

Update on ABC Recycling Legislation

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Basic of ABC Permit Recycling Legislation

- HB 1518 (SL2005-348)
- Requires certain ABC permit holders to recycle beverage containers
- Also bans disposal of beverage containers from these establishments
- Effective January 1, 2008

What Businesses Are Affected By The New Legislation

- Certain businesses that hold Alcohol Beverage Control Permits must separate, store, and provide for collection for recycling of all recyclable beverage containers.
- Only holders of:
 - on-premises malt beverage
 - on premises unfortified wine
 - on-premises fortified wine and
 - mixed beverages permits are affected by the bill.
- Recycling is only required for the containers that are sold at retail for on-premises consumption.

More Details on Who is Affected

8,000 plus establishments

- Governed by 150+ local ABC boards.
- 70% are in 20 counties.
- Concentration in urban, university and tourism counties.
- Mostly bars and restaurants but also some golf courses, AFW Halls, theaters, etc., with permanent permits.

What Containers are Affected?

- Aluminum Cans
- Plastic Bottles
- Glass Beverage Bottles (about 90% of materials by weight)

H 267 – 2007 Amendments

- Passed in last weeks of 2007 Session.
- Establishes that violations will not lead to loss of permit.
- All new and renewing permit applications must be accompanied by recycling plan.
- Permit-holders can apply for a one-year exemption if they have difficulty finding recycling services.

How is the ABC law to be enforced?

- A permittee has satisfied the requirements if it implements a recycling program that meets the minimum standards of the model recycling program developed by the Commission pursuant to G.S. 130A•309.14 (m)
- ALE visits
- ABC Commission review of recycling plans
- Warnings and fines

