



April 1, 2013

The Honorable Ed Charbonneau
Chair, Environmental Affairs Committee
Indiana State Senate
Indiana State House
Indianapolis, Indiana 46204

The Honorable David Wolkins
Chair, Environmental Affairs Committee
Indiana House of Representatives
Indiana State House
Indianapolis, Indiana 46204

Re: Study of Indiana Recycling Efforts

Dear Chairman Charbonneau and Chairman Wolkins:

On behalf of the Glass Packaging Institute (GPI), I am pleased to provide the following letter of support to encourage the development and resulting framework for a beverage container deposit refund and recycling program for Indiana.

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 glass container industry's presence in Indiana is significant. Collectively, GPI member companies Ardagh, O-I and Verallia employ thousands of residents at their manufacturing plants in Dunkirk, Lawrenceburg, Winchester and Lapel. Additionally, one of the country's largest glass container manufacturers, Verallia, is headquartered in Muncie. The state is also home to glass container recycling facilities that supply the plants with recycled glass for use in the manufacture of new food and beverage containers, including GPI member company Strategic Materials, Inc. The above noted, the glass container industry has a healthy demand for recycled glass (cullet), and the capability to sort, process, and utilize in-state.

GPI's members recognize the importance of supporting sustainability initiatives including conserving energy, saving raw materials, reducing air emissions (including NOx, SOx, PM and greenhouse gases such as CO2) and being fully committed to "Reduce / Reuse" in all aspects of plant operations e.g. water, cardboard, lubricants, electricity, etc.

When glass plants can increase the levels of recycled glass as part of the overall batch mix, they can reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions. This is also true of other packaging and manufacturing industries. For glass, one ton of carbon dioxide is reduced for every six tons of recycled container glass used in the manufacturing process. Energy use at the glass plants also

drop about 2-3% for every 10% recycled glass used in the manufacturing process.

GPI has established a 50% recycled content goal for the manufacture of new glass containers. Success in achieving that goal is largely dependent on the strength of the recovery systems that generate recycled materials purchased by our industry. GPI estimates that more than 65% of recycled glass comes from the 10 states with beverage container refund programs. A prime reason for the success of these programs is that collected containers are kept separate from other recyclables, drastically reducing contamination and providing them the best opportunity to return to a manufactured product. Accordingly, GPI members are vigorously engaged at the local, state and federal levels to improve collection systems, improve the usability of quality of recyclables for manufacturers and better link collection systems with end markets.

Through consideration and implementation of a container deposit recycling refund program for most types of beverage containers, Indiana has enormous potential to increase the recycling recovery rate, assisting in important reductions in energy use and emissions levels for glass container manufacturers. Further, adoption of this program would greatly reduce the billions of dollars worth of aluminum, PET and glass beverage containers that currently end up in Indiana's landfills.

GPI and its member companies are focusing on a variety of collection programs to get glass containers back to our plants. A key element that all of these programs share is the separation of the recyclables collected, which our industry has found greatly increasing the opportunities for their eventual reuse in the manufacturing process.

For glass, and often for other aluminum and PET beverage containers, many of such containers counted as "recovered" must be sent through a recycling recovery process, only to be contaminated to the degree where they eventually ends up in a landfill as cover, or unusable for the viable end markets that exist. Beverage container recycling programs reduce the contamination issue drastically, with over 90% of containers collected in this method able to be eventually purchased by the bottle and fiberglass industry and utilized in the production of new containers.

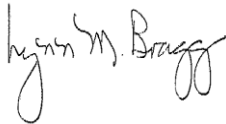
The most successful and robust beverage container refund programs not only provide environmental and energy related benefits, but may also contribute to increased employment in the greater recycling industry. A recently issued report by the Container Recycling Institute (CRI) found that, depending on system parameters, these programs create 11-38 times more jobs than a curbside recycling system for beverage containers. *(Morawski and Morris, Returning to Work: Understanding the Domestic Jobs Impacts from Different Methods of Recycling Beverage Containers, December 2011)*

Additionally, the CRI report finds that, ton for ton, beverage container refund programs create at least five times more jobs in container collection, sorting and transport than in garbage collecting, hauling and landfilling. The CRI Report concluded that the principal reason beverage container refund programs create more jobs is that they recover more of the "target" material. On average, states with these programs recover three times more beverage containers, than states without these programs (76% vs. 24%.) In addition, a recent CRI study showed that not only do the 10 states with container deposit recycling programs provide the vast majority of recovered beverage containers, they also recover almost as much other recycled materials as the other 40 states combined.

Unlike beverage container refund programs, curbside and drop-off programs do not have a demonstrated ability to reduce litter from public areas. However, curbside and drop-off programs can collect a broader spectrum of materials, and therefore work in conjunction with beverage container recycling programs to achieve a greater overall improvement in recycling. Additionally, the wear and tear on capital-intensive sorting and processing machines at recycling recovery facilities can be greatly reduced if a portion of covered beverage containers are removed from the process.

GPI would like to thank the legislature for their attention to this issue, and we look forward to working with all stakeholders in the future to create a beverage container recycling program that will benefit Indiana. Please consider GPI and its member companies a resource and advocate for recycling related issues.

Sincerely,

A handwritten signature in black ink that reads "Lynn M. Bragg". The signature is written in a cursive style with a large, looped initial "L".

Lynn M. Bragg
President