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Bottle Bill Expansion: Balancing the Equities

Governor Cuomo has drafted legislation to expand the NY State Returnable Container Act:

"To take the next major step forward in reducing litter and protecting the environment, Governor Cuomo will expand the Bottle Bill to make most non-alcoholic beverage containers eligible for 5 cent redemption, including those for sports drinks, energy drinks, fruit and vegetable beverages and ready-to-drink teas and coffee." (<https://www.governor.ny.gov/news/governor-cuomo-announces-bottle-bill-expansion-and-plastic-ban-be-included-2019-executive>)

This expansion makes sense, and it insures that all beverages in the single serve market are treated in the same way. But, what the Governor leaves out, is the need to adapt the law to 21st century fiscal realities. In 1982 when the law first passed, 5 cents was a decent incentive to return a container. In looking at return rates over the past four years, it is clear that the old nickel incentive doesn't have the same impact that it used to have:

2017 Overall: 65%; 2016 Overall: 66%; 2015 Overall: 65%; 2014 Overall: 64%
 (<http://www.bottlebill.org/legislation/usa/newyork.htm>)

That is why, if we are going to finally get the returnable container act to fulfill its mission, we need to raise the deposit to 10 cents-as Oregon did a little over a year ago:

"New state data show that Oregonians are returning fewer beverage bottles to redeem their 5-cent deposit, putting the state on track to double the deposit to 10 cents per bottle in 2017." (<https://www.seattletimes.com/seattle-news/environment/oregon-likely-to-raise-bottle-deposits-as-fewer-get-redeemed/> <https://www.statesmanjournal.com/story/news/2017/03/21/oregon-bottle-deposit-increase-10-cents/99431192/>)

Predictably, this is exactly what happened:

"Oregon's bottle deposit system is recycling more containers than ever before despite major disruptions in global recycling markets. Last year, Oregon recycled 90 percent of the beverage containers covered by its bottle deposit system. The rate has jumped from 64 percent just two years ago and the total number of bottles recycled reached an all-time high of 2 billion in 2018." <https://www.opb.org/news/article/oregon-bottle-deposit-redemption-rate-2018/>

The economics benefits of redemption

The New York Public Interest Research Group (NYPIRG) has analyzed the economic development benefits of the law and has demonstrated that the law helps existing businesses while at the same time fostering the creation of new economic enterprises around the

redemption and processing of returnable containers.

(<http://www.nypirg.org/media/releases/enviro/2013BBBBsurveynewsrelease.pdf>)

"NYPIRG conducted a survey of bottle and can redemption centers across New York State to explore how the 2009 revisions to the New York State Returnable Container Act, commonly known as the Bottle Bill, have affected these businesses. Survey results indicate that the revisions to the Bottle Bill, which included an expansion to bottled water and an increased handling fee, have led to the expansion of redemption facilities, job creation, and the opening of new businesses.

These results suggest that expansion of the state's Bottle Bill to include additional beverages has the potential to create further growth in the bottle and can redemption sector...a third of the redemption centers surveyed said that they had been in business for less than two years at the time of the survey. Presumably most, if not all, of these facilities were opened directly as a result of the Bottle Bill updates, which were adopted in March 2009. According to the DEC, the number of registered redemption centers in New York grew by 113 in 2009 and an additional 131 as of October 2010...

In all, at least 39 new facilities had been opened by participants in this survey in the two years following the 2009 amendments, counting the start-up businesses."

(<http://www.nypirg.org/pubs/enviro/2013.01.04MoreBottlesMoreJobs.pdf>)

The increased deposit will add to the container flow and help these businesses grow-as long as certain other changes are made that we will discuss shortly.

Social and Environmental Justice

Redemption centers are a magnet for a population of folks who have been given the name, "canners." Many of the canners are homeless, or immigrants for whom "canning" is a vital source of income. As one publication points out:

"Francois is part of New York's growing group of canners—people who collect bottles and cans and redeem them for a nickel apiece at redemption centers or supermarkets. Many rely on canning as their primary source of income, but for others—like Francois, 52, currently on disability—it's a way to make extra money and stay busy until returning to work. Although the concept seems like an eco-friendly option for the unemployed, it's not without controversy...