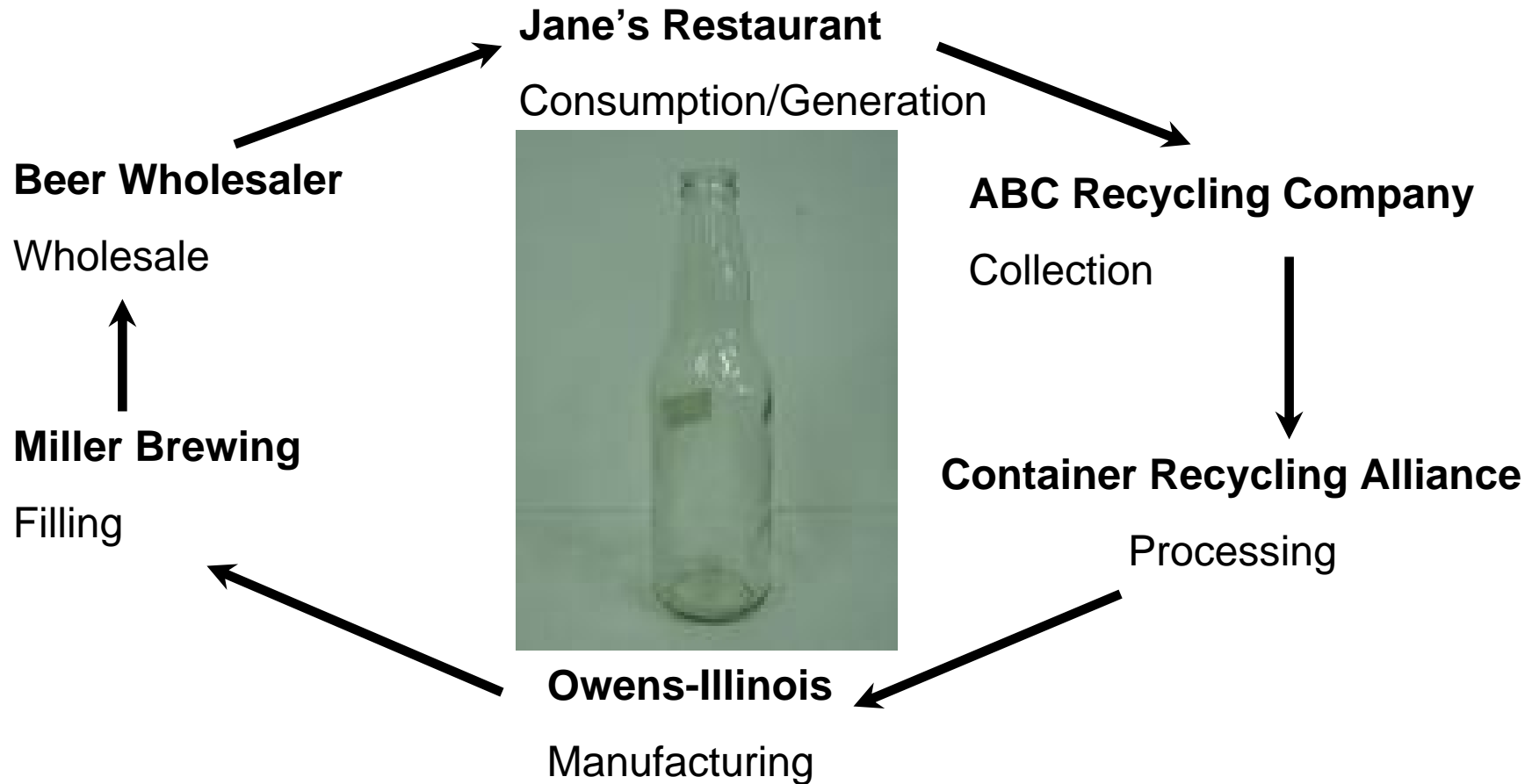
Exemptions

- ABC Commission/DPPEA starting to receive exemption requests – about 40 so far.
- Exemptions only allowed for those with no access to recycling.
- Certain rural areas of the state where services are not available and exemptions are appropriate.
- In most cases, no exemptions are made for aluminum cans.
- Exemptions will be fewer over coming years.

Some Local Governments Offering Service

- Local Governments not required to offer services.
- Some have chosen to collect directly from bars and restaurants: Conover, Orange County, Pasquotank County, Greensboro, Washington, Hickory, Wilmington (some in central business district only).
- About 500 bars and restaurants served directly by local governments.
- About half of counties and some towns allow permit-holders to use their drop-off centers.
- Many have held workshops for their permit-holders.
- Other local governments may decide to provide services, but most permit-holders will rely on private haulers and recyclers.

Closing the Loop



Recycling Business Development

- Approximately 10 new businesses have started up to collect ABC materials.
- Major haulers offering recycling collection in most of their service areas but not all.
- Many small haulers and existing recycling companies have added ABC recycling to their services.
- Some markets very competitive – e.g., Charlotte, Triangle, Wilmington, Triad.
- DPPEA has used some grant funding to encourage expansion of services.

Estimated Diversion

- 50 – 75,000 tons of additional recycling, across North Carolina.
- Approximately half percent (.5%) of all disposed waste.
- Law helps reinforce 1994 disposal ban on aluminum cans and 2009 disposal ban on plastic bottles.

Demand for Materials

- NC home to three glass plants, making containers served by permit-holders.
- Southeastern U.S. is home to major aluminum plants.
- Plastic bottles in demand by manufacturers in NC and in nearby states.



Energy and Greenhouse Gas Savings

- Using recycled glass requires 40 percent less energy than making products from all new materials.
 - Energy costs drop about 2-3% for every 10% cullet used in the manufacturing process.
 - For container glass, a 10% increase in cullet reduces particulates by 8%, nitrogen oxide by 4%, and sulfur oxides by 10%.
 - For every six tons of recycled container glass used, one ton of carbon dioxide, a greenhouse gas, is reduced.
 - ABC recycling requirements will reduce between 8,000 and 12,000 tons of CO₂.

Common Issues for Permit-Holders

- Finding a service provider
- Material separation vs commingled collection
- Space constrictions inside
- Space constrictions outside/frequency of collection
- Cost
- Enforcement

What about costs?

- Depends on size of facility and quantity of materials.
- Main costs are pickup and rental or purchase of containers.
- As low as \$50/month or as much as \$200/month or more.
- The more volume of recyclables, the more opportunities for cost avoidance.
- The more facilities that recycle in a given area, the better the economics of service.

Cost Avoidance

- Permit-holders may take advantage of materials diversion to help pay for recycling services.
- Opportunities for cost avoidance:
 - Reduced pickup
 - Reduced # or size of trash containers
- Permit-holders should closely review waste costs and service levels.

Recycling Example

- Peppers Restaurant, Boone NC
- Deli sandwich shop recycling for 10 years.
- 180 customers/lunch; 300 to 400/day in summer
- Collects glass beer and wine bottles, steel and aluminum cans, cardboard.
- Uses pickle buckets inside/96 gallon carts outside.
- Pickup once/week at cost of \$60/month by one of large haulers operating in NC



Recycling Example

- Mellow Mushroom, Raleigh
- 5,000 – 6,000 customers/week
- Recycles glass, plastics, metal, cardboard.
- If materials were not recycled, would need at least one additional trash collection each week
- \$120/month for weekly container recycling



Recycling Example

- Zambra, upscale bar in downtown Asheville, NC.
- Recycling glass, metal, cardboard since 1999.
- \$20 per month per can for weekly pick-up for beverage.



Storage inside and out



Not new volume –
just volume re-arranged.

Possible Assistance to Permit-Holders

- Tax credit for permit-holders who have to pay for services, helping to partially “fund the mandate.”
- Similar to Oyster Shell tax credit.
- Possible range of \$500-600 year, with auditable features.
- Total cost of between \$2 to \$3 million.

DPPEA Resources

Main ABC Page:

www.p2pays.org/BannedMaterials/ABCcontainer/

Recycling Services and Markets:

www.p2pays.com/DMRM/start.aspx

**Division of Pollution Prevention and
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