



28 January 2025

**Assembly Ways and Means Committee Chair J. Gary Pretlow
Senate Finance Committee Chair Liz Kruger**

Re: Bottle Deposit Expansion to Include Wine and Spirits Bottles

Dear Chair Pretlow and Chair Kruger,

I am writing to address several concerns regarding the proposed expansion of the Bottle Deposit Law to include wine and spirits bottles. Below are key questions and considerations related to this legislation:

1. **Reverse Vending Machines (RVM) and Diverse Bottle Shapes:**
If spirits bottles are added to the Bottle Deposit Law, how will the various shapes of these bottles be processed through Reverse Vending Machines (RVMs) so that the barcode can be accurately read for brand owner returns?
2. **Bag-in-the-Box Containers:**
How will bag-in-the-box containers be handled for deposit refund under this expansion?
3. **Environmental Considerations: Crushed Glass vs. Intact Bottles:**
While crushed glass has its uses, would it not be more environmentally efficient to reuse intact bottles, thus reducing the need to fabricate new wine bottles?
4. **Handling Non-Reverse Vending Machine (RVM) Redemption Centers:**
If RVMs are not installed at all Redemption Centers, how can we accurately count the number of returns for each brand owner? Will all Redemption Centers be required to install RVMs to ensure accurate tracking?
5. **Handling Glass Bottles in RVMs:**
Some argue that glass bottles can have a “soft landing” in RVMs, making them suitable for separation, washing, and refilling. However, at the October 2023 Environmental Conservation Committee Joint Hearing, Chuck Riegel (SVP, Public Affairs and DRS Compliance, TOMRA) stated that RVMs are designed to break for space and that barcode issues led to a design change in 1972 that no longer allows for the handling of glass in this manner.

6. Logistical Challenges for Redemption Centers

Given that wine bottles cannot be returned to stores where they were not sold, and that many small wineries' products are not sold in grocery stores, wine bottles will need to be returned to Redemption Centers. With the addition of wine and spirits bottles to the deposit law, RCs will face a significant increase in the volume of returns (potentially an additional 318 million wine bottles). Do Redemption Centers have the necessary capacity to handle, store, and process these returns?

7. Collaboration with Wineries for Bottle Reuse

In other regions of the U.S. and internationally, intact wine bottles are washed and refilled with wine. Could New York State collaborate with wineries to establish bottle washing and refilling operations, thus supporting the goals of "Reduce, Reuse, and Recycle"?

8. Impact on Small Wineries

It's important to note that approximately 50% of wineries in the U.S. produce fewer than 1,000 cases of wine per year, and 32% produce between 1,000 and 4,999 cases. Most New York wineries fall into these categories, meaning that we are small businesses with limited resources.

9. Exemption for Small Producers:

Can farm craft beverage producers grossing less than \$5 million annually be exempted from this legislation as stipulated in the proposed EPR law?

10. Unredeemed Deposits and Farm Craft Beverage Producers:

If farm craft beverage producers are included, can unredeemed deposits be returned to these producers and brand owners to help offset the prohibitive costs associated with this program (see below)?

Financial and Operational Costs for Small Wineries

- **Front-End Costs**

Small wineries will have to hire a bookkeeper to manage their finances, which comes with additional costs (salary and benefits). Furthermore, many wineries print thousands of "base" labels for their bottles and then run them through an in-house labeler to add the specific wine name and vintage. These labels need to be large enough to accommodate return information and barcodes. Redesigning and printing new labels, while discarding the thousands of existing labels, would be a significant financial burden on small wineries.

- **Back-End Costs**

Brand owners are responsible for ensuring barcodes are current and accessible in Reverse Vending Machines (RVMs) to track returns and ensure proper billing. However, many Redemption Centers (RCs) do not have RVMs. This means that brand owners must also cover the cost of hiring recyclers or haulers to transport bottles from the RCs to recycling facilities. Additionally, brand owners must reimburse Redemption Centers out-of-pocket for each container returned. These cumulative expenses could be prohibitively expensive for small businesses.

Conclusion

The expansion of the Bottle Deposit Law could present significant challenges for small wineries, including financial burdens, logistical complexities, and environmental concerns. I urge you to consider these factors and work with small producers to find solutions that balance environmental goals with the realities of running a small wine business.

Thank you for your time and consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dave Fitch". The signature is written in a cursive, flowing style with a large initial "D".

Dave Fitch

President, New York Wine Policy Institute