

Amid rising interest in packaging policy, bottle bill changes still struggle to break through

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Football fans tuning into the Super Bowl this year may have caught a high-profile [ad from American Beverage](#), which invited viewers to recycle their bottles so they could be turned into 100% recycled containers.

The message in the ad had a seemingly simple request: “Please help us to get every bottle back.” The upbeat tone of the ad, in which the trade group represents Coca-Cola, Pepsi and other soft drink companies, belied the decades-old policy fight over the nation’s bottle bills.

Recycling industry experts, the beverage industry, waste haulers, and redemption center operators have long navigated high tensions and competing interests to address the issues plaguing these state systems meant to do just that – “get every bottle back.”

Complex systems with complex problems

Creating and maintaining a well-run container deposit system is a complicated endeavor. Although lawmakers in multiple states have pushed container deposit law updates or expansions this year, very few bills have passed or are expected to pass now that many state legislative sessions have wrapped for the year.

A [recent bill in Connecticut](#), a state with one of the lowest bottle return rates, is a notable exception. Gov. Ned Lamont signed the bill June 16, allowing the state to start accepting more types of containers in its redemption program and double bottle deposit values to 10

cents – the most significant update to its bottle bill since it was first enacted in 1978.

These changes in Connecticut’s system may hint that the national debate on how to best run container deposit systems is getting more nuanced as brands feel rising pressure to use more recycled content and players are beginning to compromise more on who shares control over the system. Stakeholders are working through this both with bottle bill legislation or proposed extended producer responsibility (EPR) programs for packaging.

The ongoing process of introducing and failing to pass bottle bill legislation is a familiar but frustrating cycle for bottle bill supporters like Susan Collins, president of research and advocacy group the Container Recycling Institute (CRI).

She says major changes are needed to keep containers from getting disposed and funnel them into the recycling system to be recycled into products and packaging. Many states introduced their bottle deposit systems in the 1970s and have made only a few updates to the laws in the years since. Collins is based in California, a state that has struggled to update its container return system amid significant recycling center closures and battles over funding for the program.

“It’s not just one little thing that fails in these bottle deposit systems – it’s a series of systemic failures over time,” she said in a March interview. “But we’re running out of time to fix those problems.”

Container deposit laws, often referred to as bottle bills, put a refundable deposit on beverage containers to create an incentive to return them for recycling. Depending on the state and type of container, consumers can get a refund, usually 5 to 10 cents, when they return the empty container to an approved location such as a grocery store or a redemption center.

A look at the current U.S. bottle bill landscape shows how long it can take to make big changes. There are 10 states (plus Guam) with container deposit laws, but it’s been 16 years since the most recent state, Hawaii, passed a new one. The last time a state made a major update to an existing program was in 2017, when Oregon raised its redemption rate from 5 to 10 cents.

State	Deposit Value	Containers Covered
California	5¢ for containers under 24 oz, 10¢ over 24 oz	Wine, wine coolers, distilled spirit coolers, beer, malt beverages, carbonated soft drinks, mineral water and all other non-alcoholic beverages (except milk and some juices).

State	Deposit Value	Containers Covered
Connecticut	5¢ (will increase to 10¢ in 2024)	Beer and malt beverages, carbonated soft drinks and mineral water, and bottled water, including flavored water. In 2023, hard seltzers and ciders, teas, sports drinks, juices, kombucha and "plant infused drinks" will be added.
Hawaii	5¢	Wine coolers, distilled spirits coolers, beer, carbonated soft drinks and mineral water.
Iowa	5¢	Wine, wine coolers, liquor, beer and malt beverages, as well as carbonated soft drinks and mineral water.
Maine	15¢ for wine/liquor less than 50 ml, 5¢ for all others	All beverages except dairy products and cider that has not been processed.
Massachusetts	5¢	Beer, malt beverages, carbonated soft drinks and mineral water.
Michigan	10¢	Beer, malt beverages, carbonated soft drinks, mineral water, kombucha, wine coolers.
New York	5¢	Bottled water (including mineral and flavored water), beer, malt beverages, carbonated soft drinks, wine coolers.
Oregon	10¢	All beverages except wine, distilled liquor, dairy milk, plant-based milk and infant formula.
Vermont	15¢ for liquor, 5¢ for all others	Liquor, wine coolers, beer and malt beverages, carbonated soft drinks and mineral water.

