligible to receive handling fees (as dealers do), but goes no further. We believe additional guidance or standards are needed to determine how redemption centers are established and certified, and what, if any, rules for operation might be needed.
2. **Auditing process for distributor sales:** the bill states that the Department of Revenue shall administer the program, and that there are penalties for non-compliance, but is silent on how these goals shall be achieved. CRI has observed that a number of state deposit systems experience under-reporting and non-reporting by deposit initiators (beverage distributors), such that the official tally of containers sold statewide is far below what we expect based on national, regional, and state-level sales data compiled from multiple industry sources. We urge the authors to consider adding auditing provisions to the bill.
3. **Reporting by material:** we applaud the bill for requiring monthly reporting on containers sold and returned. We urge the authors to consider specifying that the monthly reporting contain information on quantities of each material type sold and returned (aluminum, glass, and plastic), rather than only a total. Hawaii, California, and Oregon have material-specific reporting, as do most Canadian provinces and other deposit systems worldwide.

In sum, CRI strongly supports the passage of a container deposit law in New Hampshire.

Please contact me with any questions you may have.

Sincerely,



Susan Collins
President, 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.