

Testimony of Bree Dietly to the  
House Committee on Environment and Natural Resources in Opposition to H.7378

March 10, 2022

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

RE: H-7378 – An Act Relating to Health and Safety – Beverage Container Deposit Recycling  
Act of 2022

Dear Chairman Bennett and Committee Members:

I appreciate the opportunity to appear before you today and to submit written testimony in opposition to the version of a beverage container deposit system that would be established in H.7378. I am testifying on behalf of the American Beverage Association, which represents manufacturers, distributors, and suppliers to the refreshment beverage industry, and the Rhode Island Beverage Association.

### **Our Employees and Our Commitments**

American Beverage Association members produce and distribute a wide array of refreshment beverages through a network of local bottlers who live and work in the State. Our industry provides jobs to over 600 Rhode Island residents; these jobs are some of the best paid, highest benefit jobs available in communities to employees with and without college degrees, and many of them are union jobs. We are proud of our employees and how they and the companies they work for are involved in and give back to our communities.

The beverage industry plays an important role in advancing the circular economy. Our packaging is specifically designed and optimized for recycling. In particular, our PET bottles and aluminum cans are designed to be 100% recyclable, have a high commodity value and, when collected and recycled, can become new bottles and cans. The industry also has invested in local and regional recycling infrastructure for more than 40 years.

The companies have also made commitments to collect and recycle packaging waste, to incorporate more recycled content into our PET bottles and to reduce the amount of new plastic in our bottles.

At a national and local level, we are working to get every bottle back to meet these ambitious goals and support a circular economy for our beverage containers. In 2019, the beverage industry launched Every Bottle Back, a commitment with leading environmental and recycling groups to invest \$100 million in improvements to collection systems. This investment will reduce new plastic use by increasing collection of the industry's valuable bottles so they can be remade into new ones.

America's leading beverage companies -- The Coca-Cola Company, Keurig Dr Pepper, and PepsiCo -- are investing in the modernization of recycling systems in strategic areas of the country to ensure bottles are remade as intended and don't end up in oceans, rivers, or wasted in landfills. Two of the country's most prominent environmental nonprofits and a leading sustainability investment firm have joined with the industry to further the development of the circular economy through Every Bottle Back. More information can be found at <https://everybottleback.org>.

### **Advocacy for Better Collection Policies**

Our industry supports a wide range of programs to recover more of our bottles and cans so we can use them to make new ones. We have invested in 100% recyclable packages to ensure our containers are part of a circular economy. As I explained in our testimony on proposed EPR legislation last month, we can support both EPR and deposit return systems that are designed to meet their objectives and comply with best practices.

Our experience participating in deposit systems around the world has led us to understand the principles that underlie a successful deposit and redemption program. Unfortunately, most US deposit systems were not built on such principles and cannot be considered successful when it comes to their environmental impact.

The proposal set forth in H.7378 is based on US deposit systems established in the 1970s that have led to stagnant redemption rates. These systems lack proper governance structures and therefore provide no accountability for performance, lack coordination, and reward inefficiency. This bill particularly seems to fund the redemption system twice. No one would be responsible for the performance of the redemption system under this proposal -- it sets mandates for reverse vending machines across a wide range of retailers, establishes the option for redemption centers, and hopes for the best.

We cannot support this bill as written because it does not meet principles for a successful and sustainable deposit system. The most effective deposit systems are run by a single non-profit organization -- over which government has oversight -- that coordinates the design, operation, and financing of the system across a jurisdiction. These organizations are accountable for providing a convenient service to consumers and delivering on high recovery targets. The organization utilizes unclaimed deposits and revenue from commodity sales to fund the system and levies fees on distributors to make up any shortfalls.

### **Other Considerations**

A comprehensive deposit return system in Rhode Island, covering virtually all beverages in plastic, metal, and glass containers, would have a significant impact on the existing waste management system in the state. In particular I would like to call your attention to the impact of deposits on the recycling programs run by cities and towns and the RI Resource Recovery Corporation's material recovery facility or MRF. The beverage bottles and cans subject to

deposits account for a relatively small share of the roughly 400 tons managed at the MRF every day, but a disproportionately large share of the commodity revenue earned.

Lost revenue at the MRF should not disqualify policymakers from considering a deposit system in Rhode Island, but the impacts – both positive and negative – should be thoroughly assessed to avoid unintended consequences of the policy.

### **Conclusion**

We appreciate the opportunity to share our thoughts on the kinds of deposit systems that drive strong environmental outcomes and are more financially sustainable than most US deposit systems we participate in today. We look forward to working with policymakers to create sustainable and efficient solutions in Rhode Island. Thank you for your consideration and the Committee's time this afternoon.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bree Dietly". The signature is fluid and cursive, with a large loop at the end.

Bree Dietly, Principal  
Breezeway Consulting LLC