Source: Container Recycling Institute

Some of the issues bogging down these container deposit systems include high operating costs, decreasing collection rates, a shrinking number of deposit centers and issues with how funding moves through the system.

Advocates say it's important to modernize the current systems by expanding the kinds of bottles that can be returned for redemption, raising the redemption value to match inflation rates, modernizing the infrastructure used to collect the containers, adjusting requirements for participating in the deposit system or some combination of such updates.

"We now have many more beverage containers that were virtually unheard of when [Vermont's] bottle bill was passed almost 50 years ago," such as sports drinks, and current laws don't capture these modern products, said Rep. Kristi Morris, who highlighted his state's efforts to update the bottle bill during an April [hearing](#). Lawmakers didn't pass a [bottle bill update](#) before the end of the session but the measure is [expected to return](#) next year.

Proponents say bottle bills help reduce litter and create cleaner streams of recycled material that can be turned back into bottles, and, depending on the state's system, may create revenue for the state or organization. Bottle bills are also considered a critical way to capture enough material to feed demands from manufacturers that have promised to incorporate more recycled material into their products.

"Post-consumer recycled content mandates can effectively drive demand for recyclables, especially when paired with a deposit return system [to] increase the flows and increase supply while minimizing contamination or maintain purity," said Elizabeth Balkan, director of Reloop Americas, at a Northeast Recycling Council conference in March.

In bottle bill states, litter rates for containers are often significantly lower than in states without them, according to a [report from Reloop](#), which tracked deposit system effectiveness throughout the United States and internationally. States without container deposits have about twice as much litter from beverage containers compared with bottle deposit states, according to a separate [summary report](#) from Keep America Beautiful. "Bottle bill systems can help achieve or address some of the quality and quantity issues that can hamper effective recycling of beverage containers," Balkan added.

Beverage companies, retailers and some waste haulers and MRF operators have fought against bottle bill proposals across the country for a variety of reasons. Some say bottle bills, many of which were established more than 40 years ago, have outgrown their useful life and are now too costly or outdated to repair. Others say bottle bill systems directly compete with curbside recycling systems, cannibalizing valuable material from MRF streams and making it harder for recyclers to meet operations costs, thus driving up the cost of curbside programs and making them less efficient and reliable for residents.

Even some supporters of bottle bills fear it's too late to make meaningful changes. [Iowa's bottle bill update](#) failed to pass again this year after several years of attempts. After the session ended in May, Rep. Brian Best wrote in [an op-ed](#) that "the whole system will eventually implode from within" if the state can't find a way to funnel more money to the redemption centers that collect the state's cans and bottles. Lawmakers say the bill will be back next year; still, "the problem is that a lot of people have different ideas on how to address the issue, but they aren't able to agree on the details to get a bill written," Best said.

Location

Legislation Bill Highlights

Status*

Location	Legislation	Bill Highlights	Status*
United States	<u>S.984</u>	The Break Free From Plastic Pollution Act would create a nationwide 10-cent beverage container deposit program, among other provisions.	Sent to Finance Committee March 25
California	<u>SB 38</u>	Would replace the state's current bottle bill by calling for beverage container distributors to form a stewardship organization to handle California's bottle deposit program.	Referred to Committee on Natural Resources June 10
California	<u>SB 451</u>	Aims to increase funding for recycling pilot projects meant to collect more containers in the state's bottle deposit program.	Referred to Committee on Natural Resources June 10
California	<u>AB 1454</u>	Calls for increasing payments to certified California bottle recycling centers for a set amount of containers each month and establishing a bottle bill advisory board.	Referred to Committee on Environmental Quality June 16
Connecticut	<u>SB 1037</u>	Broadens types of containers accepted starting in 2023; increases bottle deposit value to 10¢ by 2024. Increases handling fee and introduces a 5¢ surcharge for single-serving “nips” to curb litter.	<u>Signed by governor</u> June 16
Iowa	<u>HF 892</u>	The bill would have allowed some retailers to decline empty beverage containers if a redemption center is nearby, and doubled payments for centers to 2¢.	Legislature adjourned without passing, bill may return next session
Massachusetts	<u>S.2149</u>	The bill would increase container deposits to 10¢, and expand the list of accepted containers to include multiple new types of beverages.	Referred to Joint Committee on Telecommunications, Utilities and Energy March 29
Michigan	<u>SB 167</u>	Proposes expanding the types of containers in the deposit program to include all non-carbonated beverage, except milk, and allows smaller retailers to bring in smaller amounts of containers.	Referred to Committee on Regulatory Reform Feb. 24

