



BOTTLE AND CAN REDEMPTION ASSOCIATION

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February 4, 2013

Joint Legislative Public Hearing on Executive Budget Proposal “Environmental Conservation”

**B.A.C.R.A. (Bottle and Can Redemption Association)
Testimony by Sheila Rivers, Chairperson**

I would like to thank Senator DiFrancisco and the committee members for the opportunity to testify today. I am here on behalf of the Bottle and Can Redemption Association, a trade organization of redemption center owners and operators. Redemption centers play an integral part in the redemption process. We are uniquely qualified to speak of issues regarding the bottle bill and the impact that past and future changes to the law may have on our businesses.

Our businesses are primarily sole proprietorships, partnerships, and family owned businesses. We make our living by redeeming deposit containers for consumers. We are paid a handling fee by the distributors for this service. It is our only source of revenue and the fee is fixed by the state of New York. Unlike any other business we do not have the ability to raise our prices when our costs go up.

Many legislators we have met with over the years have never been to a redemption center and do not have a clear idea of what we do or how we operate. I'd like to give you a brief description of our operations, and invite you to visit any one of our centers.

Consumers bring their bags full of plastic bottles, aluminum cans and glass bottles into our establishments. These containers are often not rinsed. Many are wet and have labels loosely attached. Some are dented or deformed in some way. However, if a deposit can be seen and the product identified we accept it.

We have a variety of handling apparatus, everything from laundry tubs, old bathtubs or homemade counters and tables. When containers are dumped out they can sustain further damage while we sort and count them. Keep in mind these containers are often wet and many brands have labels that do not adhere well. If you have ever put bottles in a cooler of melting ice you know exactly what I am are talking about.

Most of us support bottle drives and fundraisers where we accept large quantities of containers all at once. Often these bags are not sturdy or not tied properly, leading to breakage and further damage as they get stepped on or crushed.

We have a right to refuse containers that are less than perfect, but that is not a good idea for business. Every container we refuse is business we lose. Currently if a redemption center accepts one of these less than perfect deposit containers the distributors MUST accept them from us, and pay us for them. The bill that has been proposed would allow the distributors to refuse to accept those containers. Their intent is to prevent the double redemption of containers that have been processed through a reverse vending machine. The redemption center is already out the nickel and then loses the handling fee as well. This is a loss we cannot afford to take.

Redemption centers do refuse to take containers that have gone through a reverse vending machine, those containers are clearly identifiable. They have very distinct markings left by the machinery. They are easily distinguished from containers that have been damaged by manual handling before or after they reach a redemption center.

We therefore strongly oppose the provision that allows distributors or their third party agents to refuse to accept those containers that we have already paid for.

In 2009 the state gave redemption centers the right to have our counts verified at our location in front of us; this is known as onsite counting. This legislation gave us the leverage to prevent shortages. If this right were taken away we would have no recourse but to meekly accept whatever payment we are offered.

Think of it this way – assume I went into a grocery store, loaded my cart and took my groceries home without paying. After I arrived home I would figure out what I bought and mail a check to the grocery store a few weeks later. This does not make sense; both the shopper and the store would want to accurately verify what was walking out the door.

If this type of offsite counting is allowed we would have no way to insure we are paid for what goes out the door. Many of our members have had this issue, and some have not. Depending on where we are located and who we deal with makes a lot of difference. It also depends on how our product is shipped to the distributor. Some distributors pick up and give us a receipt for what they take. Other redemption centers load their own trailers, this is called a drop and hook pickup. When the trailer is picked up there is no receipt, we don't know what we'll get paid for until the check arrives a few weeks later. The law does not account for these differences. Some distributors accept the count from the redemption centers, others do an audit. The audit system is not defined, and the distributors decide how they will do their counting, what equipment they will use, and what percentage of product they will actually count. There is no standard, and this is what leads to problems and mistakes. Allowing offsite counting as has been proposed will not eliminate problems, but will create them.

The bill makes an attempt to allow redemption centers to oversee the counting process by being present at the offsite count; however this is just not practical. Often the processing facility is many miles from the redemption center. Redemption centers cannot spare the personnel to follow the truck and observe the counting process. Redemption centers need the leverage we have been rightly

granted in order to be sure that we are paid properly for the product we send back to the distributors or their agent.

There are some very positive provisions in this proposed bill that we fully support. Allowing the DEC to write rules and regulations that prevent fraud is a positive step as is requiring the licensing and greater oversight of redemption centers. Attached to this document is a copy of Maine's law that addresses the concerns of redemption centers and has fraud prevention measures. We encourage New York to emulate this law.

Requiring and enforcing beverage sellers to indentify products they sell would assist redemption centers in getting paid. Currently there are many brands that do not comply with the law. Each of us gets thousands of NY deposit containers returned to us that we cannot locate a distributor for. This is a huge economic loss for redemption centers.

Although not a part the proposed budget bill there are two other issues important to redemption centers that we would like to address; expanding the law to include more containers and tying the handling fee to an inflationary measure.

Trends in the beverage market demonstrate why an expansion to include other containers should be considered. For the past six years the sale of soda has continued to decline as consumers turn to healthier beverage choices. Even beer sales are down. There have been significant increases in sales of many products that now do not have a deposit in New York. For example, the sale of sports drinks has skyrocketed; Gatorade grew a whopping 570% after the addition of a low calorie version. SoBe Lifewater increased 76% and Vitamin Water Zero increased 582%. Sales of bottled Iced Teas are also growing at the rate of 6 - 12% every year.

Consumers come in every day completely confused about what has a deposit and what does not. Many assume that zero calorie water beverages would have a deposit, since logically no sugar has been added. However that is not the case. For example Propel Water Zero has a deposit, and Vitamin Water Zero does not. Redemption centers have the chore of pulling out all the non-deposits that consumers bring in and trying to explain why they get a nickel for some containers and not others.

Through the end of last November the state has received revenue of \$335.9 million dollars. Expanding the law would also bring additional revenue to the state and create more jobs.

One of our BACRA members has put together a Power Point presentation that graphically and clearly demonstrates why people are so confused. I have attached that document for your review.

The last major issue that needs to be addressed is how we manage to keep the handling fee that redemption centers are paid in line with cost increases. Other service and retail concerns will raise their prices when the minimum wage goes up. We do not have that ability; our pay is fixed by the state. Before the expansion and the last increase redemption centers in most areas were few and far between, with only around 200 operating in the state.

