

MLI Redemption Services, Stratford, CT
A stake holder testimonial before DEEP Re: Implementation of Public Act 21-58: Bottle Bill Modernization
August 26, 2021

As you know the House, Senate, and Governor passed Bill 1037:
AN ACT CONCERNING SOLID WASTE MANAGEMENT

I would like to thank Katie Dykes, DEEP Commissioner, and Chris Nelson, Supervising Environmental Analyst, for putting forth the opportunity to voice our point of view as stake holders.

Passed Bill 1037, includes 5 major changes in the current Bottle Law, with the expectation that it will propel Connecticut's recycling program forward. Being last among all the other States and Countries that have a bottle redemption program, it can now be potentially a front-runner and lead by example on how to recover best, process, and market its recyclables for the highest value available.

As requested, I set forth my thoughts:

1. Let's be clear, a Stewardship Program for Connecticut is nothing more than a RVM and a Beverage Distributor control agenda. If we follow the Oregon model in Connecticut, giving full control of the Bottle Law over to the Beverage Distributors without oversight from the State's DEEP, you will be making a big mistake! Connecticut's independent Redemption Centers are concerned and are thinking "What possible role will I play?" We want to be an intricate part of the system for redeeming, but not knowing our role is holding up our expansion efforts. A Stewardship board may decide to change how the public redeems their containers, making Reverse Vending Machines an absolute requirement, rendering independent Redemption Centers obsolete.
 - a. Just like the Oregon model, the Stewardship board could eliminate the handling fee for independent Redemption Centers and Dealers. They may change the system of recovery and accountability for all containers returned in Connecticut to go through a RVM-style return center and/or through a centrally organized cooperative that includes RVMs and can also accept limited amounts of manual returns. This kind of action would eliminate privately-owned non-RVM Redemption Centers.
 - b. Keep in mind RVM companies do not rely on any handling fee set forth by the state bottle law for income. They charge a separate equipment rental fee to the retailers and separate accounting, pickup, processing, and marketing fees to the distributors. These fees change with the rise of inflation and the cost of living.
 - c. The handling fee "IS" the only source of revenue privately-owned Redemption Centers have to run their business. At this point what role would independent Redemption Centers really play? Feeding machines should not be the public's only option to obtain their refund.
2. Currently, Legislators rely on the private sector to handle redemption recovery throughout Connecticut. The wording of the law, separation of Beverage Distributor boundaries, and State DEEP oversight controls how the law works. Nothing can change without legislative approval. The law:
 - a. Inspires entrepreneurs to open new businesses and create jobs.
 - b. Protects the small business from bullying by big business (distributors and their pickup agents).This could all change with a Stewardship.
3. The State of Connecticut has already experienced how Stewardship programs work. The Connecticut Curbside Recycling program is an example.
 - a. The State was promised that single-stream recycling would outperform the state's goal of recycling 55% of its waste stream by 2024. When the State relinquished power and appointed Boards of

Directors (SWEROC, CRRRA, and finally MIRA (BODs)) to make important decisions, it cost Connecticut's tax payer millions of dollars for a poor performance. At the request of the BODs, the State has borne the cost of modernizing existing equipment for the single-stream curbside program in an attempt to correct the contamination issue.

- b. Integrated Processing Centers (IPCs) have failed to produce and market clean commodities to end users because of heavy contamination, mainly caused by broken glass. Haulers played a huge part in this by being allowed by the BODs to recover recyclable material using the same type of trucks that recover garbage. These trucks compact the payload to maximize the transportation of material to a processing center. In doing so, the Haulers were able to significantly cut their costs. These mixed, compacted commodities are unable to be separated properly by the processor for a clean resale. Even with the technology and advancements in optic separation and other specialized equipment, the commodities are just too embedded together. End markets will either not buy it or buy it at a reduced rate. Single-stream does not work as promised.
- c. The State never held any operator of a processing facility or hauler responsible to cover any of the costs caused by their misrepresentation of their abilities, to recover, separate, and market a good clean commodity for re-use.
 - The BODs failed to see the future and fulfill their commitments to Connecticut's tax payers.
 - The State will never reach these goals, or recoup any losses.
 - SWEROC, CRRRA, and MIRA, the so called "professionals" who were appointed to independently run, organize, and direct a successful recycling program, *failed* Connecticut, at the tax payer's expense.
- d. These failures forced Connecticut's legislators to act. Passing Bill 1037 in an attempt to remove a majority of the glass from the curbside program and add it to an industry that has proven themselves for 41 years, the Bottle Bill. (Funny, what was deemed as an obsolete industry by many, is now looked upon as the savior)

