

September 28, 2023

The Honorable Jeff Merkley
United States Senate
531 Hart Senate Office Building
Washington, DC 20510

The Honorable Markwayne Mullin
United States Senate
330 Hart Senate Office Building
Washington, DC 20510

Dear Subcommittee Chairman Merkley and Ranking Member Mullin,

On behalf of the Aluminum Association and its member companies, I appreciate the opportunity to provide written comments for the record in connection with the September 28, 2023 Senate Environment and Public Works Subcommittee hearing “*Examining Solutions to Address Beverage Container Waste*”.

The Aluminum Association is the voice of the aluminum industry in the United States, representing aluminum producing companies and their employees that span the entire aluminum value chain from primary production to value-added products to recycling, as well as suppliers to the industry. The Association is charged with developing global standards, business intelligence, sustainability research, policy positions, and industry expertise for its member companies, policymakers, and the public. Altogether, Association member companies produce over 70 percent of the aluminum and aluminum products shipped in North America, and the U.S. aluminum industry across the value chain directly employs more than 164,000 union and non-union workers and indirectly supports an additional 470,000 workers. Through its activity, the economic impact of the U.S. aluminum industry adds \$176 billion to the economy annually.

In the beverage container space, Association member companies represent 100% of the U.S. production capacity of aluminum can sheet, the material from which aluminum cans are manufactured. As a key component of the can sheet production process, used beverage cans (UBCs) are received back after consumer use, melted, and integrated into new can sheet from which new cans are manufactured. Demand for can sheet is growing and within the last 2 years Association members have announced plans for over \$4 billion in new investments to increase supply of can sheet and other types of sheet products to meet this demand.¹ The preferred raw material to manufacture can sheet at the existing and newly announced production facilities is UBCs, perpetuating a virtuous closed loop whereby the aluminum is recycled over and over again into new can sheet and cans.

Already, aluminum cans are the most sustainable beverage package on virtually every measure. Aluminum cans have a higher recycling rate and more recycled content than competing package types. They are lightweight, stackable and strong, allowing brands to package and transport more beverages using less material. And aluminum cans at end of life are far more valuable than glass

¹ <https://www.aluminum.org/investment>, (accessed September 21, 2023).

or plastic, helping make the economics of all types of collection and recycling programs more cost-effective.

Key Performance Indicators Across Industries

	Aluminum Cans	Glass Bottles	Plastic Bottles (PET)
Consumer Recycling Rate	45.2%	39.6% ²	20.3% ³
Industry Recycling Rate ⁴	59.7%	N/A	N/A
Closed-Loop Circularity Rate	92.6%	30-60% ⁵	26.8% ⁶
Recycled Content	73%	23% ⁷	3-10% ⁸
Value of Material ⁹	\$991/ton	-\$23/ton	\$205/ton

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However, even with a beverage container industry leading recycling rate of over 45%, that still means that more than half of all UBCs are disposed of and end up landfilled each year. The scrap value of these unrecycled cans is worth over \$800 million annually, and if they were recycled, it would equate to enough energy to power more than 2 million U.S. homes for one year.

Given the above, a key focus of the Association and its can sheet producing members is to enact policies proven to increase both the quantity and quality of UBCs that are available to be turned back into new cans.

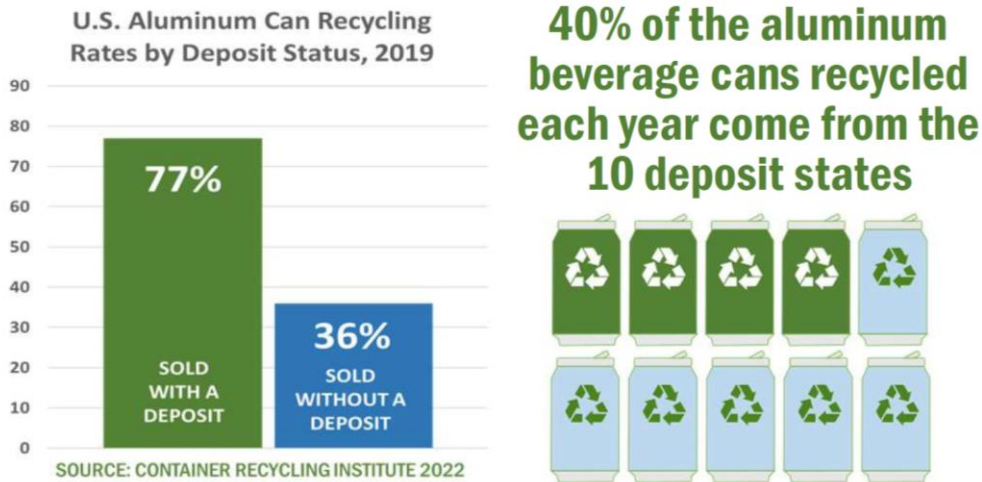
Recycling Refunds Substantially Increase Beverage Container Recycling and Reduce Waste/Litter

Recycling Refund³ programs (i.e. “beverage container deposit/return programs”, or historically “bottle bills”) have a proven track record of providing an effective and efficient means to substantially increase beverage container recycling rates at the state level. A well-designed national program, building on the learnings from decades of success in various states, would provide even more incentive for recycling, reduction of waste and litter, and a larger and cleaner supply of raw material for manufacture into new cans. In a recycling refund program, consumers pay a small refund value on the container at time of purchase and then that value is refunded back to them when the container is returned for recycling. Based on experience in states with the highest redemption rates in the US today (MI and OR), a minimum refund value of \$0.10 per beverage container and larger values for larger containers should be the goal, even if it requires phase-in over time to reach those amounts.