Since then over 600 new redemption centers have opened, there are over 800 operating now. Using a conservative estimate of 4 jobs created for each new or expanded center that's at least 3600 jobs created, not counting the increase in retail sector jobs. If the handling fee does not keep pace with costs we will once again see a drastic reduction in the number of operating redemption centers, fewer choices for consumers and a reduction in jobs.

The increase in the handling fee redemption centers and retailers received in 2009 brought the payment rate back up to the same level it was in 1982, accounting for inflation. Prior to this there had not been an increase in the handling fee since 1998 when it went from 1-1/2 to 2 cents. Redemption centers were closing their doors in record numbers. I have attached a table to show how the handling fee has compared with inflation over the years.

Our primary concern is that we are able to keep pace with inflation and our rising costs. Accounting for inflation we should now be receiving 3.7 cents instead of the current 3.5. Other businesses who employ low skilled workers have stated they will be forced to raise prices and cut workers. We do not have the ability to raise our prices when costs go up! If minimum wage is raised to \$8.75 that is a 21 percent increase. Just to stay even the handling fee would need to increase to 4.2 cents.

Redemption centers strongly believe the handling fee should be tied to some measure of inflation, perhaps minimum wage. Maine and Vermont understand this. Their handling fee is already 4 cents.

In conclusion, we are small business owners who operate on small margins and count our profits in fractions of cents. We do not have lobbyists. When costs go up for other businesses they raise their prices, we cannot. No other small businesses in this state must tolerate the same limitation.

We urge you to consider the critical role that redemption centers play. Thank you for considering and understanding the impact legislation has on us.

Thank you.

Contact information:

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Attachments: **Maine's Law**
Expand the Bottle Bill Power Point
History of minimum wage
Statewide Redemption Rates
Inflation Calculator in Relationship to the Handling Fee
BACRA Recommendations for Anti-Fraud Legislation

PLEASE NOTE: Legislative Information *cannot* perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Amend the Laws Governing Bottle Redemption

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §1866, sub-§4, ¶A, as amended by PL 2003, c. 499, §6, is further amended to read:

A. In addition to the payment of the refund value, the initiator of the deposit under section 1863-A, subsections 1, 2 and 4 shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 1863-A, in an amount that equals at least 3¢ per returned container for containers picked up by the initiator before March 1, 2004 ~~and~~, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before March 1, 2010 and at least 4¢ for containers picked up on or after March 1, 2010. The initiator of the deposit may reimburse the dealer or local redemption center directly or indirectly through a party with which it has entered into a commingling agreement.

Sec. 2. 32 MRSA §1866, sub-§4, ¶B, as corrected by RR 2003, c. 1, §34, is amended to read:

B. In addition to the payment of the refund value, the initiator of the deposit under section 1863-A, subsection 3 shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 1863-A in an amount that equals at least 3¢ per returned container for containers picked up by the initiator before March 1, 2004 ~~and~~, at least 3 1/2¢ for containers picked up on or after March 1, 2004 and before March 1, 2010 and at least 4¢ for containers picked up on or after March 1, 2010. The initiator of the deposit may reimburse the dealer or local redemption center directly or indirectly through a contracted agent or through a party with which it has entered into a commingling agreement.

Sec. 3. 32 MRSA §1866, sub-§4, ¶D, as amended by PL 2003, c. 688, Pt. E, §1, is further amended to read:

D. Paragraphs A, B and C of this subsection do not apply to a brewer ~~or vintner~~ who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more than one gallon of its product. In addition to the payment of the refund value, an initiator of deposit under section 1863-A, subsections 1 to 4 who is also a brewer ~~or vintner~~ who annually produces no more than 50,000 gallons of its product or a bottler of water who annually sells no more than 250,000 containers each containing no more than one gallon of its product shall reimburse the dealer or local redemption center for the cost of handling beverage containers subject to section 1863-A in an amount that equals at least 3¢ per returned container.

Sec. 4. 32 MRSA §1866, sub-§5-A is enacted to read:

5-A. Plastic bags. A dealer or redemption center has an obligation to pick up plastic bags that are used by that dealer or redemption center to contain beverage containers. Plastic bags used by a dealer or redemption center and the cost allocation of these bags must conform to rules adopted by the department concerning size and gauge. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 5. 32 MRSA §1866, sub-§10 is enacted to read:

10. Bulk redemption. In order to prevent fraud from the redemption of beverage containers not originally sold in this State, this subsection governs the redemption of more than 2,500 beverage containers.

A. A person tendering for redemption more than 2,500 beverage containers at one time to a dealer or redemption center must provide to the dealer or redemption center that person's name and address and the license plate number of the vehicle used to transport the beverage containers. The dealer or redemption center redeeming these beverage containers shall forward that information to the department within 10 days, and the information must be kept on file for a minimum of 12 months.

B. After complying at least once with the requirements of paragraph A, a person need not comply with paragraph A each subsequent time that person tenders to a dealer or redemption center for redemption more than 2,500 beverage containers if:

(1) All of the containers were collected at one location in this State;

(2) All proceeds of the refund value benefit a nonprofit organization that has been determined by the United States Internal Revenue Service to be exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3); and

(3) The person tendering the containers for redemption signs a declaration indicating the person's name, the address of the collection point and the name of the organization or organizations that will receive the refund value.

Sec. 6. 32 MRSA §1867, sub-§3, as amended by PL 2001, c. 661, §6, is further amended to read:

3. Approval. The commissioner ~~shall~~may approve the licensing of a local redemption center if the redemption center complies with the requirements established under section 1871-A. The order approving a local redemption center license must state the dealers to be served and the kinds, sizes and brand names of empty beverage containers that the center accepts.

Sec. 7. 32 MRSA §1871-A, as enacted by PL 2001, c. 661, §9 and corrected by RR 2001, c. 2, Pt. A, §41, is amended to read:

§ 1871-A.Licensing requirements

A license issued annually by the department is required before any person may initiate deposits under section 1863-A, operate a redemption center under section 1867 or act as a contracted agent for the collection of beverage containers under section 1866, subsection 5, paragraph B.

1. Procedures; licensing fees. The department shall adopt rules establishing the requirements and procedures for issuance of licenses and annual renewals under this section, including a fee structure. Initial rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. Rules adopted effective after calendar year 2003 are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A and are subject to review by the joint standing committee of the Legislature having jurisdiction over business and economic development matters.

