



Comments on the Minnesota Draft Recycling Refund Program Design

On behalf of our membership of 920 California wineries of all sizes, Wine Institute submits the following comments on the MPCA's "Draft Program Design for a Recycling Refund Program for Beverage Containers in Minnesota."

The Wine Institute is committed to environmental stewardship. Through our Sustainable Winegrowing Program, we provide California vintners and growers with information on how to conserve natural resources, protect the environment and enhance relationships with employees, neighbors and local communities. We, therefore, support efficient and cost effective mechanisms to increase the recycling of wine bottles. To that end, we believe that resources in Minnesota would be better dedicated to a comprehensive curbside recycling program rather than creating and implementing a beverage container redemption program.

Forty states have chosen not to impose container deposits to increase recycling. Only two states, Maine and Iowa, include wine bottles in their redemption laws. For wineries to comply with these laws, they either have to adopt special labeling procedures for wine sold there or include the deposit and refund value on all wine labels. Wine labels are already cluttered with information to comply with federal labeling requirements, including mandatory warnings. Furthermore, small wineries do not have the space, equipment, and financial resources to deal with duplicate inventories and special labeling procedures. There would also be additional costs associated with wineries collecting and remitting deposits on winery direct sales to Minnesota consumers.

Curbside is ideal recycling for wine bottles, since pick-up is made where the product is primarily consumed – at home. Wine bottles are heavy, breakable and take up household storage space, so they are not well suited for recycling programs that require consumers to return them to a retail location or redemption center. A comprehensive curbside recycling program would be more effective in increasing recycling rates, rather than simply putting a "fee" on every bottle that will probably not be returned by the average consumer.

Given the combination of the state's excise, sales and gross receipt taxes as well as added hospitality taxes that are levied in some metropolitan areas, Minnesotans already pay high prices for alcohol beverages. We urge you not to add more costs that will just result in higher prices for your consumers.

On behalf of the Wine Institute and our members, thank you for your consideration of our serious concerns with imposing a Minnesota beverage container deposit. If you have additional questions, please contact Sally Jefferson at (646) 449-0598 or sjefferson@wineinstitute.org.