² The Aluminum Can Advantage: Sustainability Key Performance Indicators November 2021, https://www.aluminum.org/sites/default/files/2021-11/KPI_Report_2021.pdf, (accessed September 21, 2023)

³ www.recyclingrefundswork.org

Data shows that beverage containers subject to recycling refunds in the 10 states that have a recycling refund system have much higher recycling rates than those sold across the country not included in recycling refund programs. For aluminum specifically and all beverage containers generally, the recycling rates are over twice as high for containers sold with a refund value versus without a refund value.



Recycling refund programs are also nicely complementary to a variety of other federal solutions that are being pursued to increase consumer recycling rates overall such as recent recycling infrastructure funding through the IIJA and EPA’s ongoing implementation of the National Recycling Strategy.

Recycling Refunds are Strongly Supported by the Public

According to 2022 research⁴ by Lincoln Park Strategies, Americans across the geographical and political spectrum strongly support recycling refund programs and that support can translate into action for implementation of a nationwide program.

What Americans Think About Recycling Refunds



⁴ <https://lpstrategies.com/national-survey-redemption-program>, (accessed September 21, 2023)

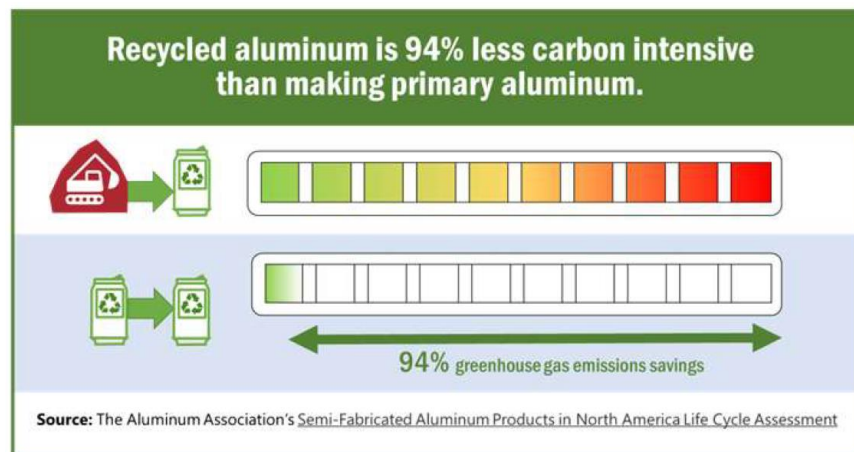
Recycling Refunds Provide a Stable Domestic Supply of Aluminum

The U.S. does not make enough primary aluminum or generate and collect enough secondary (i.e. recycled) aluminum to satisfy growing domestic demand. Increasing domestic recycling helps de-risk U.S. supply chains by bridging the existing supply gap with domestic material that would otherwise be filled by imports.

Increasing the U.S. aluminum beverage can recycling rate from 45 percent to 90 percent, a rate that nationwide recycling refund programs readily achieve,⁵ would mean annually nearly 1.3 billion pounds of additional recycled aluminum available domestically, which is approximately 10% of the amount of aluminum imported into the United States in a typical year. This is also material that would no longer need to be disposed of through other methods of household waste disposal, reducing the flow of waste material into landfills. Finally, as an added benefit, data show that with consumers understanding the value of recycling the container, the containers are much less likely to end up as litter polluting land or waterways.

Aluminum Sourced from Recycling Refund Programs is Low Carbon

Using recycled aluminum means 94 percent emission savings as compared to using virgin aluminum. Specific to cans, increasing the U.S. aluminum beverage can recycling rate from 45 percent to 90 percent in a typical year would avoid greenhouse gas emissions equivalent to taking nearly 1 million gasoline-powered passenger vehicles off the road.

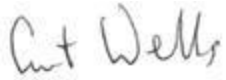


In conclusion, recycling refunds provide a market-based approach that has proven to recycle aluminum beverage cans and other beverage containers at very high rates, creating a consistent, larger supply of readily available domestic aluminum for recycling and manufacturing. In addition, this increased recycling of aluminum through recycling refund programs is broadly supported by the public, reduces reliance on imports of a strategic material, and reduces emissions. In recognition of these significant benefits, the Aluminum Association supports the implementation of a national beverage container recycling refund program as a proven solution demonstrated to reduce beverage container waste.

⁵ Data from countries such as Norway, Germany, and Brazil show consumer recycling rates for beverage containers as high as 97%.

We appreciate your leadership on this important issue and are happy to further engage on this topic at your convenience.

Respectfully submitted,

A handwritten signature in cursive script that reads "Curt Wells".

Curt Wells
Senior Director of Regulatory Affairs and Corporate Stewardship
The Aluminum Association