

# BBBB Hearing 2023

## Empire State Redemption Association's Written Testimony

### Key Points:

- ESRA represents over 110 RCs across NYS; at the beginning of 2023, it was estimated that approximately 20,000 workers participated in making the NYS BB program work.
- Due to tough economic conditions, over 100 RCs have gone out of business.
- This is not because RC owners are bad business people; instead, RCs are failing because they are forced to work on a fixed margin of 3.5 cents per container.
- They are one of the few mom-and-pop businesses in America with revenues capped by NYS! This system works excellently, but only if NYS keeps up with the economic environment!
- The handling fee has stayed the same since 2009.
- To put that in perspective, the minimum wage in 2009 was \$7.50
- Nearly 15 years later, in 2023, the minimum wage is around \$17 more than double! Plus, rent, energy, gas, and inflation have increased significantly since 2009.
- Consider this situation: NYS Senate members were paid approximately \$80,000 in 2009; today, in 2023, you just raised your salary again to over \$140,000!
- State Representatives deserved a raise, and they got it; now it's time to do the same for RCs
- On behalf of over 110 RCs across NYS, we are asking for an emergency immediate increase in handling fee from 3.5 cents per container to at least 5 cents per container.
- This immediate increase in handling fees will make RC service providers healthy enough to easily handle more containers covered under the BBBB, and deposit increases from 5 to 10 cents per container.
- An emergency handling fee and expanded BBBB is not only estimated to bring in an additional \$120M to NYS but also save NY's most effective recycling program.

Good afternoon. My name is Ryan Castalia. I'm Executive Director of Sure We Can, a Brooklyn-based redemption center and nonprofit serving independent recyclers. Thank you to the Chairs for the opportunity to testify today. Thank you for holding this hearing at all, as the need has never been more urgent. The climate crisis is battering our communities with perilous weather events, even as waste and pollution stain our streets, harm people's health, and clog our infrastructure, exacerbating the destructive consequences of climate change. Millions of New Yorkers are in genuine danger of losing their lives or livelihoods. So, it's heartening that the state is meaningfully considering transformative waste policy. I'm here today to push that consideration toward action: it's past time for us to update and reinforce the state's most effective recycling system, and expand the Bottle Bill.

The Bottle Bill works, period. It's demonstrated its efficacy continuously for decades, resulting in the diversion of millions of tons of waste and vast reductions in litter in our communities without cost to the state—in fact, it generates revenue. It's even become a mechanism for environmental justice, creating a low-barrier way for marginalized people from all kinds of backgrounds to become independent recyclers who work, contribute to their communities, and earn a livelihood. In a very basic way, this system makes our communities cleaner and stronger.

The system is so functional and empowering that it's basically been left to its own devices for decades. With today's cost of living, a 5c deposit, established in 1983, isn't a realistic reflection of the value of the material or the labor of those who return it. A study done by Sure We Can this summer indicated independent recyclers in New York City earn an average "wage" of \$5/hour. The handling fee that supports redemption centers is also out of date. Redemption centers are closing every day because it's too expensive to operate—small businesses providing essential services are collapsing, and making the system at large harder to access for everyone. And finally, many types of containers are arbitrarily excluded from the system. All this neglect combines to hamper its efficacy, put more trash on the streets, depress small businesses, and keep independent recycling entrepreneurs trapped on the margins.

With three simple updates, an already-working system could reach new heights. A 10c deposit would push our return rates, now at around 70%, up to 90%. It would mean more income for independent recyclers and more revenue for the state for unredeemed deposits. An increased handling fee would allow redemption centers to flourish instead of suffer, creating new access points and driving local economic activity. More containers included would mean a drastic increase in the volume of material diverted from our landfills and waterways.

There are nuances to consider as well; we don't want to see liquor stores, wineries or other businesses burdened with logistics they're not prepared to manage. The system can be structured to invest in and promote access to redemption centers to alleviate those burdens. We want to see the DEC funded from the up to \$200 million in increased revenue in unredeemed deposits to support the administration needed to make those investments, as well as to provide the oversight, transparency, and enforcement for redeemers and distributors that will give everyone confidence in the system and allow it to thrive. We're lucky to have here a system that already exists, and already works, and that with a few small updates can be made even better, for the state, for communities, for the planet. We can't afford to neglect it any longer. I urge you to act quickly and pass the Bigger, Better Bottle Bill.