

The Bodega Association USA, Inc



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Amending the NY State Deposit Law: The need to raise the handling fee

Governor Cuomo has called for the expansion of the NY State bottle deposit law but adding containers to the deposit mix:

"The expansion of the bottle fee would apply it to "sports drinks, energy drinks, fruit and vegetable beverages and ready-to-drink teas and coffee," according to the announcement. The proposed expansion comes as local governments face challenges with recycling programs after China cracked down on what waste it will accept." (<https://www.governor.ny.gov/news/governor-cuomo-announces-bottle-bill-expansion-and-plastic-bag-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. However, if you are going to increase the kinds of containers subject to the law by roughly 35%! shouldn't you also be considering raising the handling fee-especially for small retailers on the front lines of redemption?

The handling fee is currently 3.5 cents and must be increased to at least 5 cents in order for our stores to be able to meet the increased labor and storage costs that expansion will definitely bring. With a 60% increase in the minimum wage, this handling fee raise becomes even more necessary.

There are 13,000 bodegas in NYC that are under tremendous economic pressure-taxation and over-regulation are forcing hundreds of our stores to close every year-and now the \$15 an hour minimum wage puts even more pressure on our economic survival. (<https://voicesofny.org/tag/bodega-association-of-the-united-states/>)

In the face of all of these challenges, we have also championed the Small Business Survival Act to try to mitigate the disastrous rising commercial rents in NYC. All we are asking of the legislature is that it makes sure we are included in a fair and equitable expansion bill. (<http://takebacknyc.nyc/sbjasa/>)

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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 closer 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.

Put simply, a large group of stakeholders were never even consulted when the so-called feedback was elicited by the governor's staff. Our *bodegueros*, the 400 immigrant owned supermarkets in NYC, the hundreds of convenience stores all over the state represented by NYACS, were never consulted. (<https://www.nyacs.org/>)

And neither, it appears, was the Food Industry Alliance who represents all of NY State's supermarkets. (<https://www.fiany.com/>)

It is, however, now up to the legislature to balance the equities with amendments that create greater incentives to redeem. This means increasing the handling fee that bolsters the front-line infrastructure that supports the vital environmental goals of the Returnable Container Law. It's up to the legislature to make sure that the law works fairly for all of the stakeholders- and not just for those who eat steak.