Location	Legislation	Bill Highlights	Status*
Michigan	<u>HB 4443</u>	Would amend the state income tax act to allow beverage distributors to collect a half-cent-per-bottle credit for each returnable container they sell.	Referred to Committee of the Whole June 9
Vermont	<u>H.175</u>	Would have added more types of beverages and increased the deposit value on all non-alcoholic beverages to 10¢.	Legislature adjourned without passing, but lawmakers plan to bring bill back in 2022

*As of June 21

Another longtime opponent of bottle bills is the beverage industry, which has generally seen the bills as an unfair tax that funnels unclaimed deposits – known as escheats – into state governments that don’t always use the money for recycling-related efforts. Some in the beverage industry also see it as unfair that beverage distributors sometimes pay a handling fee for the processing of empty containers.

American Beverage has in the past been a vocal opponent of bottle bills, saying container deposits are “a costly, inefficient and outdated system” that does little to help beverage companies recover containers to make them into new products. American Beverage had generally favored programs that boost curbside recycling instead, saying it’s more convenient for residents.

Yet American Beverage is now “open to discussion on any kinds of systems that will get our bottles back,” said William Dermody, the association’s vice president of media and public affairs. The beverage companies it represents have made commitments to use more recycled content in their containers and have a vested interest in systems that help make that happen. “So that means a recognition that there could be hybrids of systems that will work together to get us to a place where we are a closed loop economy,” Dermody said.

Backers of the U.S. Plastics Pact, which include some of the same beverage companies American Beverage represents, also now say they support container deposits as part of a circular economy strategy.



Dasani bottles on the production line at a Coca-Cola plant in Utah
George Frey via Getty Images

What's driving brand commitments

Stakeholders on each side of the debate agree that more bottles need to be recycled, but one aspect of why there are such fundamental disagreements has to do with market demands for the returned bottles and who has access to those containers.

Over the past few years, several major beverage brands, including Coca-Cola, PepsiCo and BlueTriton Brands (formerly known as Nestle Waters North America), have set goals to use more postconsumer plastic in their containers. Coca-Cola, whose “World Without Waste” campaign proposes to “collect and recycle the equivalent of every bottle or can” it sells globally by 2030, also pledges to increase to 50% its use of recycled PET in plastic bottles. Nestle Waters said in 2020 that more than 16% of its containers currently use rPET, and it aims to reach 50% by 2025.

Meanwhile, two states now require beverage brands to use more recycled content in their bottles. Last year, California passed the country’s first minimum recycled content law for plastic beverage containers, starting with a minimum of 15% by 2022. In May, Washington state passed a law requiring more recycled content in plastic beverage containers, as well as trash bags and containers for household and personal care products. Many types of plastic containers will need to have 15% recycled content by weight by 2023 and 50% by 2031.

Steve Alexander, president and CEO of the Association of Plastic Recyclers, anticipates more states will pass such bills in the next few years, further ratcheting up the demand for recycled resin. “I definitely see major changes coming, with more attention by brands to using recycled material and designing packaging to be compatible with recycling,” he said.

Minimum recycled content standards like the ones in California and Washington can steer beverage brands away from using virgin resins, which are cheaper than recycled resins and don’t need special processing in order to meet manufacturers’ food-grade standards, Collins said. Bottle bills also play a role in providing clean streams of plastic that can meet those standards, she said, because plastic collected from bottle deposit programs doesn’t get commingled with other recyclables or trash like it would in a curbside program. It’s much tougher to create a food-grade resin from plastic collected at the curbside because it’s more time-consuming and expensive to reduce contamination, Collins said.

Collins does not believe curbside programs alone will be able to provide enough high-quality containers to meet even the current demands for recycled resin, much less the future brand commitments. Currently, these manufacturers are only using a fraction of the recycled resin they need, she said.

