Submitted Electronically through Ecology comment portal

Washington State Department of Ecology
Solid Waste Management Program

Re: Draft Recycling Refunds Engagement Study and Preliminary Recommendations

The Northwest Grocery Retail Association (NWGRA) appreciates the opportunity to comment on Ecology's Draft Recycling Refunds Engagement Study, Public Review Summary, Technical Appendix, and preliminary recommendations. Grocery retailers support practical efforts to increase recycling and reduce litter. However, the current materials do not provide the Legislature with an adequate basis to understand the costs and operational consequences of the proposed redemption network for Washington retailers, nor do they fairly compare a deposit-return system with the convenience and potential improvement of Washington's existing curbside recycling system.

The Technical Appendix confirms retail participants focused heavily on operational feasibility, customer experience, staffing, site management, sanitation, space constraints, employee responsibilities, customer traffic, safety, and potential site-hosting responsibilities. Yet those concerns are largely converted in the main report into a general recommendation for future study, while the report affirmatively recommends maintaining retail-hosted redemption pathways. Before Ecology recommends any model that relies on retailers, the final report should evaluate whether retail sites are appropriate, what the full costs would be, and whether dedicated redemption facilities or improvements to existing curbside service would provide equal or better outcomes without shifting substantial burdens onto grocery stores and their customers.

NWGRA is asking for Ecology to revise the report to the Legislature to ensure recommendations appropriately cover all aspects of costs and convenience. Our requested revisions include:

- Benchmark the convenience of any proposed redemption system against Washington's existing curbside system, including the convenience of recycling at home without storing, transporting, or separately redeeming containers.
- Evaluate the cost and expected recycling benefit of improving curbside collection and filling existing service gaps before recommending a parallel statewide redemption network.
- Remove any presumption that grocery retailers are appropriate redemption-site hosts. Retail participation should not be recommended without a comparative analysis of retail-hosted sites, dedicated redemption centers, mobile collection, and other alternatives.
- Quantify retailer costs and operational impacts, including capital, equipment, space, parking, labor, sanitation, pest control, security, insurance, maintenance, storage, transportation, customer impacts, and lost productive use of retail property.
- Evaluate the combined effects of a deposit-return system and the Recycling Reform Act, including duplication, stranded or underused infrastructure, changes to curbside economics, consumer confusion, and whether the incremental benefits justify the total costs.
- Revise the final recommendations so the Legislature is clearly informed that the current studies do not establish that a recycling refunds program is preferable to improving Washington's existing recycling system.

I. The Study Does Not Fully Address the Statutory Direction to Evaluate Statewide and Economic Impacts

RCW 70A.208.240 directs Ecology to commission studies of the potential statewide impacts of a recycling refunds program. The engagement process must assess perceived benefits, barriers to participation, and potential economic impacts, and it must solicit perspectives from relevant stakeholders. The statute also requires recommendations designed to ensure that any program is accessible, convenient, equitable, and responsive to community needs.

The Draft Engagement Study expressly states that it did not evaluate implementation costs, funding mechanisms, engineering or infrastructure plans, or whether Washington should adopt a recycling refunds program. That limitation is consequential. Costs and funding were not peripheral issues raised by a few participants; the report acknowledges that they emerged across nearly every audience and that participants requested additional evaluation of impacts on retailers, consumers, producers, local governments, recycling operators, and existing infrastructure. A recommendation merely stating that costs should be evaluated later does not itself provide the Legislature with the economic-impact information necessary to evaluate the proposed network.

At minimum, the final report should clearly distinguish between findings supported by analysis and matters left unresolved. Ecology should not present the recommended network or retail-hosted pathways as validated while deferring the cost, feasibility, and comparative-benefit questions that determine whether those pathways are workable or appropriate.

II. Retailer Concerns Were Documented but Were Not Adequately Reflected in the Recommendations

The Technical Appendix accurately records that retailer interviews focused on operational feasibility, customer experience, staffing, site management, sanitation, potential hosting responsibilities, space limitations, employee duties, customer traffic, and safety. It also notes that retailers brought experience from Oregon and other deposit states and urged the study team to understand the operational impacts on retail businesses. These are central findings, not minor implementation details.

The appendix further reports that several business operators believed retailers would incur operational and infrastructure costs that could ultimately be passed on to consumers. It identifies maintenance, sanitation, storage, contamination, vandalism, and servicing logistics as concerns that affect both operating costs and public perception. Nevertheless, the main report recommends retaining "retail-hosted locations" as part of the future network without quantifying these costs or explaining why grocery stores are more appropriate hosts than dedicated facilities.

The engagement record is also too limited to support a broad conclusion about retail feasibility. Only 16 retailers and commercial property owners completed the survey, and the report cautions that organizational responses should be treated as qualitative rather than statistically representative. The interview process included three retailer or retail-association interviews with approximately 17 participants. Those interviews provide meaningful warning signs, but they do not constitute a statewide feasibility or cost analysis of Washington grocery stores.

III. The Report Treats Retail Locations as Convenient Without Determining Whether They Are Appropriate

The report repeatedly identifies grocery stores as desirable because consumers already visit them. That finding may establish geographic convenience from the consumer's perspective, but it does not establish that grocery stores are suitable or cost-effective redemption operators. The fact that a location is familiar and frequently visited does not demonstrate that it has sufficient space, parking, sanitation controls, staffing, security, storage, traffic capacity, or compatibility with food-retail operations.