2. Criteria for licensing rules. In developing rules under subsection 1 for licensing redemption centers, the department shall consider at least the following:

A. The health and safety of the public, including sanitation protection when food is also sold on the premises; and

B. The convenience for the public, including standards governing the distribution of centers by population or by distance, or both;

C. The proximity of the proposed redemption center to existing redemption centers and the potential impact that the location of the proposed redemption center may have on an existing redemption center;

D. The proposed owner's record of compliance with this chapter and rules adopted by the department pursuant to this chapter; and

E. The hours of operation of the proposed redemption center and existing redemption centers in the proximity of the proposed redemption center.

3. Location of redemption centers; population requirements. The department may grant a license to a redemption center if the following requirements are met:

A. The department may license up to 5 redemption centers in a municipality with a population over 30,000;

B. The department may license up to 3 redemption centers in a municipality with a population over 20,000 but no more than 30,000; and

C. The department may license up to 2 redemption centers in a municipality with a population over 5,000 but no more than 20,000.

For a municipality with a population of no more than 5,000, the department may license redemption centers in accordance with rules adopted by the department. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

4. Exceptions. Notwithstanding subsection 3:

A. An owner of a redemption center who is renewing the license of a redemption center licensed by the department as of April 1, 2009 need not comply with subsection 3;

B. An entity that is a food establishment or distributor licensed by or registered with the department need not comply with subsection 3;

C. A reverse vending machine is not considered a redemption center for purposes of subsection 3 when it is located in a licensed redemption center; and

D. The department may grant a license that is inconsistent with the requirements set out in subsection 3 only if the applicant has demonstrated a compelling public need for an additional redemption center in the municipality.

Sec. 8. 32 MRSA §1871-D is enacted to read:

§ 1871-D. Denial of redemption center license

1. Denial of application. The department shall notify an applicant denied a license for a redemption center of the reasons for the denial. Written notification must be sent to the mailing address given by the applicant in the application for a redemption center license.

2. Aggrieved applicants. An applicant aggrieved by a decision made by the department may appeal the decision by filing an appeal with the Superior Court and serving a copy of the appeal upon the department in accordance with the Maine Rules of Civil Procedure, Rule 80C. The appeal must be filed and served within 30 days of the mailing of the department's decision.

Effective 90 days following adjournment of the 124th
Legislature, First Regular Session, unless otherwise indicated.

EXPAND THE BOTTLE BILL

Gregory Swart, Manager
Empty Can Industries, LLC
Tupper Lake, NY 12986

FINE PRINT

THIS PRESENTATION IS NOT TRYING TO PROVE THE BENEFITS OF THE BOTTLE BILL (EVEN THOUGH THERE ARE MANY). THE PURPOSE IS TO SHOW HOW CONFUSING THE LACK OF DEPOSITS ON SOME CONTAINERS CAN BE FOR CONSUMERS, STORES, AND REDEMPTION CENTER OPERATORS, BY SHOWING THE SIMILAR NATURE OF DEPOSIT AND NON-DEPOSIT BOTTLES.

EXPANDING THE BOTTLE BILL TO INCLUDE ALL BEVERAGES IN (AT THE VERY LEAST) ALUMINUM, GLASS, AND #1 PET PLASTIC, WOULD GREATLY REDUCE CONFUSION FOR ALL PARTIES.

IF THE STATE IS GOING TO REQUIRE A DEPOSIT ON A SODA OR WATER BOTTLE, WHY NOT REQUIRE EVERY BOTTLE, ESPECIALLY WHEN MANY OF THE BOTTLES ARE IDENTICAL.

PLEASE NOTE THAT THE BRANDS SHOWN HAVE BEEN APPROXIMATELY SORTED BY THE DEPOSIT INITIATORS (OR ASSUMED) FOR THE TUPPER LAKE, NEW YORK REGION.

BEVERAGE DEFINITION

"BEVERAGE" MEANS CARBONATED SOFT DRINKS, WATER, BEER, OTHER MALT BEVERAGES AND A WINE PRODUCT AS DEFINED IN SUBDIVISION THIRTY-SIX-A OF SECTION THREE OF THE ALCOHOLIC BEVERAGE CONTROL LAW. "MALT BEVERAGES" MEANS ANY BEVERAGE OBTAINED BY THE ALCOHOLIC FERMENTATION OR INFUSION OR DECOCTION OF BARLEY, MALT, HOPS, OR OTHER WHOLESOME GRAIN OR CEREAL AND WATER INCLUDING, BUT NOT LIMITED TO ALE, STOUT OR MALT LIQUOR. "WATER" MEANS ANY BEVERAGE IDENTIFIED THROUGH THE USE OF LETTERS, WORDS OR SYMBOLS ON ITS PRODUCT LABEL AS A TYPE OF WATER, INCLUDING ANY FLAVORED WATER OR NUTRITIONALLY ENHANCED WATER, PROVIDED, HOWEVER, THAT "WATER" DOES NOT INCLUDE ANY BEVERAGE IDENTIFIED AS A TYPE OF WATER TO WHICH A SUGAR HAS BEEN ADDED.

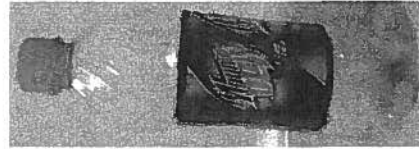
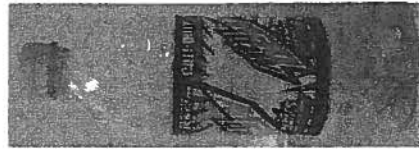
"BEVERAGE" MEANS BEER, ALE OR OTHER DRINK PRODUCED BY FERMENTING MALT, SPIRITS, WINE, HARD CIDER, WINE COOLERS, SODA OR NONCARBONATED WATER AND ALL NONALCOHOLIC CARBONATED OR NONCARBONATED DRINKS IN LIQUID FORM AND INTENDED FOR INTERNAL HUMAN CONSUMPTION, EXCEPT FOR UNFLAVORED RICE MILK, UNFLAVORED SOYMILK, MILK AND DAIRY-DERIVED PRODUCTS.

