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Testimony of Susan Collins, Container Recycling Institute
in regard to HF 814 (Beverage Container Deposit Law)
Iowa Ways and Means Committee
April 20, 2021

Dear Chair Hein, Vice Chair Nordman, and Members of the Committee,

As you may know, the Container Recycling Institute (CRI) is a national nonprofit organization and an authority on the economic and environmental impacts of beverage container recycling.

We are writing to **state our opposition to [HF 814](#)** because it would diminish consumers' access to redemption opportunities.

Reduced consumer access to redemption opportunities

This bill would expand the boundaries of convenience zones, thus hurting consumers' access to redemption opportunities. Under current regulations governing convenience standards, dealers are required to take containers back in-store, or to contract with an agent or redemption center that is a **ten-minute** drive from the store. HF 814 would allow a redemption center to be **ten miles** away from a dealer in a county of 30,000 people or more, which in typical traffic, could take customers 20 minutes or more to reach. In more sparsely populated counties of less than 30,000 people, the limits would be 15 miles away, which might take a half hour to drive to. ***In our experience, people are unlikely to drive such distances to redeem containers.***

Dealer-agent provisions in this bill are loosely defined and don't ensure consumer protection

- **Definition of dealer-agent is loose/not specific enough** (section 455C.1, subsection 6)
- **Refund requirements are unspecified:** Section 455C.2, Refund values, states that a dealer agent "shall return the amount of the refund value to the consumer within a reasonable time." The word "reasonable" is open to interpretation, and it could in theory leave consumers waiting.
- **Customer service unclear:** There is no guarantee in this bill that dealer agents must provide adequate customer service—for example in terms of minimum hours of operation—that would be comparable to what consumers now enjoy.
- **Approval process not spelled out:** As currently written, there are no provisions in this bill for ANR to approve or not approve a dealer-agent redemption center.

Enforcement provisions welcome, but need to take effect immediately

We applaud Sections 11, 12 and 13 of HF 814 (sections 455C.12A-12C) because they contain new provisions for enforcement of the deposit law. State agencies have previously lacked the authority to compel dealers to fulfill their obligations to provide redemption for consumers. These three new sections would give ANR the authority to do so, through judicial review and civil penalties. However, the date that these new provisions are slated to go into effect—July 2023—is too far off. ***These provisions should take effect immediately,*** because consumers have been, and continue to be, financially harmed by lack of redemption access. In other words, they can't get their nickels back because there are not enough redemption opportunities. These consumers need immediate relief.

Iowa in the broader U.S. context

Among the 10 bottle bill states in the U.S., Iowa already has among the weakest requirements for redemption access for consumers. These new rules would allow convenience zones to be much larger in geographic scope than they are today. Larger convenience zones means that each redemption center serves more people, *and* that many people have to drive further to redeem their empties: both of which add up to *less convenience for consumers.*

Modernizing Iowa's bottle bill

Instead of reducing consumer access to redemption, the Iowa legislature should expand and modernize this popular deposit law by:

- **placing a deposit on non-carbonated beverage containers**, which now comprise more than half of the beverage market,
- **raising the deposit from a nickel to a dime** to keep up with inflation, and
- **increasing the handling fee** from 1¢ to 2¢ to make redemption a profitable business for redemption center operators. The handling fee has not changed in decades, and there is currently no incentive for business people to open new redemption centers.

Most of the world's deposit programs have requirements for return-to-retail at all stores that sell beverages, and they have more robust enforcement strategies. Iowa would do well to strengthen its redemption system by modernizing the bottle bill rather than increasing convenience zone size and decreasing redemption access for consumers.

Please let me know if you would like to discuss these matters further.

Sincerely,



Susan Collins
President, Container Recycling Institute

About the Container Recycling Institute: CRI is a nonprofit organization and a leading authority on the economic and environmental impacts of beverage containers and other consumer-product packaging.