

CCSSM Comments

SG

Sandra Grance <sgrance@ameribev.org>
Thu 10/15/2020 16:22
To: DEEP RecyclingProgram
ABA CCSSM Comments 10.15.2020.pdf
276 KB

Good afternoon, attached our comments on behalf of the American Beverage Association in response to the Public Engagement Questions. Thanks for the opportunity to submit.

Sandra

Sandra Grance
Senior Director, Public Affairs
[American Beverage Association](https://www.ameribev.org/)
phone: 202.463.6708
e-mail: sgrance@ameribev.org



To: CT Coalition for Sustainable Materials Management
From: American Beverage Association
Date: 10/15/2020
Re: Public Engagement Questions

Background

The American Beverage Association (ABA) is the trade association representing the non-alcoholic beverage industry. ABA represents hundreds of beverage producers, distributors, franchise companies and supporting businesses that employ more than 233,000 people across the country. The beverage industry in Connecticut employs nearly 3,000 people and provides over \$246 million in wages. ABA members offer consumers myriad brands, flavors and packaging choices and a full range of drink options including soft drinks in a wide range with many zero and low calorie beverages, ready-to-drink teas, bottled waters, water beverages, 100 percent juice, juice drinks, sports drinks, energy drinks and milk.

The beverage industry has a long-standing, deep involvement in recycling: the policy *and* the practice. Our companies have their own roles to play in making recycling work and they start with what we put out in the market. Our cans and bottles are overwhelmingly made of either aluminum or PET plastic, the two most valuable commodities in the recycling stream. We have gone further, though, by designing our PET bottles to be 100 percent recyclable, including the caps, so that those bottles, unlike many plastics in the waste stream, are an asset to recycling programs and readily made into new products and packages.

Because our companies operate all over the world, we do business in many countries and regions with very different waste management systems in place and very different ways in which recycling operates and is paid for. This experience, along with our experience in the US, gives us perspective on recycling policy that complements the actions we are already undertaking as an industry. As just one industry, we are not in a position to control how recycling operates, and, with our containers representing not much over two percent of the municipal waste stream in the US, it is clear that others need to be involved in these discussions as well.

We appreciate the opportunity to share some thoughts on the Coalition's areas of focus, our collective responsibility to reduce waste and increase recycling, and the policy options we feel give us the best opportunity to efficiently recycle our packages into new bottles and cans.

America's Leading Beverage Companies Unite to Reduce New Plastic Use and Increase Collection of their Valuable Bottles Through *Every Bottle Back* Initiative

Last year, The Coca-Cola Company, Keurig Dr Pepper, and PepsiCo, announced the launch of the *Every Bottle Back* initiative, a breakthrough effort to reduce the industry's use of new plastic by making significant investments to improve the collection of the industry's valuable plastic bottles so they can be made into new bottles. These competitors are coming together to support the circular plastics economy by reinforcing to consumers the value of their 100% recyclable plastic bottles and caps and ensuring they don't end up as waste in oceans, rivers or landfills. This program is being executed in conjunction with two of the country's most prominent environmental nonprofits and the leading investment firm focused on the development of the circular economy. The World Wildlife Fund (WWF) will provide strategic scientific advice to help measure the

industry's progress in reducing its plastic footprint and The Recycling Partnership and Closed Loop Partners will assist in deploying funds for the initiative.

More information on *Every Bottle Back* can be found by visiting InnovationNaturally.org.

Coalition Focus Areas

The beverage industry has engaged in advocacy supporting many initiatives described in the focus areas including unit-based pricing, extended producer responsibility (EPR), and investments in programs and policies such as those outlined in our Every Bottle Back initiative. We understand from decades of experience that there is no silver bullet for addressing the many obstacles that have kept Connecticut and the US more broadly from achieving the benefits of a circular economy. A mix of policies and programs are required to overcome institutional and financial barriers, align incentives, and deliver a materials recovery system that benefits society, the economy, and the environment. Below we address our views on EPR and minimum recycled content standards, but any discussion around recycling and packaging in Connecticut must also acknowledge the deposit return system for beverage containers and the role it plays.