IF THE NEW YORK DEFINITION (TOP) WAS REPLACED WITH THE MAINE DEFINITION (BOTTOM) OF A BEVERAGE SUBJECTED TO THE BOTTLE DEPOSIT, NOT ONLY WOULD THE DEFINITION REQUIRE 67 LESS WORDS, BUT MILLIONS AND MILLIONS OF MORE CONTAINERS WOULD BE RECYCLED IN NEW YORK EVERY YEAR.

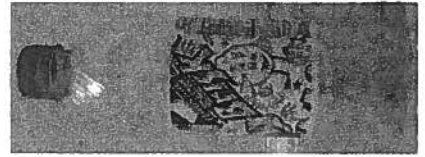
PEPSI 20 OZ BOTTLES

HAS A DEPOSIT

ADDED IN 2009

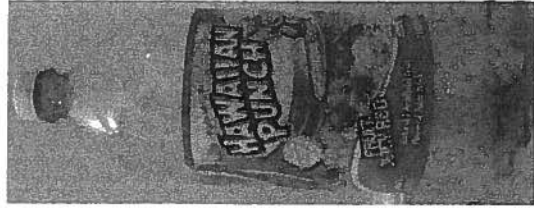
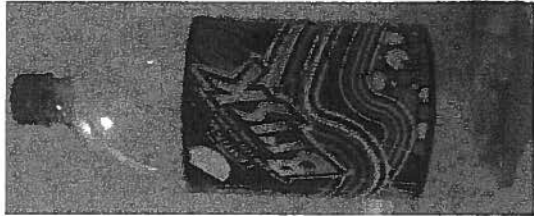
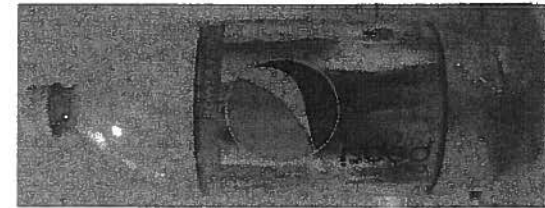
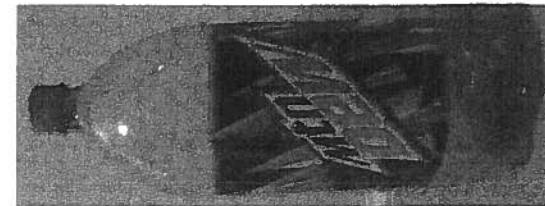
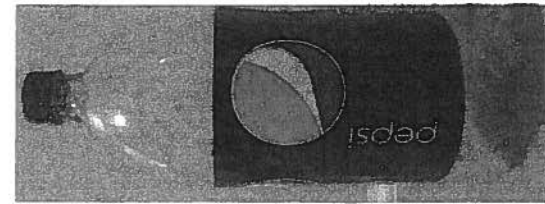


NO DEPOSIT; WHY?

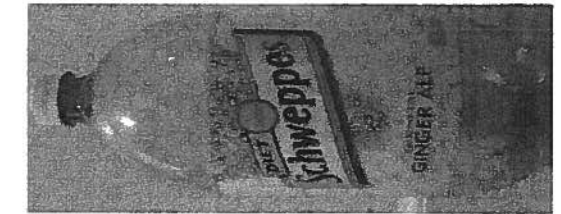
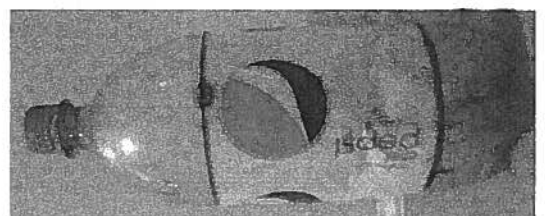


PEPSI 2 Liter

NO DEPOSIT



SIMILAR TO 20 OZ
AND 1 LITER
BOTTLES, THESE 2
LITER BOTTLES
CARRY A MIX OF
DEPOSIT (RIGHT)
AND NON-DEPOSIT
(LEFT). THIS IS
CONFUSING.

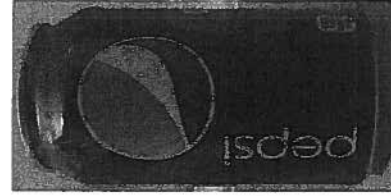


ADDED IN 2009

NONE

PEPSI 20 OZ Cans

HAS A DEPOSIT



NO DEPOSIT



ADDED IN 2009

NONE

MORE PEPSI BANDS THAT NEED A DEPOSIT

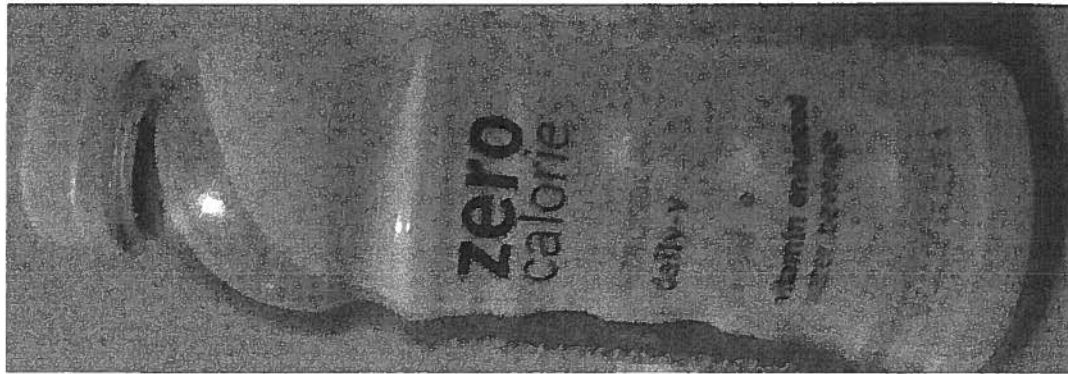


pepsi.com

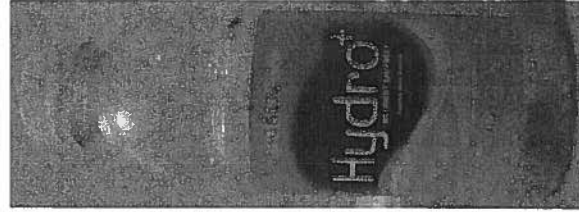
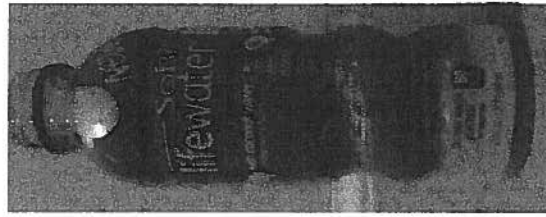
pepsi.com

VITAMIN WATERS

BECAUSE OF THE "WATER" WITH SUGAR" EXEMPTION, MANY "WATER" BEVERAGES DO NOT CARRY A DEPOSIT, INCLUDING THOSE ON THE RIGHT. HOWEVER SOME BRANDS, BASED ON FORMULATION DO CARRY A DEPOSIT (LEFT).