4. I do agree that a Stewardship Program may be necessary for the Spirit industry, with Legislative and State oversight. This is a totally separate industry from the Beverage industry. With over lapping territories and lack of a recovery program, it may be wise to allow the few Spirit distributors to combine their efforts to create a wheel of recovery. Adding the Spirit products to the Bottle Bill will affect the Liquor Store retailers, making them the main resource for returns to the public. The Law requires that any beverage container sold by a Retailer must be accepted back from the public for a full refund. Their lack of space, inability to use RVM equipment and the confusion of determining which products are sold by which Spirit distributor is where the chaos starts. Who will be responsible for pickup and removal of these containers from the liquor stores? Major Chain Stores who do not sell Spirit products will not want these containers to be brought to their locations. If independent Redemption Centers do not have the ability to expand or exist, how can they help these liquor stores?

- a. A Stewardship model for the Spirit industry would create a responsible entity for recovery, processing, and marketing of containers distributed to liquor stores throughout Connecticut.
- b. I also highly suggest that this industry be allowed to keep all the monies from unreturned containers, which will allow for the creation and maintenance of this recovery program. A 15¢ to 25¢ deposit on Spirit containers will force a higher incentive for the public to return these containers for redemption, guaranteeing a majority of these containers won't enter the curbside recycling program. This will lower tipping fee costs, reduce contamination, and increase the value of commodities marked.

5. The Connecticut Bottle Law has work successfully since 1980. I have been lobbying the state to modernize the law for years to ensure its continued success. Now that the changes are finally made, I encourage

everyone to allow the time and opportunity for these changes to flourish. See what will happen as the changes below are implemented:

- a. A handling fee increase for Dealers and Redemption Centers on October 1, 2021. This will provide the funds necessary to operate our businesses. It gives us the opportunity to fix, cleanup, and expand our businesses to new locations, which will ultimately offer more accessibility to the public for returns. It also offers new business opportunities for startup companies, creating competition that will encourage businesses to provide better service to the public.
- b. Adding noncarbonated beverage containers (lemonade, iced tea, power / sports drinks and fruit juice containers) to the Law by January 1, 2023. Because of how the law was written in 1978, these containers were exempted from having a deposit as they were put on the market. Who knew in 1978 that these beverages would be marketed?
- c. Share the unclaimed deposits. The state in 1980 forced the beverage industry and the private sector to figure out how to initiate the deposit, setup a recovery program, accounting, and marketing of the recycled material, without taking an active part in how it happened. In the beginning, the unclaimed deposits paid for the creation and maintenance of the infrastructure we currently use today. The State stripped these monies in 2009 by escheat, which halted the revenues made by the Distributors. This forced the Distributors to maintain this wheel of recovery at their own expense. Sharing the unclaimed deposits will provide the beverage distributors with the means and the willingness to continue the redemption program.
- d. Deposit change from 5¢ to 10¢ on January 1, 2024. This will reignite the public's incentive to return. The public will play a more active role in Connecticut's recycling effort.

6. At the end of the day, we are talking about the public's money. They should have multiple easy ways to get it back.

I have been working under the CT Bottle Law for 40 Years. Please don't hesitate to contact me at 203 870 9722 if you have any questions pertaining to this industry. I will be happy to help.

Sincerely yours,

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