While the bulk of the savings accrues to the states with larger populations, even municipalities in smaller states with higher redemption rates like Vermont and Maine will realize significant overall savings.

In total, municipalities across the region can expect to see savings of between $112 million and $160 million due to reduced processing fees at MRFs, reduced final disposal costs, and savings on collection costs. Curbside programs would lose high-value aluminum and PET but also no longer have to deal with costly glass containers.

While the municipal cost findings already reflect anticipated MRF revenue losses and the potential for tip fees to increase as a result, to additionally ease the economic shock of transitioning to an optimized DRS, our analysis provides for specific funding to be made available for MRFs to make needed upgrades and operate competitively given a new mix of recyclables they will be recycling. This is detailed in the section below.

Additionally, proper oversight of DRSs requires that state agencies be equipped with appropriate resources. In our model, state agencies across the Northeast would receive $44 million per year from unclaimed deposits, with $24 million per year going to New York, as the largest state.

Impacts on Producers

Under a modernized DRS, producers are expected to finance the system: this is a key part of ensuring that the industry takes responsibility for the products it creates and that municipalities and taxpayers do not incur the costs of managing these materials instead. Across all five states, producer cost for the transition to a modernized system is estimated at just 1 and 3.6 cents per container. Though the overall cost is around $625 million per year across the five states, the system also allows producers to retain a portion of unclaimed deposits — estimated at $264 million per year — even before the 90% return rate is reached, to invest in system improvements. Equally important, producers will have access to more than 1.9 million additional tons of aluminum, glass, and plastic beverage containers, at a value of roughly $93 million. Ownership of this material will enable beverage brands to meet the voluntary recycled commitments they have made to consumers and shareholders, as well as comply with regulatory mandates, which are expected to multiply in the years to come and have already been passed regionally in Maine and New Jersey.