DEPOSIT



NO
DEPOSIT

ZERO VITAMIN WATERS

MANY VITAMIN WATERS ARE MARKED AS ZERO CALORIE . ONE WOULD ASSUME THAT A ZERO CALORIE PRODUCT WOULD NOT CONTAIN SUGAR (AND THEREFORE WOULD CARRY A DEPOSIT). HOWEVER THOSE VITAMIN WATERS THAT A FLAVORED WITH STEVIA, A SUGAR SUBSTITUTE, GENERALLY DO NOT HAVE A DEPOSIT, WHILE THOSE FLAVORED WITH SULCROSE, ANOTHER SUGAR SUBSTITUTE DO CARRY A DEPOSIT. THIS SEEMS TO HAVE BEEN A DECISION MADE BY THE BEVERAGE INDUSTRY AND NOT NYS. THE NYS DEC SHOULD RULE THAT ALL ZERO VITAMIN WATERS SHOULD CARRY A DEPOSIT, BECAUSE AS THEY ARE MARKETED AS ZERO CALORIE DRINKS. IT SEAMS THAT THE COMPANIES CANNOT HAVE IT BOTH WAYS, ZERO SUGAR FOR NUTRITION, BUT CONTAINING SUGAR AS IT RELATES TO THE DEPOSIT RULE. THE SIMPLEST TASK WOULD BE FOR THE LEGISLATURE TO ELIMINATE THE "WATER WITH SUGAR" EXEMPTION.

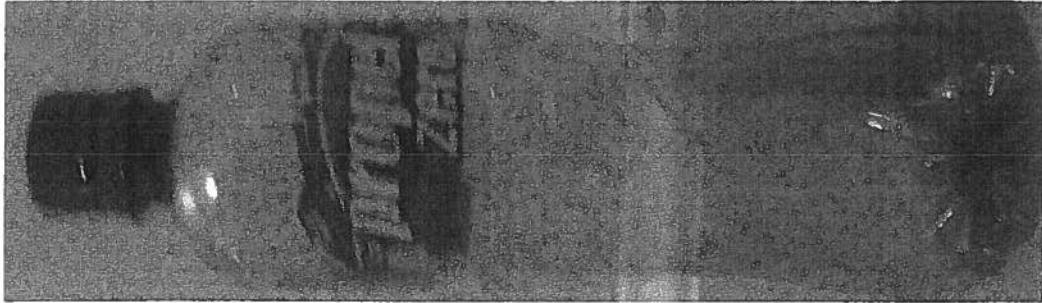


NO
DEPOSIT



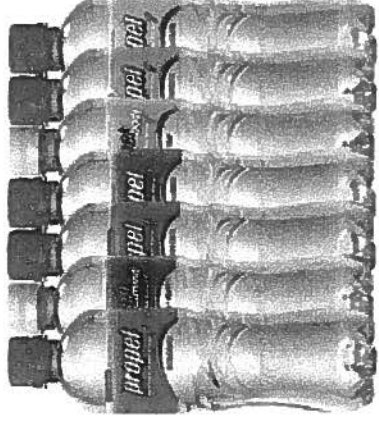
PEPSI.COM

coca-cola.com



PROPEL

HERE IS THE CRAZIEST PRODUCT COVERED BY THE BOTTLE BILL. WHEN THE BIGGER BETTER BOTTLE BILL WAS PASSED IN 2009, IT EXEMPTED WATER WITH SUGAR FROM A DEPOSIT. PROPEL WATER ORIGINALLY DID CONTAIN SUGAR AND DID NOT HAVE A DEPOSIT. WHEN THE COMPANY REFORMULATED ITS BEVERAGE TO ELIMINATE SUGAR AND REPLACE IT WITH SUCRALOSE, A DEPOSIT WAS APPLIED TO THE PRODUCT. THEREFORE REGULAR PROPEL DOES NOT HAVE A DEPOSIT AND PROPEL ZERO DOES.