“The history of how much [recycled] PET is in food containers and beverage bottles is really low, [as low as] just 5% or 6%, so that means 95% is virgin,” Collins said. She acknowledged that several companies use 100% recycled content bottles, such as BlueTriton Brands’ PureLife water, but said those offerings are a drop in the bucket compared to the total number of plastic beverage containers brands manufacture each year. Collins estimates that of all the PET used for food and beverage containers each year, about 8% is recycled PET.

“In order to recover containers at a rate that these corporations need to meet their targets, we need to also invest in changes for deposit frameworks,” she said.

Proponents of a national bottle bill, a provision of the wider Break Free From Plastic Pollution Act, say a nationwide deposit of 10 cents for bottles would bring even more containers into the market. “We need to get a national bottle bill done to meet these future demands,” said Heidi Sanborn, executive director of the National Stewardship Action Council (NSAC).

According to the ReLoop report, about 140 billion drink containers are disposed or otherwise not recycled each year, but a national bottle bill in the United States that achieved a redemption rate of 90% – similar to that of Oregon’s state program – could drop that figure to just over 22 billion drinks containers wasted annually.

AMERIPEN, which represents packaging manufacturers, doesn't officially endorse the strategy, but Executive Director Dan Felton acknowledged that a nationwide 10-cent bottle deposit system “would be a significant way to help bring more bottles back into the system,” during a panel discussion with the Northeast Recycling Council in March.

In recent years, trade groups for container manufacturers such as the Glass Packaging Institute have underscored support for bottle bills, in part because of the high-quality materials they yield. Bottle bill programs “provide a much needed, high quality recyclable stream for our respective manufacturing processes,” the group wrote in a 2020 joint letter with the Can Manufacturers Institute, National Association of PET Container Resources and the Aluminum Association. The coalition urged bottle bill states during the pandemic not to suspend container collections, at a time when many temporarily did, saying the lower volume of material would hurt their manufacturing processes.

But the beverage brands that use these containers have been much less receptive to bottle bills, with their largest trade association, American Beverage, once calling such systems “antiquated.” The group argues these policies make it more difficult for people to recycle, because return systems require residents to take bottles to a store or redemption site instead of leaving them at the curb.

American Beverage’s Dermody said the association has softened that position in the last few years, now favoring multiple avenues that will help beverage companies achieve their main goal as they proclaimed in the Super Bowl commercial: get back their bottles and turn them into new ones. The group’s approach is through its Every Bottle Back program, which funds collection and processing infrastructure and recycling awareness campaigns.

Beverage brands need stable sources of recycled plastic to make into new bottles, and “our issues with deposits have always been that they are not run very well, and their performance varies from place to place depending on how the system is set up,” he said. “When you talk about deposit systems, many are broken, many are broke. We want reforms to help them operate better. That could mean shoring up current systems or looking at new ways to handle recyclables.”

Collins said the message sounds good, but she sees the organization’s investment in Every Bottle Back as blocking the expansion of bottle bills across the country instead of nurturing long-term recycling solutions.

“The bottle back program has that message that they want to recycle, but the Catch-22 is that they are the ones that are lobbying against expanding the container deposit laws,” Collins said. “It’s really an investment in a promotions campaign.”

One state where this battle played out was in Connecticut, where the final bill underwent numerous last-minute amendments and updates to accommodate the beverage industry. The changes include sharing a cut of the deposits with distributors and allowing them to potentially create a stewardship program similar to the type in Oregon.

Rep. Mary Mushinsky, one of the bill’s sponsors, was unhappy with the last-minute additions but said they were key to getting the bill passed. “The beverage and liquor industries are very strong, which is the reason why other states couldn’t pass their bills and why we had to

accept some compromise sections that I don't like," she said.

Collins said the stewardship organization model in the bill lacks "transparency and accountability," but American Beverage has welcomed strategies that give their members more of a chance to govern how bottles are handled.

Earlier this year, the group proposed replacing Connecticut's current bottle bill system with an alternative that would create a producer responsibility organization governed by bottle manufacturers and distributors.

Bree Dietly, principal at Northbridge Environmental Management Consultants, who represented American Beverage at a bill hearing in March, said this type of system is a better alternative because producers are motivated to fund a system that will help redeem, collect and process the containers they pledge to recycle into new bottles.

