Senate Commerce Subcommittee meeting – SSB 1087

Feb. 2, 2021

Good afternoon. My name is Linda Schreiber. I'm a native Iowan and a longtime Johnson County resident. Today, I am speaking on behalf of the League of Women Voters.

Iowa's "bottle bill" represents some of our state's most successful legislation. Passed in 1978 and adopted in 1979, the original law was revolutionary and focused on keeping our roadways free of litter. Its success is noted by 40-plus years without change to the original law. Discussion, yes; change, no.

It was a global pandemic that brought to light new issues that should be addressed in 2021 to reflect 21st century: technology, our environment and redemption and supply issues.

This new proposal that you are discussing today (SSB 1087) is an attempt to direct our attention to a shiny new object that does not address all of the issues. A financial account requirement is a diversion. While an account may benefit established businesses, a financial bank account won't help those whose income is so limited that they don't have an account.

One of the current **Bottle Bill's best features is that it's self-funded** - **it doesn't cost taxpayers anything**. The cost is borne by the distributors/manufacturers. Here's how it works: Distributors charge grocery stores/retailers, etc. a 5 cent deposit. In turn, grocers/retailers charge consumers a 5 cent deposit. *Now, the grocer/retailer is whole*. When the consumer returns the containers they are paid 5 cents by the grocer. *Now, the consumer is whole*. When the grocer/retailer returns the containers to the distributor/manufacturer, the grocer/retailer is paid 5 cents PLUS 1 cent handling fee by the distributor. *Again, the grocer/retailer is whole and ahead – because they have received a **1 cent handling fee***. When the containers aren't redeemed it's *the **distributor/manufacturer that is ahead*** because they have kept the 5 cent deposit fee charged to the retailer/grocer for the initial sale.

Both the **deposit and handling fees should increase**. A 40-year span without an increase can't keep up with the Consumer Price Index. Increasing the deposit fee will increase redemption, which will keep containers in the supply chain. Manufacturers felt the pinch when **redemption was halted** due to the expanding coronavirus pandemic (March – July 2020) - although the Center for Disease Control and Prevention (CDC) reported recyclable containers at redemption points do not impact virus spread.

Increasing the handling fee for grocers/retail and redemption centers allows them to invest in **reverse vending machines** to provide a clean, convenient facility redemption experience for their customers. **The machines are the first step to proper recycling** of plastic, aluminum and glass to meet a container's full life cycle and highest use. Too often recyclable containers thrown in recycling bins are contaminated by nonrelated materials, which means the containers have a single-use – one that is used only one time only and is unable to maximize its life expectancy of multiple uses. Plastic, the biggest offender, isn't just a litter issue – because if contaminated it must be landfilled where it takes decades to break down and leaches into

Iowa's waterways and eventually the ocean and along the way negatively impacts wildlife and our environment.

Reverse vending machines' ability to provide a clean, convenient redemption **experience addresses the major complaint of grocers** – it's unsanitary. Locating redemption facilities at their building's outer exterior walls is a feature of good design and customer convenience.

Recycling is a good thing but it comes at a cost. Let's remember, currently the public doesn't incur the costs of the Bottle Bill redemption requirements. **Adding recycling programs is a cost for municipalities which is ultimately passed on to taxpayers**. And most apartment dwellers in the state of Iowa do not have access to recycling programs.

Let's remember too that today, water outsells carbonated and alcoholic beverages. The **law should be expanded to include beverages** (water, tea, juice and sports drinks) **that use the very same containers as current beverages covered by the existing law**. Implementing a **phased-in approach** to expand the containers allowed for redemption will increase redemption and improve supply chains for manufacturers and reduce their need for virgin materials to manufacture containers.

A major complaint of the grocery industry is that not all retailers are redeeming containers they're selling. Therefore, lawmakers must determine **greater and more stringently-enforced penalties to assess violators** and determine what agency will assess the penalties to ensure adherence to the law. ***Repeat violators should face increased penalties***.

And perhaps convenience and smaller and big box stores **should be required to maintain contracts for redemption services** and pay increased fees for such a service or provide the redemption itself.

Maybe America should have a federal law to address this problem. Until that happens, we must tackle this problem right here at home. And we can do it. The proposals we've cited will create jobs, often for those with disabilities and the disadvantaged who collect and redeem containers to supplement their low incomes.

I urge you to address **updating the entire bill** as a whole by addressing technology, the environment and redemption. Do not take a one-step-at-a-time approach. The elephant is in the room (no pun intended) the **grocery industry wants the bottle bill repealed and a majority of Iowans do not**.

Let's NOT literally kick the can down the road. Let's **keep the attributes of the law that are desirable – self-funding** – and continue to **find ways to make redemption attractive by increasing the deposit and handling fees and phasing-in other beverages that use the very same containers** which will increase redemption and help manufacturers with supply chain inventories.

It really is a win (for distributors), a win (for retailers), a win (for consumers) and win (for redemption at grocers/redemption centers) – which ultimately means it's also a BIG win for Iowa's environment. THANK YOU.