

Comment Report

State Government
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Name: Linda Schreiber

Comment: Please see attached comments.

Iowa's revolutionary bottle bill legislation does not cost taxpayers one cent: the cost is borne by those who profit – distributors and retailers (grocers). I am writing to urge you to continue, update and expand Iowa's bottle bill to contain measures that benefit Iowa consumers and our environment.

- Lawmakers should expand the redemption to include more bottles and cans that use the very same containers (i.e., bottled water, tea and energy drinks) as current beverages covered by the existing law.
- Lawmakers should increase the deposit fee. Increasing the deposit fee will increase redemption.
- Lawmakers should increase the handling fees. A sufficient increase in the handling fee will make it economically viable to encourage retailers to continue redemption and perhaps attractive for those who aren't redeeming to opt-in instead of pushing the Legislature to opt-out or repeal this popular legislation. An increase may encourage entrepreneurs to launch a new redemption business.
- Lawmakers should shift the responsibilities for administration of the container deposit law from the Department of Natural Resources to the Department of Revenue. This approach would be fiscally responsible, accountable and traceable. The Department of Revenue is ideally suited to create procedures to track unclaimed deposits and follow the money, which is at the heart of this issue.
 - Lawmakers should also create a process for groups to apply for unclaimed funds to either a) expand, remodel or locate redemption centers and b) for environmental purposes (this measure may encourage more Iowans to redeem containers).
- Lawmakers should increase and stringently-enforce fines and penalties assessed to violators and determine what agency will ensure adherence to the law.
- Lawmakers should add a trigger to initiate an automatic increase in fees at an appropriate point to provide a timely revenue-generating mechanism.

Redemption allows containers to reach their maximum usage of multiple uses. Recycling, while good, is too often contaminated which limits a container's life to a single-use before it's landfilled. It's also important to remember that recycling is a cost to municipalities, which is passed on to taxpayers. Often apartment dwellers do not have access to recycling and not all Iowa communities offer their residents recycling programs. The current bottle bill is net-neutral for taxpayers.

Grocers/retailers have used the argument that redemption is too unsanitary to be located within their stores. However, it doesn't have to be. Redemption centers should ideally be located on a building's most outer walls to be convenient to customers and away from the internal operations of the grocery. In many ways, grocers have flaunted their ability to circumvent the law. Distributors aren't living up their part of the bargain either – they aren't collecting redeemed containers promptly to avoid storage issues for retailers.

Redeeming where beverages are purchased is the best approach for consumers – it's convenient and saves time and another trip. Asking consumers to drive 10 miles to redeem a deposit may mean the inconvenience isn't worth redeeming given the cost of fuel, wear and tear on roadways and time involved. To be successful, we must make it easy and convenient for customers.

There are too many questions with Droppett systems to endorse this method (see attached Droppett fact sheet).

Today, the argument in Iowa is who will profit. It's always about the money – and there's a lot of it involved, which is why there is so much at stake. The grocers want unclaimed deposits from the distributors. Iowa lawmakers should take the money out of the equation and benefit the state's environment that sorely needs help. If legislators take this approach – taxpayers, voters and consumers will win and the environment will win. Distributors and retailers still win from the profits they make from the sale of the beverages.

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Iowa City

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Comment: Droppett Fact Sheet attached

Droppett redemption fact sheet

Promotion for the Droppett's bag drop system states recycling bottles and cans is easy. Users fill a Droppett bag with empty containers, tag it with an identification sticker, and drop it off at a collection site.

But is it really that simple?

Users must create a unique username that is not the same as your email address and password 4-digit PIN. The username and password are created by you when you "register" your card online.

To access your deposit funds, users must visit the website at www.droppett.com and select the login/sign up tab. From there you can see the funds you have available. Users must reach an account balance of \$15 or greater to make a transfer request that moves the funds from the DROPPETT account to a personal checking account. *Transfers take 24-48 hours not including holidays and weekends.*) Users may choose to donate funds to one of *our partner charities* no matter how small your balance is.

Users won't get a receipt. Bags are automatically logged into Droppett software when the individual bag tag is scanned. The amount of receipt will be shown on a user's account after the containers have been picked up and brought back to the processing facility (*Processing of your bags may take 48-72 hours depending on current volume, not including holidays and weekends.*)

Users are encouraged to use the DROPPETT green redemption/recycling bags that are 100% recyclable and tested to withstand the weight of the redeemable containers and Iowa's temperature variances. Glass bottles can be placed in a securely taped box and tagged on the top of the box. Bags and boxes are limited to a weight of 20 pounds.

Droppett bags can be purchased and picked up in rolls of 10 for 2.49 plus tax.

Any plastic, aluminum, or glass beverage container on which a deposit was paid during purchase (often denoted with a 5¢ insignia) is eligible to be redeemed with Droppett.

Although there is no redemption value, any non-eligible containers may be placed in Droppett bags so long as they are sturdy plastic, aluminum, or glass beverage containers that resemble those covered by the bottle bill.

Cons

- Users must create an account and a bank checking account is required
- Account balance must be \$15 before funds can be transferred to a personal checking account
- No receipt is given
- Delay in the time to check account fund balance (transfer 24-48 hours – 1-2 days; processing 48-72 hours – 2-3 days) (a total of 3 to 5 days)
- Bags must be purchased
- No requirement to redeem "dry" containers
- Greater possibility of contamination

Pros

- Any container can be left in a Droppett bag
- Funds can be transferred to one of Droppett's partner charities

Additional Questions

- Where will Droppett trailers be located?
- Who will pay for the trailers? Who is responsible for cleaning and maintaining the trailers?
- Who pays for the required electricity and data lines for Droppett trailers?
- Do the trailers conform to existing zoning and parking lot requirements?
- Redemption may go down creating more unclaimed money for distributors (or the state if the law should change)
- Customers who wait to accumulate \$15 may create a large monetary float for distributors

We must remember some of the folks collecting containers are on the low end of the socioeconomic spectrum who have access to internet nor banking. They need the cash immediately to buy food or pay utilities at a retail location.

Droppett is owned by CRINC, which is owned by Doll Distributors (Budweiser) and Iowa Beverage Systems (Miller/Coors).

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