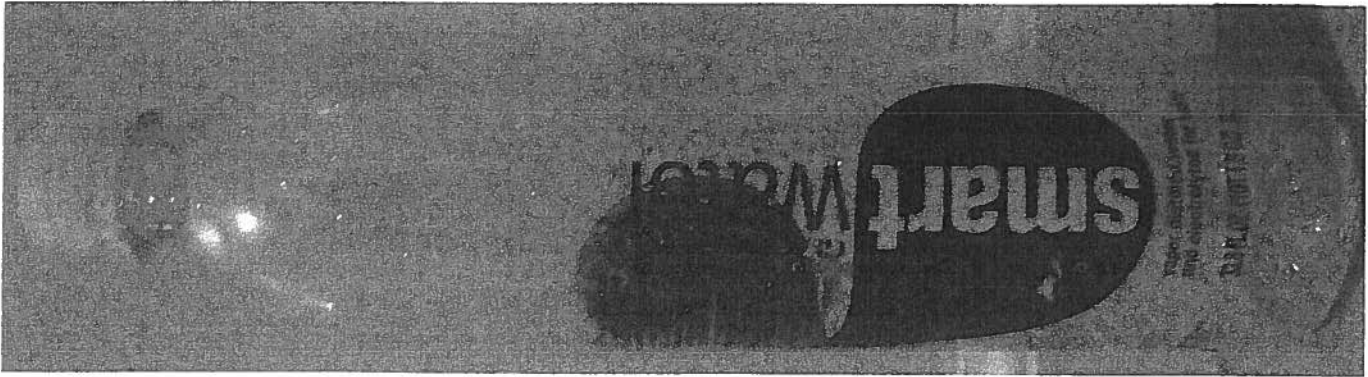
momsneedtoknow.com

NO DEPOSIT

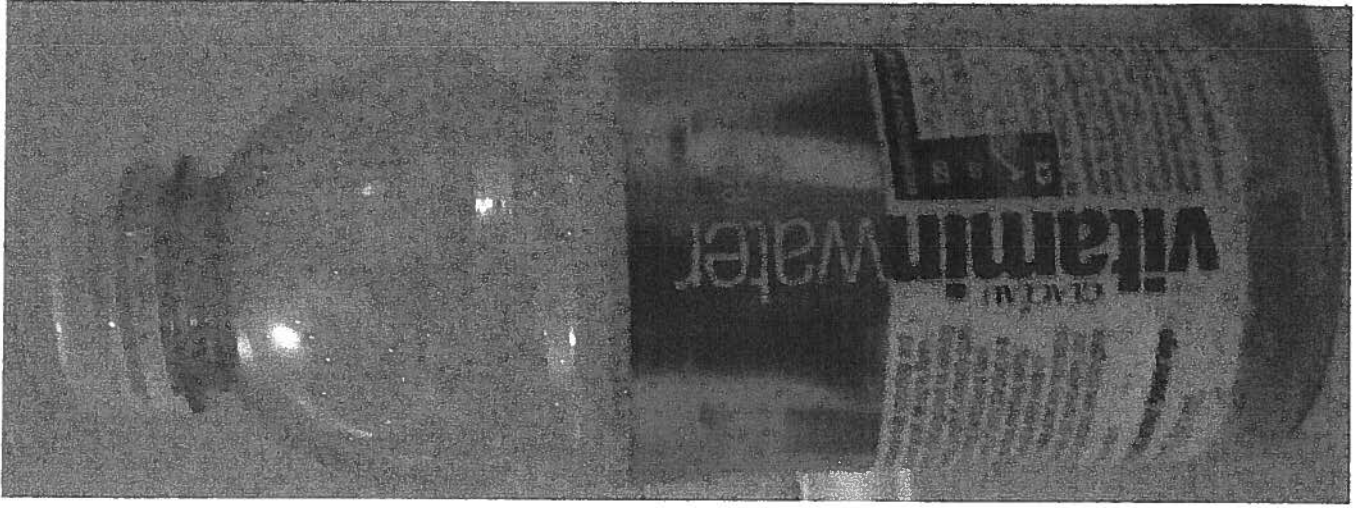
DEPOSIT

Smart water vs vitamin water

THE 2009 BIGGER BETTER BOTTLE BILL
EXEMPTION OF WATER WITH SUGAR
CREATES CONFUSION. THE GLACEAU
SMART WATER CARRIES A DEPOSIT
WHILE THE GLACEAU VITAMIN WATER
DOES NOT

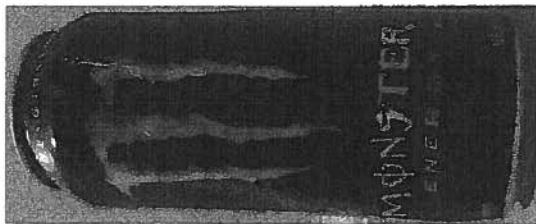


DEPOSIT

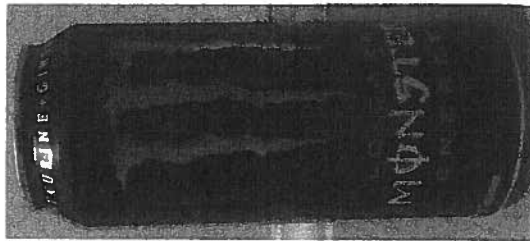
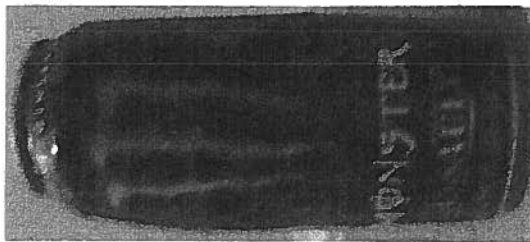
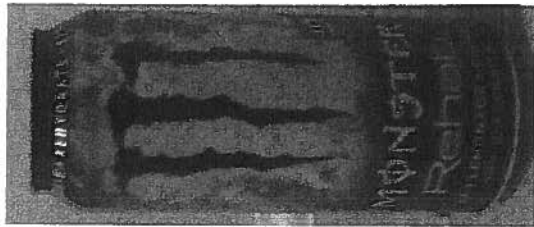


NO DEPOSIT

MONSTER



MONSTER MIGHT BE THE MOST CONFUSING OF ALL OF THE BRANDS. ALL OF THE ORIGINAL MONSTER ENERGY DRINKS (LEFT) HAVE A DEPOSIT, HOWEVER, A GROWING SEGMENT OF TEA AND COFFEE (RIGHT) BASED MONSTER DRINKS DO NOT HAVE A DEPOSIT, BECAUSE THEY ARE NON-CARBONATED. THE CAN BE HARD TO TELL APART, CAUSING CONFUSION.



NO DEPOSIT

DEPOSIT

CAMBELL'S SOUP

HAS A DEPOSIT



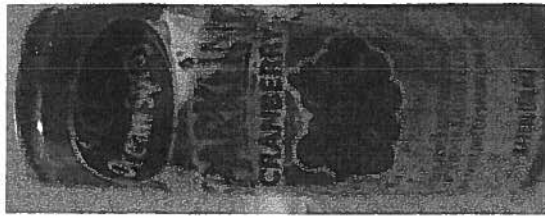
The sparkling V8 (left) has a deposit, the non-sparkling V8 (right) has no deposit.

NO DEPOSIT



HAS A
DEPOSIT

OCEAN SPRAY
NO DEPOSIT

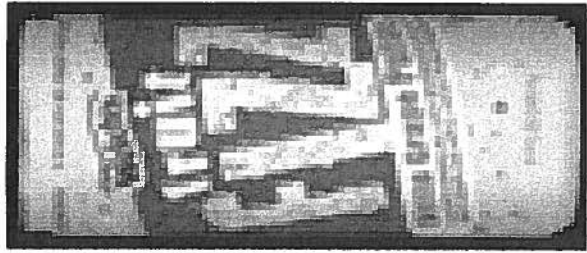


&

WELCH'S

MORE AND MORE COMPANIES THAT
ONCE ONLY SOLD NON-DEPOSIT
JUICE (RIGHT) ARE SELLING
SPARKLING JUICE (LEFT) WITH A
DEPOSIT. THESE COMPANIES HAVE
HIRED THIRD PARTY AGENTS TO
COLLECTED THE EMPTY CONTAINERS.

