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Recommendations on Equity, Incentive Structures, and Redemption Infrastructure for the Recycling Refund Program

1. Concern Regarding Low Recycling Rates and Upfront Costs for Low-Income Communities

I am writing to express my support for improving Washington's recycling outcomes, as our current recycling rate for beverage containers remains low (around 45–50% according to state material flow estimates). While improving recycling infrastructure is necessary, I am deeply concerned about adding an upfront deposit or price increase at the point of sale.

For underserved, low-income, and overburdened communities, adding an upfront deposit on every beverage container acts as a regressive tax. Even though low-income households care about environmental sustainability, forcing them to pay extra upfront creates a financial strain. If the process to get that money back is cumbersome, time-consuming, or requires traveling long distances, the system penalizes those who can least afford it rather than creating a positive incentive.

2. Alternative Model: The Chilean 'Envases Retornables' Framework

Rather than taxing the consumer at the point of sale and forcing them to claim a refund later, Washington should look at international models like Chile's returnable container system (envases retornables).

- * **How the Chilean System Works:** In Chile, beverage producers (bottlers and manufacturers) own and manage standardized refillable glass and heavy-duty PET plastic bottles under Extended Producer Responsibility (EPR) regulations. Retailers and supermarkets are legally mandated to offer beverages in returnable containers alongside single-use options.

- * **How the Incentive Operates:** Consumers buy the beverage at a baseline price. When they bring back an empty returnable bottle to the store, they exchange it to buy a new beverage without paying for the container.

- * **Who Pays:** Beverage producers and retailers absorb the logistics and washing costs as part of their supply chain operations, benefiting from re-using the same glass bottle up to 30–50 times and heavy PET plastic bottles up to 15–20 times.

- * **Financial Structure:** The financial burden (penalization) is placed on single-use, non-recycled packaging through Extended Producer Responsibility (EPR) fees on producers, rather than taxing low-income consumers upfront at checkout.

3. Practical Recommendations for Washington State

Based on these considerations, I recommend modifying the preliminary recommendations as follows:

- * **Shift Financial Penalties to Producers, Not Low-Income Consumers:** Structure the program under Extended Producer Responsibility (EPR) where beverage manufacturers fund the infrastructure. Penalize producers who fail to meet recycling/reuse targets rather than placing a financial burden on working-class families.

* Prioritize Supermarket Reverse Vending Machines (RVMs) for Voucher Exchange: Redemption infrastructure should be integrated into places residents already visit, like grocery stores. Instead of requiring complex cash handling, reverse vending machines (RVMs) at store entrances should scan and accept empty containers and issue direct store-credit vouchers or immediate discounts towards future groceries.

* Incentivize Refillable and Returnable Packaging: Establish structural incentives for retailers and restaurants to offer returnable glass and refillable container options at a lower base price than single-use plastic, encouraging a circular economy without adding upfront cost barriers for consumers.

Thank you for considering these community perspectives as you finalize your legislative report.