



April 12, 2022

The Honorable Richard Bloom  
Chair, Assembly Budget Subcommittee No. 3  
on Climate Crisis, Resources, Energy & Transportation  
1020 N Street, Room 447  
Sacramento, CA 95814

**RE: CalRecycle Beverage Container Recycling: Strengthening the Circular Economy with Consumer Recycling Credits and Market Incentives Budget Change Proposal – SUPPORT**

Dear Senator Bloom:

On behalf of the Rural County Representatives of California (RCRC), the League of California Cities (CalCities), and the California State Association of Counties (CSAC) we are pleased to support the California Department of Resources Recycling and Recovery's (CalRecycle) Beverage Container Recycling Budget Change Proposal (BCP) (3970-057-BCP-2022-A1), but also offer several modifications to improve the effectiveness of those allocations.

CalRecycle's BCP seeks to spend \$330 million in unredeemed beverage container deposits to expand consumer access to redemption opportunities, improve the quality of recycled materials, and support reuse of recycled beverage containers. The BCP seeks:

- \$70 million to support mobile recycling programs in rural and unserved areas.
- \$100 million to deploy up to 2,000 reverse vending machines at high schools, colleges, and supermarkets.
- \$50 million to improve quality of recycled plastic and glass beverage containers.
- \$4 million in forgivable loans for new recycling infrastructure and redemption centers.
- \$100 million to double the refund paid to consumers over a limited term of 4-8 weeks.

We support CalRecycle's proposal to use surplus bottle bill revenues to improve consumer access to redemption opportunities; however, we believe several modifications would significantly improve the effectiveness and equity of the proposal.

With the closure of many certified recycling centers, "convenient" beverage container redemption opportunities do not exist for many Californians. According to CalRecycle, three counties have NO recycling centers, seven counties have only a single recycling center, and six counties only have two recycling centers. In five counties, each

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recycling center serves residents living in an area of over 3,000 square miles. Without convenient redemption opportunities, the Program becomes a regressive tax that disproportionately impacts lower-income Californians.

**Mobile Recycling Programs.** We appreciate the BCP's proposal to allocate \$70 million to mobile recycling programs in unserved and rural areas. Mobile recycling programs should be explored as redemption pathways in those areas that may not have the population densities that would support permanent recycling centers. We note that mobile recycling centers should just be one of many tools to increase redemption opportunities for rural and unserved areas, so the state should also explore incentivizing the location of reverse vending machines and staffed recycling centers in those communities.

The keys to success for mobile recycling programs will be effective publication of the availability of those recycling opportunities and frequency of service to a given community. Despite the fact that 565 dealers in unserved convenience zones throughout the state have opted to redeem containers from consumers, it is not clear that consumers know that those dealers will redeem containers or that CalRecycle publishes this information on its website listing community redemption opportunities. Given this gap in consumer knowledge, we believe clear expectations should be established for mobile recycling programs regarding communication and frequency of service.

**Reverse Vending Machines.** CalRecycle suggests allocating \$50 million each to the deployment of reverse vending machines at supermarkets and at high school and college campuses. Because of the severe need, we suggest these funds should be prioritized for award to rural, unserved, and underserved communities.

We fear that deployment of reverse vending machines at high school and college campuses is not the best way to use those funds. First, it is not clear that co-location at high schools would provide adequate access to redemption for the larger community in which that school is located. Additionally, college campuses could be just as easily served by locating reverse vending machines (or other redemption opportunities) in the host community in which the institution is located. For these reasons, we believe that the \$50 million proposed for deploying reverse vending machines at high school and college campus should instead be used for deployment of reverse vending machines in rural, unserved, and underserved communities in general.

**Forgivable Loans.** We support CalRecycle's proposed \$4 million to provide forgivable loans to processors and new recyclers, because we believe this will help them overcome some of the financial barriers to entering the marketplace.

**Increased Refund Values.** The BCP proposes using \$100 million in unredeemed deposits to double the amount of CRV paid to consumers. While we support returning

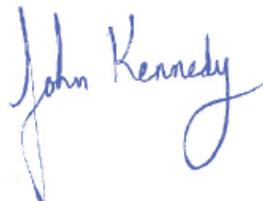
CRV to consumers, we have strong reservations about the merits of this proposal. We urge the Legislature to explore where a \$100 million investment in beverage container collection centers and recycling infrastructure would be a wiser use of those funds and have greater long-term benefits to the state.

If the Legislature is inclined to approve the temporary doubling of refund values, we urge careful consideration to ensure that these moneys get to those consumers in greatest need. Given the limited amount of funding available, CalRecycle anticipates this will only support about 4-8 weeks of redemption. We understand that this is intended to incent consumers to bring in their bottles and cans (and so support the efforts of manufacturers to meet the minimum content requirements established under Assembly Bill 793 of 2020). While we strongly support CalRecycle's efforts to expand consumer redemption opportunities, we are concerned that this \$100 million will be exhausted long before we achieve the necessary expansion. If the Legislature approves this doubling of the refund, we strongly urge that this be delayed until a time when consumers in rural and underserved areas also have an opportunity to claim the increased refund. Without such a delay, we fear that the benefits of this allocation will merely accrue to those Californians who can already redeem their bottles and cans.

**Quality Incentive Payments.** We also support the BCP's increased funding to help improve the quality of recycled plastic and glass beverage containers. Improving the quality of recycled materials will make those materials more marketable, facilitate recycling downstream, and help the state achieve its recycling goals.

**Need For Additional Changes.** Finally, we urge the state to make other statutory changes to compliment these efforts. We believe there is a need to make other changes to the underlying laws to ensure that CalRecycle and the program are able to nimbly respond to changes in the marketplace and ensure consumers have access to convenient redemption opportunities.

Please do not hesitate to contact us if you have any questions.



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cc: The Honorable Philip Ting, Chair, Assembly Budget Committee

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