"We want our containers back. We have made ambitious commitments to use more recycled content in our bottles," she said at the hearing. "We need public policy that can help get us there and we are willing to do our part to fund these systems."

The strategy hints that even if beverage manufacturers and their allies are not enthusiastic about bottle bills, some are warming up to recycling systems with an EPR-like approach. This strategy is also playing out in California with [SB 38](#), a bill that aims to replace the state's entire current container deposit system with a beverage industry-run bottle and can recycling program where distributors in the state form a container stewardship organization. The program would be similar to how the mattress industry operates in that state, according to the bill.



Plastic bottles at a recycling center in California
Justin Sullivan via Getty Images

Curbside clashes

Stakeholders have also fought over whether bottle bills are a help to existing curbside recycling programs, or a hindrance that increase their costs.

The Recycling Partnership has hinted at the need for a national bottle bill to achieve higher recycling rates when paired with solid curbside programs. In a recent report, TRP acknowledges that either a national deposit system, or “a massively scaled adoption of state deposit programs,” could be a “key strategy for generating supply for some key container materials.” Since many U.S. households rely on curbside services for recycling containers that are also eligible for deposit systems, “deposit and residential access optimization should be viewed as necessarily complementary strategies.”

Another recent report, which assesses container and packaging recycling rates, states that deposit return systems are “critical” for achieving high performance recycling rates, and says systems that accept more types of drinks containers tend to achieve better recycling rates than those with a more limited list. Container manufacturer Ball Corp. sponsored the report from Eunomia Research & Consulting.

A recent example of the tension between curbside and bottle deposit system players took place in Vermont. John Casella, CEO of Casella Waste Systems, has been a vocal critic of efforts to update the system by raising reimbursement values and expanding the materials accepted in the program. Casella said the state's bottle bill updates wouldn't do much to improve the state's recycling rate, but they would harm existing recycling systems.

“The material being targeted by this expanded bill is already being recycled at the highest rate in the country, with some of the lowest contamination rates nationwide. Our curbside programs are a much more comprehensive recycling system, capturing all of the essential traditional recyclables instead of just several,” he wrote in an opinion piece for VTDigger.

Casella was also among a group of industry participants including Sims Municipal Recycling, Waste Management, Republic Services, Waste Connections, and the National Waste & Recycling Association, that spoke out against a proposed 2019 bottle bill expansion in New York. At the time, they said the model would remove valuable material from the MRF stream and jeopardize their ability to offer solid residential recycling service.

Recyclers in Connecticut raised a similar point earlier this year about the state's current fight to update its bottle bill. Steve Changaris, Northeast vice president for NWRA, said in an interview with Waste360 the update would cause recycling programs to lose “millions of dollars of valuable commodities,” ultimately impacting service costs.

Some organizations, however, believe waste haulers and MRFs play too big a role in influencing bottle bill policy. Consumer Watchdog, a California organization that describes itself as a public interest group, blames waste haulers in a report for “beggaring” the state's bottle bill system. The group said this is because recyclers can collect deposits from bottles they get through curbside streams and don't offer redemption credits to residents who “donate” their bottles through those bins. Haulers in most states with bottle bills don't usually get payments from bottle deposit programs, CRI said.

Californians Against Waste, an environmental group that includes some major waste haulers as backers, says the system fairly pays haulers that use the funds to offset operations costs and buffers them from fluctuations in commodities markets. Consumer Watchdog called out the group in its report.

“The curbside-friendly nature of the California bottle bill is an asset, and we view [it] as a positive,” said Mark Murray, executive director of Californians Against Waste. He asserts that about 60% of the products in containers eligible for the bottle bill are consumed away from home. As such, they don't end up in residential curbside bins and fail to generate profits as significant as Consumer Watchdog claims.

At issue in California, as well as in states like Connecticut, is the disappearing number of redemption centers, which have closed over the years because of the lack of funding to keep operations going, Collins said.

Through various legislation, California is attempting to address what Collins calls its “recycling deserts,” or areas where residents don’t have access to redemption centers unless they drive far distances or stand in long lines. A report from NSAC says nearly 1,000 recycling centers have closed in California since 2015, leaving just more than half – about 1,210 recycling centers statewide, according to CalRecycle – that buy back empty beverage containers. This scaleback was driven in part by a major wave of rePlanet redemption center closures in 2019, and has also been influenced by the pandemic.

