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CRI Response to Closure of Nearly 300 Bottle Redemption Centers in CA *State's Recycling System Needs Significant Overhaul for Consumers and the Environment*

CULVER CITY, CA, AUGUST 7, 2019 – This week's closure of 284 recycling redemption centers (RCs) by rePlanet, the largest operator of such centers in California, marks the latest and most significant setback to the state's container deposit system (referred to as a bottle bill). Now is the time for Gov. Gavin Newsom to work with the state legislature and the California Department of Resources Recycling and Recovery (CalRecycle) to overhaul the bottle bill, which historically has resulted in the recycling of more than 50 million beverage containers daily – 20% of the nationwide total – in the process saving enough energy each year to power the equivalent of 300,000 households.

It is particularly troubling that this situation was entirely preventable. For the past three years, the [Container Recycling Institute](#), a Southern California-based nonprofit recycling authority, has repeatedly drawn attention to the dire consequences caused by inadequate RC processing payments from CalRecycle, the state agency that administers and provides oversight for recycling programs.

Because of these underpayments that have prevented a significant number of RCs from remaining solvent, along with historically low scrap prices and minimum wage increases for RC employees, more than half of the state's nearly 2,600 RCs in operation in 2013 have since closed, and California's recycling rate has dropped 10 percentage points (from 85% to 75% for all beverage containers combined). In addition, the loss of RCs has meant fewer jobs – the termination of 750 in the case of the rePlanet RC closures alone.

While California strives to be “best-in-class” on environmental issues – from addressing our climate crisis to keeping plastic out of our oceans – the state's bottle bill actually remains one of the most inconvenient in the world. There are more than 50 container deposit programs across the globe, but only California employs a payment system that imparts such high levels of financial risk and uncertain and inadequate payments to RCs. Because other systems don't have these flaws, none of them would allow – as California's law has – one-fifth of their redemption locations to close in one week (part of over one-half during the last five years), with no realistic backup plan in place.

The consequences for consumers and the environment are dire. Deposit systems typically result in beverage container recycling rates two to three times higher than the rates of other recycling programs – making structurally sound deposit systems crucial to reducing energy use and carbon emissions because fewer containers need to be made from virgin materials. Besides seriously impacting the environment, the availability of fewer RCs also means fewer opportunities for consumers to get back their bottle deposits. According to CalRecycle, in fiscal year 2017-18, Californians lost out on \$308 million in unredeemed deposits – an all-time high for the state.

The solution to California's bottle recycling crisis requires two approaches: 1) a significant overhaul of the current system, and 2) specific immediate actions by CalRecycle.

At a minimum, structural changes to the container deposit system should include:

- An expansion of the system to also accept wine and spirit containers;
- An increase in the container deposit from 5 cents to 10 cents to incentivize more bottle returns; and
- Predictable and sufficient funding for RCs.

California's leaders can look to Oregon for an example on how to maintain, expand and continuously improve a container deposit system. In the past several years, Oregon has authorized the development of more RCs (with 20 new sites opened), increased the deposit from a nickel to a dime, and simplified the bottle drop-off process with a consumer-friendly program called "BottleDrop." As a result, the state's container deposit redemption rate increased from 64% in 2016 to 81% in 2018.

Regarding CalRecycle, CRI applauds the agency for taking swift action this week to update information on its website. The newly closed RCs have been removed from the website and a list of retailers that redeem in-store has been added. CalRecycle should also immediately:

- Prioritize enforcement of the "return-to-retail" commitment of the 1,000-plus beverage retailers (including supermarkets) that have pledged to accept back empty containers and provide refunds to consumers.
- Instruct beverage retailers that are not currently return-to-retail sites to place signage directing consumers to the nearest location for redeeming containers.

If the current downward commodity pricing trend continues without structural adjustments to California's processing payment formula, RCs' cumulative net losses will inevitably force even more of them out of business. Further closures will mean additional reductions in recycling opportunities, less recovered income for consumers, fewer jobs, and significant harm to the sustainable economy and the environment.

It is incumbent upon all of us to communicate with elected officials on the need to restore adequate processing payments to RCs to not only keep California's vital recycling system alive, but to make it truly "best-in-class."

The nonprofit [Container Recycling Institute](#) is 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.

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California's Beverage Container Redemption Center Crisis: Facts and Figures

- In 2013, at the deposit program's peak, 2,578 RCs operated in the state.
- According to CalRecycle, before this week, 1,506 of those RCs remained open.
- With the loss of the 284 rePlanet sites, the number now stands at 1,222, meaning 53% of the state's RCs have closed since 2013.
- Before the rePlanet RC closures, California had only one RC for every 26,000 people, with several "recycling deserts" providing virtually no access. Oregon, despite having a population only one-ninth that of California's, has at least 40% more redemption locations.
- On average, factoring in the loss of the rePlanet RCs, each remaining center in California now must accommodate 122% more people than they did in 2013.