

Commingling of Beverage Brands in VT Bottle Bill

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What is “commingling?”

Commingling means the sorting of beverage containers at a redemption center by material type and size rather than by beverage brand in accordance with the requirements of an approved commingling agreement. Retailers and redemption center operators redeeming beverage containers receive a handling fee of 3.5 cents per container for containers of beverage brands that are part of an approved commingling program and a handling fee of 4 cents per container for brands not participating in an approved commingling program.

Why does Vermont law have a commingling provision?

A provision for commingling was added to Vermont’s beverage container redemption law in 2007 and a commingling procedure was placed into rule effective 2008. Before commingling was added to the law, redemption centers were having to sort containers into more than 100 sorts in separate receptacles for manufacturer pick-up, which required significant space and increased handling costs. The intention of commingling was to streamline the redemption, decreasing complexity and costs of the system.

How many commingling agreements are currently in effect?

Currently, Vermont has one commingling agreement, the Vermont Commingling Group (contact: Bree Dietly, bdietly@nbenvironmental.com). The majority of the major beverage brands being sold in Vermont are covered under this commingling agreement, including Coke, Pepsi, and most major national beer brands, as well as many craft beer brands. Liquor containers, redeemed by the Vermont Department of Liquor Control, are also considered to be commingled.

Why should *you* commingle?

It’s good for your bottom line...

Manufacturers/Distributors participating in commingling save .5 cents in handling fees per redeemed container.

It’s good for Vermont’s environment...

Commingling saves redemption centers significant space and time, making their businesses economically viable. The 100+ non-commingling sorts in the current system strain the space and staffing capacity of many existing redemption locations and threaten their continued participation as certified redemption centers. Having a strong network of redemption centers that provide easy, convenient redemption options for Vermonters is vital to the continuing high redemption rates that Vermont has seen in its redemption program.

Beverage containers may go into single-stream “blue bin” recycling or be disposed if redemption options are not easily available. Glass, metal, and plastic collected through the Bottle Bill are less contaminated than materials collected through single-stream recycling, making them more valuable to recycling end markets, supporting and strengthening those markets and decreasing the use of virgin materials in the making of new beverage containers.

What are the requirements for a commingling agreement?

Requirements for a commingling agreement are laid out in § 10-109 of the Environmental Protection Regulations (Commingling):

- (a) This section establishes minimum criteria for any group of beverage brands who wish to commingle containers to qualify for a handling fee of \$0.035 pursuant to 10 V.S.A. § 1522(b). For purposes of this rule and determination of the handling fee pursuant to 10 V.S.A. § 1522(b), liquor bottles redeemed by the department of liquor control are deemed to be commingled and have a handling fee of \$0.035 per container.
- (b) Any commingling agreement shall contain, at a minimum, the following criteria:
 - (1) The agreement shall include pick up of commingled beverage containers from at least 30 percent of the beverage containers redeemed in the state of Vermont.
 - (2) The agreement shall require the pick up of commingled containers from all certified redemption centers with a redemption volume greater than 250,000 containers per year. The agreement may specify other redemption centers who are eligible to participate in the agreement.
 - (3) The agreement shall clearly define criteria for beverage brands to enter into an approved commingling agreement and there shall not be unreasonable barriers put into place on any beverage brand entering the commingling agreement.
 - (4) The agreement shall clearly define criteria for a beverage brand to exit a commingling agreement and there shall not be unreasonable barriers placed on a beverage brand to exit a commingling agreement.
 - (5) The agreement shall specify that the manufacturers or distributors participating in the agreement shall:
 - (A) provide shells, upon request of a redemption center, for use in redemption;
 - (B) credit a redemption center for 50 percent of the costs of the bags used for redemption; and
 - (C) provide gaylords or shells to those redemption centers participating in the agreement.
 - (6) The agreement shall specify that the manufacturer, distributor, or any third party pick-up agent acting on their behalf, pick up beverage containers at a frequency of not less than once per week or as otherwise agreed upon by the redemption center and manufacturer, distributor, or pick up agent.
 - (7) The agreement shall specify a method for determining the number of containers redeemed. This method shall be one of the following:
 - (A) The number of containers redeemed shall be based upon a count of 10 percent of the containers presented for redemption by the redemption center;
 - (B) The number of containers the redemption center certifies as being presented for redemption;
or
 - (C) Another method approved by the Secretary as a part of the commingling agreement.
 - (8) The agreement, or a cover letter to the agreement, shall identify a name, address, and telephone number for a point of contact for questions on this agreement and to respond to complaints that the terms of the agreement are not being conformed to.
- (c) A commingling agreement shall be submitted to the Secretary prior to its implementation for review and approval.
- (d) If the agency believes that the manufacturers or distributors who are parties to an approved commingling agreement are not in conformance with the minimum criteria contained in this section, the secretary shall notify the agreement point of contact of the alleged non-compliance. The manufacturers or distributors shall have 30 days to correct the noncompliance or provide information demonstrating that the allegation of noncompliance was in error. Continued noncompliance shall be grounds to revoke the approval of a commingling agreement.