



NJ Gasoline, C-Store, Automotive Association
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March 27, 2024

To: New Jersey Plastics Advisory Council
From: Eric Blomgren, Chief Administrator & Director of Government Affairs
New Jersey Gasoline, Convenience Store, Automotive, Association

Re: Bottle Redemption Program

Thank you for the opportunity to comment. The New Jersey Gasoline, Convenience Store, Automotive Association represents mostly small businesses who we feel will be seriously burdened by the implementation of a Bottle Bill.

Part of the concern is about costs, at a time of high food prices, making some of our products more expensive upfront is a concern. It's an even bigger concern if there were to be higher costs on the manufacturers and distributors to print these bottles and track the deposits and redemptions; they would certainly pass that cost on in the price of the product. Credit card fees are also a concern, even though the credit card fee for the deposit fee would be a fraction of a penny per bottle, added up it would be hundreds of dollars per year at even small c-stores. Retailers work on slim margins to begin with, and increasing the cost of any product by even a few cents is something to be avoided.

But much worse than the cost increase is the burden of the redemption process. The entire point of a convenience store is, ultimately, *convenience*. Customers want to be in and out of the store as fast as possible, and the owners of the store want that too. Customer surveys have found the typical c-store customer is only inside the building for under 4 minutes. The business model is grab and go, there is limited parking, some of the customers want to be back to their car with their purchase before the gas pump clicks. Often there is just one employee manning the register, restocking the shelves, cleaning up spills, all while keeping an eye out for shoplifting.

Under this new program there would now be a line building up at checkout so a clerk can sort through a garbage bag of used, dirty and unsanitary containers, removing and inspecting them individually in order to ensure they were in fact sold in New Jersey, then handing the customer some change, and then handling the next customer's food products. Convenience stores are by their nature small establishments, and every square foot they have needs to be monetized in order to stay in business. There is not the space near the register to temporarily store dozens of empty bottles and cans waiting to be deposited in the recycle container outside, which must be locked and monitored in order to prevent people from stealing the bottles so they can be redeemed again.

Perhaps these retailers can sign up for a reverse vending machine, although there can be a financial cost to maintain one, and there remains the burden of continually cleaning it out, as well as the fact that if it stops working the clerk must resume doing all the redemptions manually. Again, there is a limit to the amount of space available and this machine would take up space currently used to sell products at a profit. Some of these machines also only accept certain kinds of materials, so you might need more than one, or still have the clerk exchange some items like glass bottles.

The program also creates yet another record keeping burden for the small business owner, in which they will have to detail all of the garbage collected over a period of likely years, as well as what happened to that garbage so that the State can ensure it was properly recycled.

Another, perhaps unintended, issue with a bottle bill is whether or not it will cover traditional vending machines. If it defines a retailer as any business that offers for sale bottled beverages for off-premises consumption, then it likely would. So a neighborhood auto repair shop, that has a soda vending machine for its customers to serve themselves would therefore be expected to accept the return of bottles? Would the retailer be covered depending on their vending machine business model? Some own the machine and purchase the product themselves wholesale; others contract with a third party who provides the machine and the product and gives the retailer a commission. Is that vendor then the person engaged in the sale of beverage containers, and they therefore would have to provide deposits at some other location? Beyond gas stations, would it affect locations like hospitals, schools, and office buildings that have soda vending machines?

Many of these problems could be addressed simply by making redemptions a voluntary opt-in for retailers, or at least for businesses under 10,000 square feet. Those retailers that have the capacity will choose to opt-in to service their customers, and those that can't make it work wouldn't be burdened.

Better still would be to educate consumers on the current and effective curbside recycling system they already have access to, but may not be engaging in. After all, the beverage containers being sold are specifically being sold for consumption off premises. Recycling should be the obligation of the person who turned a product into waste not the small business who sold it to them. If there is going to need to be an educational program either way, the State should focus on getting more consumers to utilize the existing, effective recycling infrastructure rather than creating a whole new one.

I urge you to not move forward with this proposed program. Thank you.