

Framework Conditions to Encourage Long-Term Materials Recovery Facility Competitiveness

Under a modernized deposit return system, a significant volume of materials would shift from being collected through a curbside recycling system to being returned through a DRS.

This system would alter both the volume and composition of material in the curbside programs to be processed by MRFs as there would be fewer beverage containers and more flexible and rigid plastic containers and paper as a percent of total waste. To better manage this change in composition, MRFs may require investment in new technology.

To understand the technology investment needs of MRFs and the relative cost of these investments, Reloop conducted a survey of 21 MRFs throughout the Northeast. The responses show that optical and other enhanced sorting equipment were the most common investment needs³⁶. According to an interview with industry experts, modernizing a plastic line would cost \$1 million — \$1.5 million per MRF and modernizing a paper line would cost \$500,000 — \$1.5 million per MRF.

If all states (except for Maine, which already has a very high redemption rate) achieve a 70% redemption rate in the first year, there would be \$551 million available to invest in DRS and recycling infrastructure. If in the second year the redemption rate is 80%, there would be an additional \$270 million. In every state, the sum of unclaimed deposits is significant enough to make substantial investments in every existing MRF if needed.