WITH A SYSTEM IN PLACE FOR
COLLECTION, NOW IS A LOGICAL
TIME TO ADD THE REMAINING JUICE
CONTAINERS TO THE BOTTLE BILL.



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NESTLÉ CANS

WHILE THESE ARE DIFFERENT PRODUCTS, SPARKLING WATER WITH A DEPOSIT (RIGHT) AND TEA WITHOUT A DEPOSIT (LEFT), BOTH ARE PRODUCED BY NESTLE. NESTLE, BY THE WAY, COMPLAINED ABOUT THE INEQUITY OF APPLYING DEPOSITS TO ONLY CERTAIN PRODUCTS BACK WHEN THE BIGGER BETTER BOTTLE BILL WAS PASSED IN 2009 AND BEFORE THEY STARTED SELLING TEA. THEY PROMISED TO FIGHT THIS (PRESUMABLY SAYING THAT IF THERE IS GOING TO BE A DEPOSIT SOME BEVERAGES, THERE SHOULD BE A DEPOSIT ON ALL CONTAINERS) BUT I HAVEN'T HEARD ANYTHING SINCE.



HAS A
DEPOSIT

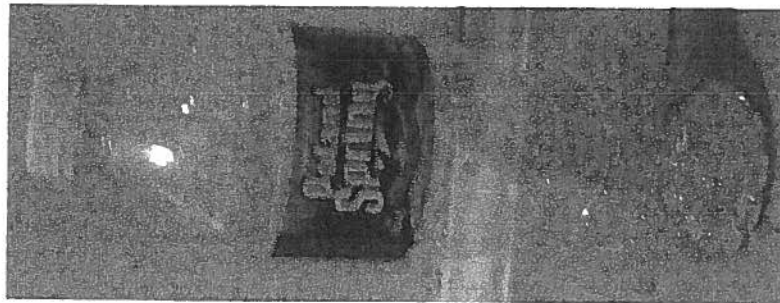


NO
DEPOSIT

NESTLE PLASTIC

WITH THE ADDITION OF WATER TO THE BOTTLE BILL IN 2009, NEARLY ALL NESTLE PLASTIC BOTTLES CARRY A DEPOSIT. HOWEVER THE FLAVORED WATER TO THE RIGHT IS EXEMPTED FROM DEPOSIT BECAUSE OF THE ADDITION OF SUGAR.

CONNECTICUT WHICH ALSO ADDED WATER TO ITS BOTTLE BILL IN 2009, DID NOT EXCEPT WATER WITH SUGAR AND AS A RESULT THE BOTTLE TO THE RIGHT HAS A CT DEPOSIT.



HAS A DEPOSIT

NO DEPOSIT

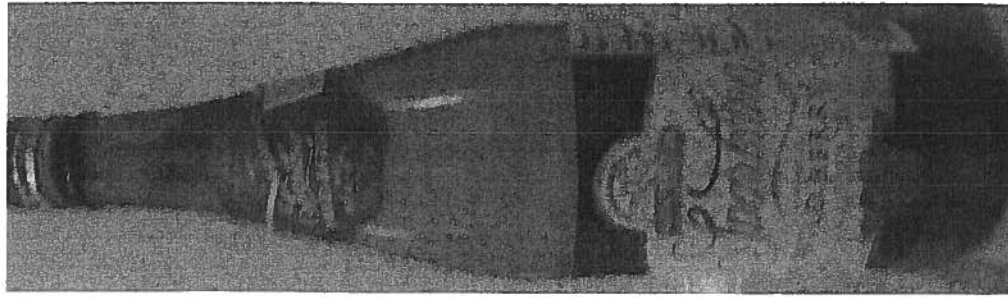


Sparkling Cider

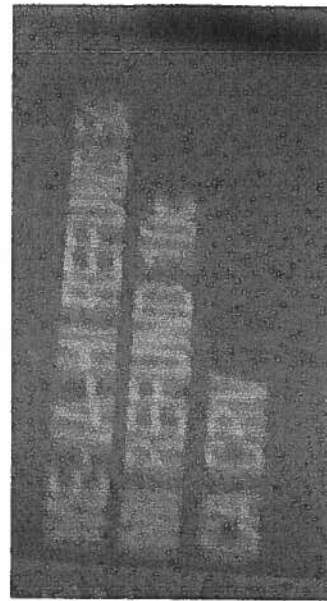
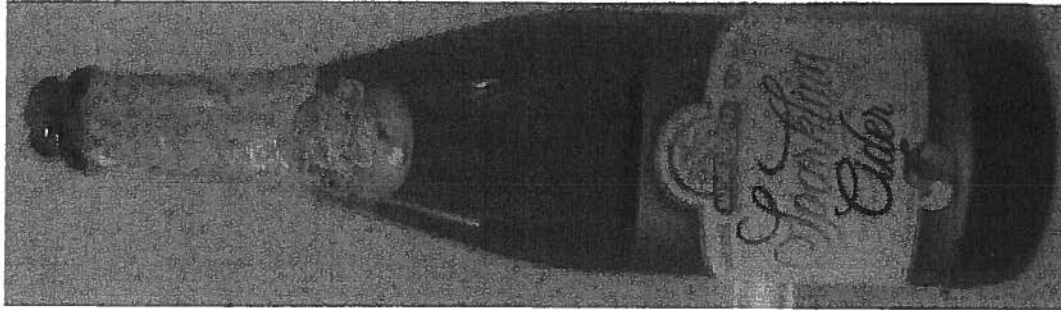
DUE TO A FLUKE IN THE LAW, SPARKLING CIDER (RIGHT) DOES NOT HAVE A DEPOSIT, EVEN THOUGH SPARKLING JUICE DOES (LEFT). HERE AN EXAMPLE USING ALDI BRAND, HOWEVER THERE ARE SEVERAL MORE.