The analysis should compare retail-hosted redemption against purpose-built or dedicated redemption facilities using the same criteria. Those criteria should include total system cost, retailer and consumer impacts, sanitation, food-safety considerations, traffic and parking, site security, fraud prevention, material storage, collection frequency, reliability, neighborhood impacts, and the ability to serve high volumes. It should also determine whether dedicated facilities financed and managed by the responsible producers could meet access standards without compelling or effectively pressuring grocery retailers to host redemption activity.

Accordingly, Recommendation 3 should be revised to avoid treating retailer-based collection as a presumptively appropriate component of the network. The final report should state that retailer hosting must be voluntary and should be considered only after a comparative feasibility, and cost analysis demonstrates that it is appropriate for the specific retailer and location.

IV. The Definition of Convenience Does Not Fairly Account for Existing Curbside Recycling

The study asks how to make a separate redemption system convenient, but it does not adequately ask whether requiring a separate return trip is less convenient than the system many Washington residents already use. Curbside collection allows a resident to place beverage containers in a recycling cart at home without storing uncrushed containers, transporting them to another location, waiting for equipment or staff, or completing a separate refund transaction.

The appendix contains evidence supporting this concern. Seven of ten business operators interviewed reported that residents in the communities they serve typically manage beverage containers through curbside recycling. Participants emphasized that Washington differs from other deposit states because it already has a well-established curbside system and residents are accustomed to existing collection methods. One government representative stated directly that curbside is the most convenient option for suburban and rural residents. Half of the business operators interviewed were not supportive of implementing a recycling refunds program, with several questioning whether residents with curbside service would view separate returns as worthwhile.

Despite these findings, the preliminary recommendations define convenience mainly by travel time, site hours, reliability, safety, and fitting redemption into an existing trip. Those factors matter, but they begin after the report assumes that consumers must use a separate redemption system. The analysis should first compare the proposed system with the baseline convenience of recycling at home.

V. Ecology Should Evaluate Improving Curbside and Filling Service Gaps

The final report should evaluate whether equivalent or substantial recycling gains could be achieved by investing in Washington's existing system, expanding curbside access, improving multifamily service, reducing contamination, strengthening public education, and addressing identified geographic or material-specific gaps. This comparison is especially important because the Recycling Reform Act is intended to build and expand on existing recycling infrastructure, and Washington is already beginning a substantial transition to producer-funded recycling services.

The relevant policy choice is not simply whether a deposit system can be designed. It is whether the expected incremental recovery and litter-reduction benefits justify creating and operating a parallel collection system when those same resources might improve curbside recycling for a broader range of materials. The study should compare: (1) expected recovery under the Recycling Reform Act without a deposit system; (2) the added recovery attributable to a deposit system; (3) the cost per additional ton or container recovered; and (4) the cost and performance of targeted curbside and drop-off improvements.

This comparison should include impacts on material recovery facilities and existing service contracts, the loss of valuable aluminum and PET from curbside streams, potential stranded infrastructure, additional transportation and vehicle trips, and consumer confusion created by overlapping programs. Without that analysis, the report cannot demonstrate that a redemption network is the most efficient or convenient investment for Washington.

VI. Recommendation 7 Should Be Strengthened and Completed Before Final Legislative Recommendations

NWGRA supports the report's recognition that implementation costs, funding responsibilities, and broader system impacts must be evaluated. However, Recommendation 7 is framed as future planning rather than work necessary to complete the final legislative report. Because the study has already advanced specific network and site-type recommendations, the cost and impact analysis should occur before Ecology presents those recommendations to the Legislature as a foundation for policy development.

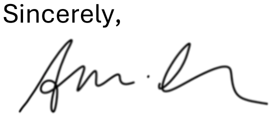
The final report should include, or expressly call for completion of, the following analysis before legislative authorization of a recycling refunds program:

- A retailer cost model differentiated by store format, size, location, redemption volume, and site type.
- A comparison of retail-hosted sites with dedicated redemption centers, mobile services, bag-drop systems, existing recycling facilities, and enhanced curbside collection.
- A full system cost analysis identifying who pays each cost and whether costs are likely to be passed through in grocery and beverage prices.
- An incremental-benefit analysis comparing expected outcomes with those anticipated under the Recycling Reform Act.
- An evaluation of consumer convenience measured against the current curbside baseline, not solely against alternative redemption-site configurations.
- Analysis of public safety, sanitation, neighborhood, traffic, greenhouse-gas, and existing-infrastructure impacts observed in other deposit states.

NWGRA appreciates Ecology's engagement with grocery retailers and the Technical Appendix's recognition of the concerns raised during that process. The primary problem is that the report records those concerns but does not carry them through to the preliminary recommendations. It assumes retail-hosted redemption remains an appropriate pathway, while postponing the analysis needed to determine whether that assumption is justified.

Ecology should revise the final report to benchmark convenience against existing curbside service, evaluate targeted improvements to that system, quantify retailer and consumer costs, compare retail-hosted sites with dedicated alternatives, and assess the incremental benefits of a deposit system in light of the Recycling Reform Act. Until that work is completed, the report should not suggest that a retailer-based redemption network has been validated or that it is the most convenient, equitable, or cost-effective approach for Washington.

Sincerely,



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