Empire State
REDEMPTION ASSOCIATION

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New York's Returnable Container Law was not an experiment. It was a carefully designed system, grounded in data, economics, and behavioral science, and it worked almost immediately after implementation. Redemption rates rose, litter declined, recycling infrastructure expanded, and consumers were given a simple, reliable way to recover their deposit while participating in environmental stewardship.

Crucially, the success of that system was never accidental.

The 1985 *Temporary State Commission on Returnable Beverage Containers* made clear that the Bottle Bill would only function if **redemption centers were viable, accessible, and properly supported**. Commissioners explicitly warned that without fair reimbursement for handling costs, businesses would be forced to absorb losses, access would shrink, and the system would ultimately fail.

Those warnings were ignored. Today, they have become reality.

Redemption Centers Were Essential Then — and Are Even More Essential Now

Commissioner Torres stated plainly in 1985 that the establishment of community-based redemption centers was "a concern from the beginning," because these centers relieve pressure on space and labor faced by retailers and increase the effectiveness of the law. Redemption centers were not supplemental or optional; they were a **structural necessity**.

That necessity has only increased.

In 1982, beverage choices were limited. Today, consumers face an explosion of beverage categories, brands, and container types. Entire aisles of modern beverages—sports drinks, energy drinks, teas, juices, flavored waters, and hard seltzers—are sold in containers that consumers reasonably believe are redeemable. Many are not, solely because statutory language has failed to keep pace with the marketplace.

As a result, redemption centers now serve an even more critical role:
they are the front line where consumer confusion meets outdated law.

Consumers do not bring non-covered containers for redemption out of malice or neglect. They bring them because they are trying to recycle responsibly and recover money they reasonably believe is theirs. Redemption centers are forced to handle, sort, store, and reject enormous volumes of non-covered containers—**work for which we are not compensated**.

This is not just inefficient. It's abusive.
It is **systemic unpaid labor caused by legislative inaction**.

The Handling Fee Warning Was Explicit — and Ignored

The 1985 Commission found that the handling fee was already inadequate at that time. Commissioner Torres cited multiple studies showing that actual handling costs exceeded reimbursement, particularly for smaller, independent operators. The Commission warned that unreimbursed costs would not disappear—they would be absorbed by businesses or passed on to consumers in other ways. The latter not even being an option for redemption centers who have no such option.

Despite this clear warning, New York froze the handling fee at 3.5¢ in 2009. Since then, labor costs, utilities, insurance, rent, equipment, and regulatory compliance have all increased dramatically. At the same time, redeemable volume has **declined**, as consumer purchasing shifts toward beverages excluded by statute.

This combination—**rising costs and shrinking compensated volume**—has made continued operation mathematically impossible for many redemption centers. New York State has **forced 200 redemption centers to close** since 2023. That accounts for nearly 30% of the industry.

Closures are not a sign of mismanagement.
They are the predictable outcome of a system operating exactly as the Commission warned it would if the state failed to act responsibly.

Access Has Been Removed — and So Has Consumers' Money

The early Bottle Bill relied, in part, on the assumption that some consumers would choose not to redeem containers—often colloquially framed as "slobs funding the system." That assumption no longer holds.

Today, many consumers **want** to redeem but cannot.

When redemption centers close, access disappears. Consumers lose the ability to reclaim deposits they already paid. This is not a choice; it is a barrier imposed by state inaction. Deposit money does not vanish—it is taken by the very state that imposes the mandated deposit payment. A payment which is now falsely promised to be returned to the consumer.

Community Impact and Loss of Local Funding

The consequences of inaction extend well beyond redemption centers themselves. Community institutions—including schools, youth programs, churches, food pantries, and volunteer organizations—have long depended on bottle and can drives as an equitable, low-barrier source of funding. These drives allowed every resident, regardless of income, to participate in supporting local needs. As redemption access is reduced through center closures, this funding stream is being eliminated. The result is a quiet but significant loss of resources for community services, precisely when economic pressure and food insecurity are rising. This is not an incidental outcome; it is a direct consequence of policy choices that have stripped communities of a functional, inclusive funding mechanism.

Commissioner Strachan warned in 1985 that diverting unclaimed deposits to New York State creates a direct conflict with the law's purpose. While the Returnable Container Act was designed to promote high return rates, taking unclaimed deposits benefits from low return rates. The Commission recognized this as a fundamental policy contradiction.

That contradiction is now fully realized.

New York State, for the first time, diverted unclaimed deposit money to itself in 2009. And 2009 is the last time the Container Recycling System was updated, improved, or changed in any way.

The Unredeemed Deposit Fund No Longer Supports the System

The Commission envisioned unredeemed deposits as a tool to **strengthen the system**—to support redemption centers, recycling infrastructure, and enforcement. That is no longer the case.

Today, unredeemed deposit funds are removed from the system entirely and used for unrelated state purposes. They do not support redemption centers. They do not support recycling infrastructure. They do not support enforcement.

The system is being drained of its own financial backbone while being blamed for failing.

The Result: A System That Still Works — If Allowed To

The evidence is clear: bottle bill systems work when they are modernized, adequately funded, and accessible. States that have expanded container coverage and increased deposits have seen measurable improvements in redemption rates. Simplification and proper financial incentives change behavior.

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New York’s system did not fail.
It was **starved**, **frozen**, and **left behind**.

The 1985 Commission got it right. Redemption centers were crucial then. They are indispensable now. Ignoring that reality has cost businesses, consumers, municipalities, and the environment.

What we are witnessing today is not an unintended consequence—it is the fulfillment of warnings already written into the record.

The solution is not more study.
It is action.

Sincerely,
Jade Eddy