



April 15, 2024

Assemblymember Isaac Bryan, Chair  
Assemblymember Heath Flora, Vice Chair  
Assembly Committee on Natural Resources  
1020 N Street, Room 164  
Sacramento, CA 95814

**RE: Support for AB 2762 (Friedman), with Amendments**

Chair Bryan, Vice Chair Flora, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Upstream on **AB 2762**, which would establish requirements for beverage producers in California to transition a portion of their products into returnable, reusable containers throughout the state.

Upstream is a US-based non-profit and leading change agency for the reuse movement in the US and Canada. We spark innovative solutions to help people, communities and businesses shift from single-use to reuse. We believe deposit return systems (DRSs), also known as recycling refunds, are crucial to accelerating the new reuse economy, and we strongly support the concept of mandatory targets for the beverage sector to transition to reuse.

**The beverage sector is ready for reuse.** Today, beverage reuse systems operate at scale around the world - virtually all use DRSs to get their containers back:

- In Germany, 82% of beer is sold in reusable bottles, and 99% are returned for reuse. Overall, 54% of beverages sold in Germany are in reusables.
- In Ontario, Canada, 85% of beer is sold in reusable bottles, with 97% returned and an average reuse rate of 15 cycles.
- Reusables account for significant portions of beverage sales in Mexico (27%), Columbia (54%), Brazil (24%), China (22%), Vietnam (31%), Thailand (20%), India (34%), Nigeria (43%), and the Philippines (59%).

**Reusable beverage containers are better for the environment.** After three uses, reusable glass bottles are already less impactful than single-use glass, PET or aluminum cans. Used 25 times and then recycled, reusable glass bottles create 85%

fewer climate emissions than single-use glass; 57% fewer than aluminum cans; and 70% fewer than single-use PET. Returnable reusable PET bottles can save up to 40% of the raw materials and 50% of the greenhouse gas emissions compared to the production of single-use PET bottles. Reusables also benefit the ocean: **Oceana estimates that a 10% increase in the share of beverages sold in refillables could result in a 22% decrease in marine plastic pollution.** This would keep 4.5 to 7.6 billion plastic bottles out of the ocean each year.

Upstream's vision is for 30% of consumer goods to be sold in reusables by 2030. To realize this vision, we need consumer brands to have real skin in the game when it comes to designing, packaging, and selling their products. **AB 2762 aims to hold beverage producers accountable for transitioning to reusable containers - a transition that is urgently needed to address the climate crisis and create a sustainable circular economy.**

While we strongly support this concept, we do feel there are provisions in the bill - as currently written and within the forthcoming amendments as we understand them - that require further consideration to be workable in practice. We are primarily concerned with ensuring good governance, enforceable yet practical performance measures, and flexibility within the program to allow for innovation. As currently written the bill includes a requirement for producers to join a Managed System - similar to a Producer Responsibility Organization (PRO) - an independent body that coordinates compliance among obligated producers. However, we understand the bill is to be amended to remove such a system. Without this or a similar structure in place, the system will be far more complex for both producers and oversight officials. A Managed System or PRO-like structure would also allow the performance targets to be applied collectively across categories of beverages (soft drinks, sports drinks, alcoholic beverages, etc.), rather than to each individual producer. We strongly suggest this more flexible approach with collective targets to streamline compliance and enforcement. We are actively coordinating with the sponsor organization for this bill, Story of Stuff, to address these and other minor items, and are very happy to discuss our suggestions with Assembly member Friedman as well.

We thank the Committee for your consideration of this bill and are happy to answer any questions you may have. Please feel welcome to contact me at [sydney@upstreamsolutions.org](mailto:sydney@upstreamsolutions.org).

Thank you for all you do,

Sydney Harris  
Policy Director