



February 27, 2017

The Honorable Ross Paustian
Chairman
House Environmental Protection Committee
1007 East Grand Avenue
Des Moines, IA 50319

Dear Chairman Paustian:

Re: House Study Bill 163

On behalf of the Glass Packaging Institute (GPI), **I write in opposition to House Study Bill 163**, which would repeal Iowa's bottle bill program and replace it with a non-refundable 1-cent tax on certain beverages. **Iowa's bottle bill program provides a full refund to the redeeming consumer, while providing high quality recyclables to manufacturing-based end markets.**

GPI is the North American trade association for the glass container manufacturers, glass recyclers, and suppliers of materials, equipment and transport to the industry. The industry supplies America's leading beverage brands, and directly employs 18,000 Americans in glass container manufacturing and related recycling industries.

Iowa's bottle recycling program is among the most successful in the nation, with an average a recovery rate of 86%. Glass returned to Iowa's redemption centers, then recycled and processed by Iowa companies, is a critical supply chain material in the manufacture of glass containers and fiberglass insulation.

A reason for the success of bottle bill programs is that recovered containers are generally kept separate from other recyclables, drastically reducing contamination, preserving their value, and providing them the best opportunity to return to a manufactured product. **GPI estimates that up to 80% of the recycled glass re-melted to produce new bottles and jars is sourced from the 10 states with bottle bill programs, including Iowa.**

When glass container plants increase the levels of recycled glass as part of the overall batch mix, they reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions, providing cleaner air for communities.

Repealing Iowa's bottle bill program will increase the amount of contamination of glass and other recyclables, ultimately resulting in increased landfill disposal. **If repealed, thousands of tons of recycled glass will be sent to landfills, due to contamination and sorting challenges experienced as a result of the single stream collection process.**

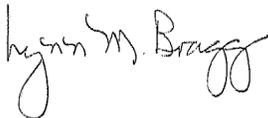
Delaware's "Repeal and Replace" - Not a Model to Follow

Delaware is the only state to have ever repealed its bottle bill program, replacing it with a 4-cent tax on consumers at the point of purchase, in an effort to fund statewide recycling programs. **As HSB 163 takes a similar legislative approach, we highlight the fact that Delaware's efforts have not met expectations over the past four years.**

- Revenue from the beverage tax in Delaware was designated to establish residential curbside recycling programs, but actual revenue has been much lower than anticipated. Revenue of \$22 million was predicted to result from Delaware's beverage tax, however only \$14 million was received. Of that, only \$8 million was given out in grants.
- This past July, the remaining \$5 million collected from the tax was sent back to the state's General Fund, effectively terminating the grant and recycling assistance program. Only 14 of the 57 localities in Delaware received direct grant money to improve and enhance their curbside recycling programs.
- The consolidated single stream collection of beverage containers, along with other recyclables has also led to an increase in contamination. According to the Container Recycling Institute, roughly 11,000 tons of collected recyclables in Delaware, including a high percentage of glass, are lost to landfills annually due to contamination.

GPI and our member companies thank you for your thoughtful consideration of our comments.

Sincerely,



Lynn M. Bragg
President

Cc: Members, House Environmental Protection Committee