



January 7, 2020

Senator Bob Wieckowski  
State Capitol, Room 4085  
Sacramento, CA 95814

**RE: SB 372 (Wieckowski) - SUPPORT**

Dear Senator Wieckowski,

Consumer Watchdog writes in **SUPPORT** of your bill, SB 372, which proposes major reform of Californian's bottle deposit system by shifting responsibility for the recycling of empty beverage containers from the state to beverage producers, distributors, and retailers. This approach of Extended Producer Responsibility (EPR) for the end-of-life of empty beverage containers has proven to be the best model for generating the highest redemption rates in the most successful bottle deposits systems in the country and around the world.

California's current deposit system is a consumer rip-off on the verge of collapse. Consumers pay hundreds of millions of dollars year at retail checkout counters for soda, juice, beer, and bottled water, but get little more than half of that money back directly. Our system, built on the backbone of failing redemption centers, more than half of which have closed during the last six years, is currently the most inconvenient out of 50 programs around the world.

Our research shows that as redemption centers disappear many retailers are not fulfilling their legal responsibility to act as recyclers of last resort. The system is so broken that retailers do not even have a legal way to efficiently process and be paid for the bottles and cans whose deposits they refund to consumers. Since they are not certified recyclers, retailers are limited to receiving nickels and dimes back from redemption centers like any average consumer and are subject to daily return limits.

Consumer Watchdog's year-long investigation of the system and others like it around the world has found that best practices are not being put to use in California. The report, *Trashed: How California Recycling Failed And How To Fix It*, can be found here:

<https://www.consumerwatchdog.org/report/trashed>

Experience shows that the most successful EPR systems, with the proper legislative framework and state oversight, boost redemption and recycling rates.

Their characteristics are broad and convenient access to deposit redemption, including at retail stores, higher deposits that incentivize redemption, and better consumer education about

return options. The chart below summarizes how California compares to successful programs elsewhere.

### CHARACTERISTICS OF BOTTLE DEPOSIT PROGRAMS

Characteristic	Oregon	Michigan	Norway	Germany	Lithuania	CA
Redemption Rates	81%	89%	95%	98%	93%	*66%
Beverage Industry Responsible For Running Program	YES	YES	YES	YES	YES	NO
All Retailers Required To Redeem	YES	YES	YES	YES	YES	NO
Deposit Amount	10 CENTS	10 CENTS	UP TO 30 CENTS	UP TO 25 CENTS	13 CENTS	5 TO 10 CENTS
Curbside Haulers Collect Consumer Deposits	NO	NO	NO	NO	NO	YES

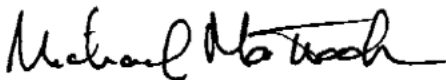
*\*The 66% redemption rate was calculated by the Container Recycling Institute based on CalRecycle data subtracting 12% of containers collected by curbside haulers and dropoff recycling programs and redeemed by them instead of by consumers.*

SB 372 importantly adopts this framework for reform by creating an EPR system. As the process moves forward, we urge you to amend the legislation to include other aspects of the programs that have worked across the nation and world. These include consumer convenience based on mandated return to all major retailers so that consumers can redeem bottles and cans where they buy them, as well as preventing curbside haulers from collecting consumer deposits.

In addition, we urge you to protect high-volume recycling processors who remain today and make sure the beverage industry gives them preference for their fealty to the current system as it develops a new one, similar to minority business contracting preferences in state government. We applaud the inclusion of wine bottles as California’s hallmark beverage and toast of the state should not be excluded from the redemption program.

Consumer Watchdog urges an “AYE” Vote on SB 372 and looks forward to working with you to improve and pass the measure.

Sincerely,



Michael S. Mattoch  
Counsel & Advocate, Consumer Watchdog

Cc: Senator Ben Allen, Chair Senate Environmental Quality Committee  
Genevieve Wong, Chief Consultant, Senate Environmental Quality Committee