HAS A
DEPOSIT

NO
DEPOSIT

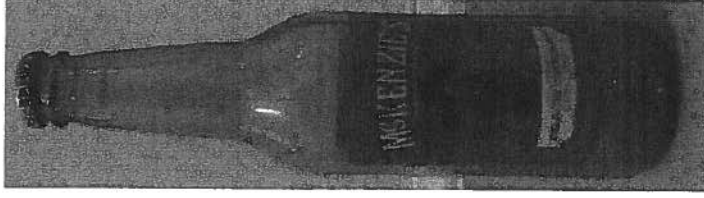


CT-IA-MA
NY-VT REFUND 5¢
MI REFUND 10¢
SERVE WELL CHILLED
REFRIGERATE AFTER
UNSEALING



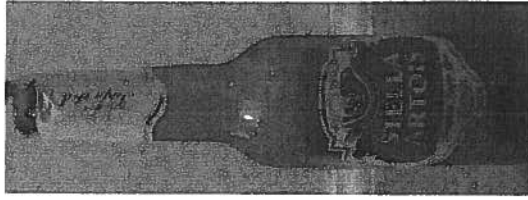
BEER

NO DEPOSIT

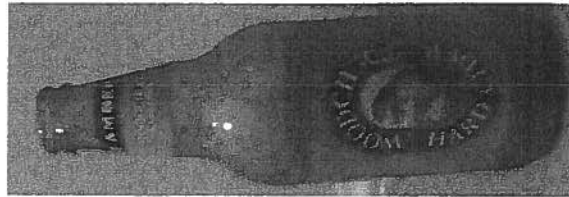


HAS A

DEPOSIT



NO DEPOSIT



BY A FLUKE IN THE DESCRIPTION OF BEER IN THE BOTTLE BILL, HARD CIDER (LEFT AND RIGHT) WERE EXCLUDED. EVEN THOUGH THESE ARE THE SAME AS THE BEER BOTTLE SHOWN IN THE MIDDLE AND ARE SOLD IN GROCERY STORES WITH BEER, THEY DO NOT HAVE A DEPOSIT.

HISTORY OF MINIMUM WAGE IN NEW YORK

date	months between increases	from	to	percentage change	
prior to 1962 rates varied form industry to industry					
October 15, 1962		\$1.00	\$1.15	15.0	
October 15, 1964	24	\$1.15	\$1.25	8.7	
January 1, 1967	26	\$1.25	\$1.50	20.0	
February 1, 1968	13	\$1.50	\$1.60	6.7	
January 1, 1970	23	\$1.60	\$1.85	16.6	
May 1, 1974	53	\$1.85	\$2.00	8.1	
January 1, 1975	7	\$2.00	\$2.10	5.0	
January 1, 1976	12	\$2.10	\$2.30	9.5	
October 6, 1978	34	\$2.30	\$2.65	15.2	
January 1, 1979	3	\$2.65	\$2.90	9.4	
January 1, 1980	12	\$2.90	\$3.10	6.9	
January 1, 1981	12	\$3.10	\$3.35	8.1	Bottle Bill enacted
April 1, 1990	112	\$3.35	\$3.80	13.4	
January 1, 1991	8	\$3.80	\$4.25	11.8	
March 31, 2000	99	\$4.25	\$5.15	21.2	
January 1, 2005	57	\$5.15	\$6.00	16.5	
January 1, 2006	12	\$6.00	\$6.75	12.5	
January 1, 2007	12	\$6.75	\$7.15	5.9	
July 24, 2009	31	\$7.15	\$7.25	1.4	
Proposed 1-1-2013	41	\$7.25	\$8.50	17.2	
Proposed 6-1-2013	53	\$7.25	\$8.75	20.7	

STATEWIDE REDEMPTION RATES

Although the percentage of deposit containers redeemed has fallen, that can be attributed to consumer confusion about what is covered and what is not. For many months after the continued expansion many consumers were still unaware that water bottles were now a part of the system. As awareness increases we hope to see that rate climb again.

Redemption rates:

Statewide Redemption Rates					
	2008	2009	2010	2011	2012
Report Period	10/1/07- 9/30/08	10/1/08-9/30- 09	12/1/09- 11/30/10	12/1/10- 11/30/11	12/1/11- 11/30/12
Reported to	DEC	DEC	Tax & Finance	Tax & Finance	Tax & Finance
Redemption rates:	66%	70%	59%	61%	61%

Inflation Relationship to the Handling Fee

Based on the CPI-U (US Government Consumer Price Index) this is how the handling fee has stacked up over time.

Year	Actual handling fee	handling fee adjusted for inflation	Notes
1982	0.015	0.015	
1983	0.015	0.016	
1984	0.015	0.016	
1985	0.015	0.017	
1986	0.015	0.018	
1987	0.015	0.018	
1988	0.015	0.019	
1989	0.015	0.020	
1990	0.015	0.020	
1991	0.015	0.022	
1992	0.015	0.022	
1993	0.015	0.023	
1994	0.015	0.024	
1995	0.015	0.024	
1996	0.015	0.025	
1997	0.015	0.026	
1998	0.020	0.026	the 1998 adjustment did not increase adequately for inflation
1999	0.020	0.027	
2000	0.020	0.028	
2001	0.020	0.028	
2002	0.020	0.029	
2003	0.020	0.030	
2004	0.020	0.030	
2005	0.020	0.031	
2006	0.020	0.032	
2007	0.020	0.033	
2008	0.020	0.034	
2009	0.035	0.036	increase to rate of inflation
2010	0.035	0.035	negative inflation due to the recession
2011	0.035	0.036	
2012	0.035	0.037	

In addition to the direct impact of a minimum wage increase other costs tied to wages directly impact small employers. Social security taxes, Medicare taxes, UI taxes, workers compensation insurance, they all go up proportionally.

BACRA RECOMMENDATIONS FOR ANTI FRAUD LEGISLATION

Redemption centers are the front line of defense against fraud and we support many measures to reduce or eliminate fraud. Measures we support are listed below.

- Prevent reverse vending machine tampering.
- Prevent out of state containers from being redeemed by requiring redemption centers to collect the names addresses of anyone redeeming over 2500 containers at once. Out of state license plates would be recorded.
- Limit the amount of deposit to be paid by a redemption center or store to no more than the deposit indicated on the label.
- Require more oversight of redemption centers.
- Require a criminal background check before issuing permits to operate a redemption center.
- Require redemption centers and retail stores to have adequate and secure indoor or locked storage facilities.
- Implement a procedure for revoking the permit of any redemption center, third party agent, or retail store that violates regulations or breaks laws.
- Increase penalties for those who violate the law.
- Increase funding for enforcement activities that is conducted by the DEC investigators.