

Hundreds of Calif. recycling centers shut down

By Darcy Costello, AP

SACRAMENTO – More than a fifth of California's recycling redemption centers have closed in the past year, stripping consumers of easy access to recycling and limiting their ability to collect the deposits they made when purchasing bottles and cans.

More closures may follow, as the state's subsidy payment program, meant to help centers survive market fluctuations, has failed to keep up with rapid decreases in the value of plastic, glass and aluminum. The payment formula, advocates say, is too slow to cover the real costs of recycling.

The Legislature hasn't been able to agree on a solution to prevent further closures or solve the program's problems.

California is one of 10 states to charge residents a refundable fee, or deposit, when they buy bottles and cans. Consumers can then claim those deposits at redemption centers.

The nonprofit Container Recycling Institute fears lower numbers of redemption centers will lead to reduced recycling statewide and an inability for consumers to get their money back. They estimate that closures have inconvenienced roughly 3 million California residents.

"The extent that consumers give up and put containers in trash or recycling bins, those are people who were denied the opportunity to get their refund," said Susan Collins, the group's president. "And we know that is affecting consumers to the tune of tens of millions of dollars."

So far, redemption center closures don't appear to have

lowered the number of total recyclables the state collects through buy-back centers and curbside pickup. Beverage container recycling rates fell by a percentage point in the second half of 2015, the most recent figures available, compared to the same time a year earlier.

Advocates expect the rate to drop further in 2016 and are concerned rural areas that don't operate curbside pickup will start to see the impact of redemption center closures.

Lawmakers say the state's three-decade-old recycling program needs a major redesign. The business model no longer matches the reality of state recycling rates and the fund used to pay out refunds has suffered in recent years.

Historically, the state has operated around 2,100 centers, said Mark Oldfield, a CalRecycle spokesman. More than 450 centers closed in the year that ended in June, eliminating hundreds of state jobs; today there are 1,773 centers and more are expected to close in the coming months.

"If regular California consumers find it too difficult and inconvenient to redeem and recycle their containers, they may begin to view the program as a tax," said Mark Murray, executive director of Californians Against Waste, an advocacy group. "Why am I paying this CRV tax at the grocery store without a path for me to conveniently get my money back?"

Measures intended to protect the centers from market fluctuations are not working, Murray said. The state's formula for allocating subsidies to the centers fails to keep up with real time pricing and includes a minimum three-month lag.

That gap means the centers haven't received sufficient state payments to make up for the income they've lost from the sharp decline in scrap value. Since 2012, the centers have been underpaid by more than \$50 million, Collins said.

Even when prices rebound, recycling centers are unlikely to

earn that money back. "Once you come up with a number like that, it's woefully obvious why so many centers couldn't take it anymore and had to close," she said.

Of the 10 states with mandatory deposits, only California and Hawaii have a responsive payment formula for redemption centers. Others have a set handling fee in state law, which can sometimes mean lower payments for operators, but also offers more stability, as they don't experience the volatility of scrap values that comes from selling recyclables on the open market.

The state Assembly last month approved a quick-fix measure to curb the closures that the Senate didn't take up.

Instead, a deal reached by Senate leaders and Gov. Jerry Brown's administration helps retailers concerned about the closures' impact on their operation – without addressing the problems of struggling recycling centers.

For recycling, there is no state more important than California, the source of two out of every 11 beverage containers recycled in the country, Collins said.

"It would be a blow of enormous proportion to the nation's beverage container recycling rate if (California) were to continue to decline," she said. "It would have a real impact on the industry."