



March 12, 2021

The Honorable Pat Grassley
Speaker
Iowa House of Representatives
1007 E Grand Ave
Des Moines, IA 50319

Re: Testimony for HF 814

Dear Speaker Grassley:

On behalf of our associations, we write in strong support of Iowa's beverage container deposit program, which provides essential raw and recycled materials to manufacturing industries across the Midwest. To that end, we also want to share our concern about recent legislative efforts to modify the program, specifically, **HF 814**.

Our supply chain and manufacturing member companies heavily rely on the high-quality recyclable materials provided by Iowa's beverage container deposit program, such as aluminum, glass, and polyethylene terephthalate (or PET plastic). The higher quality of material generated by redemption programs versus single-stream curbside is indisputable, and ensures a steady flow of recyclable materials through all of our supply chains, in support of our food and beverage customers. Redemption and recovery of recyclable beverage containers also assists the state, as part of ongoing efforts, to achieve its 50% recycling goal.

This session the Iowa legislature has considered a number of bills that would dramatically overhaul the beverage container deposit program. While many are well-intentioned, the ultimate result may be a reduction in beverage container recovery rates, increased consumer redemption frustration, and less recycled material available for manufacturers to produce new products and packaging.

HF 814 would extend the convenience zone standard (the general requirement for points of redemption) to either 10 or 15 miles, depending upon the county's population. We believe that this extension would result in Iowans redeeming fewer containers. Ten miles is a considerable distance to travel in the higher populated areas of the state, and runs counter to the concept of consumer convenience.

The legislation would also permit any individual to open a beverage container redemption center after providing written notice with the Department of Natural Resources. Again, while this may appear to increase beverage container redemption options, the opposite may be true. Under HF

814, there is no requirement that these new centers be open for a set number of days and hours per week. When faced with redemption centers operating only a couple of hours a day or once a week, consumers may become frustrated and give up on returning bottles and cans, further eroding redemption rates.

HF 814 would permit consumer “bag drop” operations (for covered beverage containers). Oregon already uses such a system, and we support the concept. However, it should supplement Iowa’s current (and required) redemption center and return to retail options, not replace them. As written, HF 814 would allow such collection sites to be designated as “points of redemption”, allowing them to supplant and weaken the existing deposit return infrastructure.

Finally, **HF 814** raises questions on how many containers must be redeemed in order for a consumer to receive their deposit amount back, and how long that would take. The legislation is also silent regarding the number of containers that must be collected to release the deposit funds. While the bill states that a consumer is to receive the refund value from a dealer agent “within a reasonable time”, how long that would take is unclear. Under this proposal, many Iowans will lose access to immediate redemption.

Thank you, Speaker Grassley, for considering our comments. We greatly appreciate your support of Iowa’s landmark beverage container deposit program.

Respectfully,

Tom Dobbins



President and CEO
Aluminum Association

Scott DeFife



President
Glass Packaging Institute

Robert Budway



President
Can Manufacturers Institute

Darrel Collier



Executive Director
National Association for PET
Container Resources