CRI Supports Most Budget Committee Recommendations for CalRecycle
June 1, 2017

The Container Recycling Institute (CRI) supports the Assembly budget committee recommendations for CalRecycle’s Beverage Container and Litter Reduction Act program.

CRI supports the budget committee proposal for funding for “enhanced oversight, audit and enforcement in the beverage container recycling program.”

CRI also supports the trailer bill language that would address recycling center closures by providing them with additional funding. This additional funding for redemption centers is urgently needed to stop centers from going out of business. The CalRecycle beverage container fund has nearly $200 million in reserves, and can accommodate this increased funding. *This year, we are still losing recycling centers at the rate of 5 closures per month.*

**Redemption center closures:** Similar funding language did not pass last year, and since June 2016, 96 redemption centers have closed. Since the peak in 2013, nearly 900 redemption centers have gone out of business, which is 35% of the state’s redemption center infrastructure. The redemption centers have been collectively underpaid $50 million since 2013. The budget language will ensure the viability of existing redemption centers and will hopefully lead to re-opening of centers in underserved areas.

We encourage you to support the Assembly’s Bottle Bill Fix, specifically:

- Adjustment of Processing Payments & Handling Fees to reflect the actual 2015 cost of recycling, COLA and reasonable (5%) financial return.
- Make Handling Fees available to any entity willing to establish a certified recycling location within a currently unserved zone, regardless of physical location.
- Authorize CalRecycle to provide up to $3 million in supplemental Handling Fees in rural/underserved areas to bring back recycling centers.
- Authorize CalRecycle to initiate ‘alternative’ redemption options, including mobile recycling, in San Francisco and other ‘underserved’ areas.
- Redirect CalRecycle staff and ‘in-lieu-of’ payment revenue to siting redemption locations in unserved zones.
- Suspend Future Cost Calculations until the marketplace stabilizes (use 2015 costs with annual COLA).

We oppose this bullet: “Immediate and temporary suspension of enforcement of retailer ‘take back’ obligation affected by recent closures outside of retailer control (closures 1/1/16 through 4/1/17.)” This provision is counterproductive; it will actually reduce recycling opportunities for consumers in those areas. Those consumers will go from having *some* access to redemption opportunities to having NO access to redemption, that is, no way to get their nickels back. Furthermore, that provision would remove any incentive for the retailers to invite a redemption center to locate on their site.
We also oppose this bullet: “Suspends all payments from the Beverage Container Recycling Fund on April 1, 2018.” If this language is included, it could lead to ending the entire program in 10 months, because ALL program payment would end, including payments to redemption centers, cities/counties, curbside operators, glass and plastics recyclers, etc. Over the next ten months, this provision creates uncertainty, and would be a deterrent for any operator to invest in the beverage container recycling system. What operator would open a new redemption center that could be forced to close in ten months due to lack of payments?

If the budget proposal is adopted to increase payments to redemption centers, beneficiaries will include:

Consumers: In the last year, refunds to consumers were $25 million lower than in prior years. A revitalized redemption center infrastructure would create new opportunities for consumers to get their nickels back. Redemption Centers: redemption centers will be sustained financially, and new centers may be able to reopen in underserved areas, benefitting consumers, companies and their employees. Employment: the beverage container recycling program supports thousands of processing and manufacturing jobs at thousands of facilities around the state. Passing this budget proposal will ensure that these jobs exist and may create new jobs as redemption centers reopen. Environment: more recycling means energy savings, greenhouse gas savings and reduced litter and ocean debris. California Manufacturers: there are dozens of California manufacturers that rely on materials from the bottle bill (“CRV”) program, including glass and plastics processors, and glass bottle and fiberglass manufacturers.

The Worldwide Trend is Toward Bringing More Beverage Containers into Deposit Programs

There are more than 40 container deposit programs worldwide. Since the year 2000, there have been 17 new and expanded deposit laws around the world, increasing recycling opportunities for more than 100 million people worldwide. Container deposit programs have been expanded to include more beverage types, like water, in California, New York, Connecticut and Oregon. In Ontario, Canada, wine and liquor were added to their program in 2007. New comprehensive deposit programs started in Hawaii and Germany in 2005; Fiji, Guam, the Northern Territory of Australia, Turks & Caicos in 2011; Lithuania in 2015; and Western Australia, New South Wales, and Queensland in 2016.

For all of the above reasons, the Container Recycling Institute supports the budget provisions that will strengthen the program, and rejects any measures that would weaken California’s container deposit program.

About the Container Recycling Institute (CRI)

CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of used beverage containers and other consumer-product packaging. Its mission is to make North America a global model for the collection and quality recycling of packaging materials. We do this by producing authoritative research and education on policies and practices that increase recovery and reuse; by creating and maintaining a database of information on containers and packaging; by studying container and packaging reuse and recycling options, including deposit systems; and by creating and sponsoring national networks for mutual progress. CRI envisions a world where no material is wasted and the environment is protected. It succeeds because companies and people collaborate to create a strong, sustainable domestic economy.