Extended Producer Responsibility

EPR programs for packaging dominate the recycling policy landscape in developed economies around the world. Producer funding of multi-material recycling (municipal recycling) is in place across Canada and throughout Europe and extending into Asia and South America. EPR is not, by itself, a panacea for better recycling. The underlying infrastructure needs to perform at a high level and the governance and funding of the system need to be structured properly to ensure efficiency, accountability, and equity. EPR should be part of any discussion of moving recycling forward because it holds the potential for meaningful and coordinated improvements in recycling infrastructure and operation that has held down the performance of recycling programs in the US. Establishing EPR alongside an existing deposit return system has significant implications for the cost, efficiency, and convenience of both systems.

EPR has the potential to efficiently increase recovery of packaging but only under certain conditions articulated below. The overarching goals for these principles are:

- Generate strong environmental outcomes in an efficient and accountable manner
- Provide convenient service to consumers
- Create a financially sustainable model
- Offer producers access to recovered material for closed loop recycling

We have outlined below some key components of EPR systems that we believe are essential to meet these goals and produce better environmental outcomes with much greater transparency and accountability.

- **Program scope:** Include all types of consumer goods packaging and printed paper. Consistent material types and instructions would be implemented statewide with products labeled to help consumers understand which materials to recycle.
- **Program management** by a Producer Responsibility Organization (PRO) operating on a not-for-profit basis and covering the entire jurisdiction; professional staff of the PRO answer to a producer-run board of directors. Producers must have sufficient control over the recovery system to achieve performance targets, evaluate and report on performance, control costs, and offer obligated producers access to recovered material (at market terms) to loop back into their products. All fees generated by producers are used to fund the program; the only funds to government are to cover statutorily mandated oversight costs.
- **Costs** covered by producers should be 100 percent of the net cost (net of scrap value) for residential recycling of packaging and printed paper including both single- and multi-family dwellings and

including education and outreach programs. This does not include costs for industrial, commercial, and institutional waste management and for disposal of residential material. Costs do include education and awareness programs and may include sustainability incentives (eco-modulation) where recyclability, recycled content, or low carbon footprint could be rewarded with producer credits and negative attributes could trigger disruptor fees.

Recycled Content

Many ABA beverage manufacturers voluntarily use and have established global goals to use recycled PET content in their plastic bottles with the overall goal of reducing the amount of virgin plastic that is introduced into the environment. The beverage industry is actively engaged through policy, investments, and commitments to reducing the amount of plastic in the environment and increasing the amount of recycled material used in our products.

- Our member companies have made various commitments, reflective of their own global markets and product portfolios, to meet recycled content goals in their packaging in the coming years.
- The companies are also investing in other, non-virgin inputs to plastic bottles such as raw materials from plant-based instead of petroleum-based sources (*e.g.*, Coke's Plant Bottle) and use of low-grade recycled plastics that are de-polymerized and recombined to make new plastic (*e.g.*, Pepsi's partnership with Loop Industries).
- Most importantly, the companies are investing in programs and policies to increase the supply of recycled plastic, which is the real barrier to increasing the use of recycled material in new bottles. Investments in groups like The Recycling Partnership and Closed Loop Fund represent the commitment of significant resources to upgrade infrastructure, purchase equipment, and educate consumers.

The Deposit System

The beverage industry has said publicly that the Connecticut deposit system is in need of reform and that we welcome the opportunity to work with all those who share our goal of improving the recycling system. We are committed to solutions that will strengthen the recycling rates in Connecticut.

As with EPR, however, our global experience has shown us that successful deposit systems need centralized, producer-operated management systems that leverage modern technologies and quality customer interfaces. A modern bottle deposit system should be convenient, efficient, cost-effective, with all deposit revenues reinvested towards improving the recycling system.

These reforms would be essential before making other changes to the deposit law in Connecticut. And, as noted earlier, the impact of having both EPR for packaging and printed paper and a deposit system needs to be fully understood.

Conclusion

America's beverage companies continue to make commitments and investments with the launch of *Every Bottle Back* and we look forward to working together to make recycling in Connecticut more successful and to meet our common goals. We hope our member companies can collaborate with the State and other stakeholders to be a valuable resource and provide solutions to help Connecticut become a national leader in recycling.