



March 15, 2016

The Honorable Benjamin Downing
The Honorable Thomas Golden
Co-Chairmen, Joint Committee on Telecommunications, Utilities and Energy
State House
Boston, MA 02133

Testimony in Opposition to House Bill 646

Dear Chairmen Downing, Golden, Members of the Joint Committee on Telecommunications, Utilities and Energy:

On behalf of the Glass Packaging Institute (GPI), **I am offering the following testimony in opposition House Bill 646**, which would repeal the state's beverage container recycling refund program, and institute a 1-cent non-refundable tax on containers to support statewide recycling. **GPI and our member companies strongly oppose repeal of the Massachusetts beverage container deposit program.**

GPI is the North American trade association for the glass container manufacturers, glass recyclers, and suppliers of materials, equipment and transport to the industry. Collectively, the industry directly employs 18,000 Americans in glass container manufacturing and related recycling industries.

When glass plants can increase the levels of recycled glass as part of the overall batch mix, they can reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions. **The glass and other beverage containers recovered through the Massachusetts program is of high quality, and in high demand by the glass container and other manufacturing industries.** Collectively, the beverage container deposit program support several hundred jobs at in-state redemption centers and related recycling businesses.

GPI member companies have a strong presence in Massachusetts. Ardagh Glass employs hundreds of residents, manufactures millions of glass bottles daily at their plant in Milford and has been recognized as one of only 70 manufacturing operations in the US as Energy Star ® certified by the EPA. On average, the Milford plant produces their glass bottles using over 90% recycled glass in the manufacturing process. Strategic Materials, Inc. operates a glass recycling facility in Franklin, and processes much of the glass beverage containers recovered through the program.

According to analysis provided by the Container Recycling Institute (CRI), repeal of the Massachusetts beverage container recycling refund program would cost the state and municipalities a collective combined \$435 million in revenue over a ten year period, due in large part to the loss of unredeemed deposits, and would also result in the loss of 600 beverage container redemption center related jobs.

GPI estimates that 65%-80% of recycled glass used in the glass container manufacturing process is sourced from the 10 states with beverage container deposit programs.

Elimination the Massachusetts beverage container deposit program will decrease the quality of the recyclables collected. Up to 50% of the glass collected in a residential, single stream manner, will be sent to landfills for disposal, due to contamination and sorting challenges at the materials recovery facility.

Beverage container deposit programs achieve on average, much higher recovery rates for covered beverages. Redemption of containers within Massachusetts' program is 71%, well above the national average. Demand for quality, recycled glass by the glass container and other manufacturers across the country are very strong, with available and ready markets. A prime reason for the success of beverage container recycling refund programs is that recovered containers are kept separate from other recyclables, drastically reducing contamination and providing them the best opportunity to return to a manufactured product.

Delaware is the only state to have repealed their beverage container recycling refund program. The 5-cent refundable fee under the program, **become a 4-cent tax on consumers at the point of purchase, in an effort to fund statewide recycling programs.**


Delaware's program was unique from the all other states with beverage container deposit programs in place, as aluminum beverage containers had been removed in the 1990s, generating unusually low redemption rates. In fact, less than 20% of all beverage containers sold in-state were included in the program.

The result of Delaware's effort to increase recycling rates via single stream collection are decidedly mixed. While the overall increase in recyclable tonnage rose 105,000 tons from 2010 to 2013, nearly half of that increase came from including compostable materials, hazardous waste, vehicle and large appliance recycling. This is considered "commercial recycling", and should not be confused and included with an increase in residential, curbside recycling that was funded in large part by the 4-cent per container tax.

Additionally, 11,000 tons of recyclables and non-recyclables that were collected, counted and included in the Delaware recycling rate were eventually landfilled due to contamination and sorting challenges. Glass beverage containers recovered through beverage container deposit programs do not suffer this same fate, with approximately 98% headed to valued manufacturing end markets.

GPI would like to thank you in advance for your thoughtful consideration of our testimony to House Bill 646.

Sincerely,



Lynn M. Bragg
President