

# Deposit Principles

## Aluminum Association & Can Manufacturers Institute

- **Differential Pricing.** There should be costs that are both brand-facing and consumer-facing that reflect the actual cost to recycle beverage containers and each material's level of circularity (e.g., material can be recycled infinitely; is recycled into something that is likely to be recycled at the end of its useful life; significant environmental benefit of recycling the material versus virgin production). Both consumers and brands should receive a price signal as to which materials the recycling system is best equipped to sort and process. This will reward those packaging types that the recycling system can process at scale, incentivize the leading packaging types to further build on their strengths and lead others to improve the sustainability attributes of their packaging. In addition, the amount of the deposit and how its applied should not create market distorting incentives based on packaging size.
- **One Nonprofit to Manage the System.** A beverage container recycling organization that brands pay for and help lead will reduce net system costs and create efficiencies. If the government sets mandatory recycling rates, the organization will be focused on meeting them. The nonprofit would ensure that the program recognizes the economic value and/or cost of processing each material to the recycling system.
- **Easy and Convenient Redemption.** There should be a hybrid system where redemption centers are primarily used to process containers but that retail stores are utilized where it is not practical to have a stand-alone redemption center. Oregon has proven success with the model. In addition to nearby options to return containers, the return process should be made easy for the consumer. Ways to do that include the use of reverse vending machines and innovations like [Oregon's BottleDrop](#), which allows consumers the ability to drop-off a bag with their containers, leave and have the funds electronically deposited into their account.
- **Include All Beverage Containers.** The deposit system and its associated rules should apply to *all* beverage containers and inclusion of all beverage containers should lead to a rise in recycling rates for each container type. Excluding certain container types could incentivize consumers to use container types not included in the deposit system that have relatively low recycling rates.
- **Unredeemed Deposits Should Improve the Recycling System.** Revenues from unredeemed deposits should stay focused on recycling infrastructure, access, education, etc. that help ensure a functioning and efficient recycling system within and outside of the deposit system. They should not go into a general fund. Since consumers paid the



deposit as part of a recycling initiative, the benefits from unclaimed deposits should be directed at improving the recycling system. Also, there is a significant cost to ensuring a functioning and efficient recycling system so these revenues are sorely needed.

In addition to these deposit system design principles, the aluminum can industry believes there is a need for all states to allow for deposit information to be put on the body of a can. Currently, there are some states that mandate deposit information to be incised into the top of a can. With the likely growth in states adopting a deposit system, this flexibility is needed to ensure there is sufficient space for inclusion of all relevant state deposit system information.