Although New York City has had greater job growth than other cities during the recession, its economy is still weak. David Kallick, senior fellow and director of the Immigration Research Initiative at the Fiscal Policy Institute, points out that while an additional 175,000 low-wage jobs have been added since 2008, the official unemployment rate is 8.5 percent, a figure that does not include those who have given up looking for jobs. The unofficial number is about 13 to 14 percent, which is quite high. Because the majority of canners, like Francois, are poor immigrants, they are at an even greater disadvantage when faced with finding a job." 'Immigrants, especially undocumented immigrants, are excluded from a lot of programs that might help people so when you're really pushed to the edge, collecting cans might be all that you can

do,' says Kallick." (<https://brooklynbased.com/2014/04/24/canners-versus-the-city-the-fight-for-your-recycling-bin/>)

It's estimated that there are around 7,000 canners in NYC. Redemption centers are mostly located in communities of color where you will routinely see many of these canners lining up every morning to conveniently redeem container. This one stop redemption process allows the canners a quick way to redeem their goods and get back to collecting.

(<http://www.dailymail.co.uk/news/article-2641725/The-canners-New-York-City-Meet-community-7-000-turn-trash-treasure-eke-living-streets.html>)

Need for a handling fee increase

Redemption centers are an important infrastructure because-unlike certain retail outlets-they actively encourage redemption:

"Matthew O'Neill, director of the 2013 Oscar-nominated documentary, Redemption, followed New York canners for three years and interviewed more than 100. He noticed that supermarkets often don't abide by the \$12 law, limiting redemption to even fewer containers, and that the staffs tend to treat canners with disrespect. "They're a big pain. They're mean to the canners in general," O'Neill said." (<https://brooklynbased.com/2014/04/24/canners-versus-the-city-the-fight-for-your-recycling-bin/>)

In some cases, certain retailers simply violate the law with impunity-counting on the fact that the canners are poor and lack the resources to challenge blatant illegality.

(<http://nypost.com/2015/06/18/professional-can-man-sues-drug-store-for-refusing-bottle-service/>)

As NYPIRG has documented, the growth of redemption centers-and industry estimates out the statewide employment for these and ancillary facilities at over 10,000 entry level workers-was spurred by the state adding water bottles carrying the 5-cent deposit, and the crucial increase of the handling fee from 2 cents to 3 and ½ cents.

As the organization goes on to point out-underscoring the importance of the handling fee increase-that the new fee; "will encourage more redemption centers to open and expand, making it more convenient to return empty containers."

(http://www.nypirg.org/enviro/solidwaste/bottlebill/more_info.html)

Unfortunately, the 60% increase of the minimum wage in a startup industry whose labor costs account for 40% of all business expenses will be unsustainable; and all of the environmental and economic development gains initiated by the 2009 amendments to the deposit law will be wiped out. The pinch is already being felt:

"Dean Ackley has owned Direct Deposit Redemption Center in Warrensburg for 12 years. He says the \$0.70 minimum wage increase that took effect at the end of December could can his

company. *"It's a good possibility that we could go out of business," Ackley said.*"

<https://cbs6albany.com/news/local/bottle-redemption-centers-hurt-by-minimum-wage-hike>

As part of the Governor's expansion proposal, it is essential that the State also increase the current 3 ½ container handling fee to 5 cents in order to keep up with the state mandated rise in labor costs.

Need to balance the equities

In his press statement the governor's office said, *"Additionally, the Governor will include amendments to the Bottle Bill legislation to address implementation issues and to respond to feedback from stakeholders, as well as enhanced penalties."*

Unfortunately, a close look at the governor's proposed bill indicates that he responded to feedback from an extremely narrow group of stakeholders. We say this because all of his amendments beyond expansion address issues historically raised by the multi-national beverage monopolies who are called "deposit originators" in the language of the legislation-the very entities that need the least help in challenging economic times.

Keep in mind, that these deposits originators-unlike redemption centers-have a disincentive to redeem-since they keep 4 and 1/2 cents for every container that either doesn't come back to them, or that get lost in audits are outright fraud.

Put simply, a large group of stakeholders were never even consulted when the so-called feedback was elicited by the governor's staff. The 400 immigrant owned supermarkets in NYC, and the 1300 bodegas in the Metropolitan area were never consulted. Neither were the scores of redemption centers all over the state.

It is, however, now up to the legislature to balance the equities with amendments that create greater incentives to redeem. This means increasing the deposit and the handling fee that bolsters the infrastructure that supports the canners and struggling families who need redemption centers, neighborhood supermarkets, and bodegas, to thrive in their work collecting cans and bottles.

