



5.30 ReMA Position on Beverage Container Deposit Legislation¹

Successful recycling in the United States depends on a market-based system to collect, process and manufacture recycled materials into the everyday items and essential infrastructure that we all depend upon, including the roads we drive on and the cars we drive in, the wires that bring electricity and communications into our homes and offices, the bottles that we drink from, and the boxes that bring consumer goods and food into our households. As the Voice of the Recycled Materials Industry™, ReMA represents the infrastructure through which the vast majority of residential, commercial and industrial materials in the United States flow to produce those high-quality recycled materials, and it is our experience that programs that manipulate the flow of these materials through the stream have the potential to unintentionally disrupt established markets and thus must be carefully considered.

As the demand for recycled materials increases within the U.S. and globally, ReMA recognizes the need for industry and policymakers to work together to find ways to get more high-quality material into the recycling stream to be manufactured into new products. *Solutions are needed that are effective and enhance, rather than disrupt, the existing recycling infrastructure and material flows.* The challenge posed by beverage container proposals is that they often create separate, parallel recycled materials systems that disrupt existing supply chains for materials and upend existing recycling contracts and markets, thus effectively creating flow control, which ReMA has long opposed.

Given the complexity of the recycled materials system within the United States, there simply is no one single answer to the need for increasing recycling rates. However, there are several tools and approaches that, taken together, can make a significant difference, including Design for Recycling®, recycled content standards, consumer education, market development incentives and public-private partnerships that promote innovation in recycling such as REMADE and ARPA-E. Decisions to select any suite of tools or approaches must include existing recycling infrastructure – both material recovery facilities (MRFs) and metal recyclers - as part of the design and implementation of such programs. This is equally true when it comes to proposed legislation that considers product stewardship efforts such as beverage container deposit programs or Extended Producer Responsibility efforts.

It is the position of the Institute of Scrap Recycling Industries, Inc. doing business as Recycled Materials Association (ReMA) that: if beverage container deposit initiatives are considered, they must be carefully crafted to prevent negative repercussions on the current recycling ecosystems and consumers. Key considerations include:

- Requiring a needs assessment to study the potential impact on the existing recycling stream and what changes may be needed to compensate for the removal of valuable recyclable materials from the stream;
- Preventing monopolies by ensuring competitive contracting for material flows and processing to account for existing regional recycling infrastructure. Protections should be established for recyclers – MRFs and metal recyclers – currently operating in the state to prevent market disruption caused by flow control;

¹ As adopted by the ISRI Board of Directors on April 15, 2024.

- Compensation of full market value for all materials purchased through the system from recyclers regardless of level of deposit;
- ReMA supports recycling operators, facilities and programs being able to recover prepaid deposits for eligible containers recovered through their sorting and any and all qualified payments that are part of the deposit system;
- Adjusting deposit values only if there is significant decrease or long-term stagnation in redemption rates and doing so has been proven to enhance the program and not be detrimental financially or to the public's perception of recycling; and
- Safeguarding confidential business information to maintain transparent, yet secure, program operations.

By focusing on these principles, ReMA aims to support the growth and efficiency of recycling key materials necessary for a sustainable and secure manufacturing supply chain while addressing processing and policy complexities associated with beverage container deposit programs, with the caveat that this is a living document subject to change in response to legislative changes. For information regarding ReMA's position on legislation covering recycled materials not addressed in this position paper, including non-beverage containers, please refer to ReMA's Position on Product Stewardship.