The Container Recycling Institute “predicted these closures years before they happened,” Collins said, and the loss of so many recycling centers is considered a stark reminder of what could happen in California and elsewhere if further repairs are not made to the state’s bottle return system.

As consumers find fewer places to return their containers, they may be encouraged to throw them into curbside bins instead, said Liza Tucker, a consumer advocate at Consumer Watchdog. “Haulers themselves would like to speed up the [redemption center] dying process” because of this, she said in the report.

Consumer Watchdog strongly favors SB 38, which Tucker said would “hit restart” on California’s broken bottle bill system by requiring beverage container distributors to form a stewardship organization to handle the deposit program, helping fund redemption centers and other aspects. But Murray said his group is doubtful beverage distributors are the right stewards for the program. Distributors “demonstrated zero expertise or interest in maximizing beverage container recycling or packaging source reduction,” he said, instead wanting to “maximize sales at the lowest possible cost.”

Californians Against Waste is instead backing another bill, AB 1454, which aims to increase payments to existing bottle recycling centers.

Other California bills, like SB 451, also aim to support the current bottle deposit system by providing greater funding for recycling pilot projects meant to collect more containers. Proponents pitched the bill as a way to address the closure of recycling centers and reduced redemption opportunities for consumers, but opponents say it’s not clear how the bill would help residents gain access to the state’s dwindling redemption center locations.



Bottledrop location in Eugene, Oregon

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Looking to Oregon

The last state that succeeded in making a major change to its bottle bill before Connecticut was Oregon, which enacted a deposit increase and rolled out a unique refillable glass bottle program.

Stakeholders in bottle bill fights across the country sometimes bring up Oregon as an example of how a program that is so broken in some states can be redeemed with a few upgrades. Before this update, Oregon had a 65% return rate, which at the time was still considered one of the highest recycling rates in the country, said Jules Bailey, chief stewardship officer at the Oregon Beverage Recycling Cooperative. After raising the container value to 10 cents, redemption rates quickly hit about 90% in 2019.

“That shows that the deposit level is the main driver of the redemption rate,” Bailey said. “The bottle bill is ingrained in Oregon life. Everyone participates.”

Return values are still 5 cents for many types of containers throughout the [10 bottle bill states](#). That price may have been significant in the 1970s and 80s, but proponents say it has not kept pace with inflation and doesn’t offer enough of an incentive for modern consumers to go out of their way to return the bottles.

The Reloop report indicates there’s strong evidence that an appropriate rate, which is “high enough to motivate consumers to return containers but not so high that they distort the market,” is a proven strategy to funnel more containers into the market.

Yet Bailey cautions that raising the redemption value alone is not enough to make a flagging program successful.

“If you raise the rate, and expand the types of containers you take, you see more volume, and you want that to happen if there is already a strong network to handle that,” he said. But states that struggle to accept the current flow of containers will need to approach the issue from multiple angles with multiple types of reforms. “If all you do is raise the deposit, you’re trying to squeeze more volume through a small pipe.”

Oregon’s system is paid for and operated by the distributors. Some believe this gives too much control to the beverage industry, but others see it as a more reliable way to operate because distributors must bear the cost to collect the containers. Bailey said the program’s current stability has made it possible for them to roll out the country’s only refillable glass bottle return program, a system that has inspired California lawmakers to try to introduce one in their own state.

Sanborn of NSAC says this model reduces waste and energy production used to create new containers. “We are breaking our glass instead of refilling it in California, which is crazy,” she said. “With refillables, we can keep the recycled content, but it’s repurposing an existing bottle 14 to 20 times.”

Bailey said the Oregon Beverage Recycling Cooperative has consulted with other bottle bill states, like California, that want to make both major and minor changes in an effort to save their program from crumbling. He’s proud of how Oregon’s program is run, but says it’s far from easy to master.

“Our state program isn’t perfect, either,” he said. “Changing your bottle bill is really difficult because, in many places, you’re trying to go from a system with entrenched interests that are paid in different ways. That makes it incredibly hard to shift all of it around, even if everyone wants to.”