

Proposed Amendments from Vermont Conservation Voters to H.158

2/14/2023

- Under the current bill language, the only obligation of beverage distributors is to join a Producer Responsibility Organization. Therefore, it's critically important that the PROs have adequate accountability measures so we ensure they are meeting the goals and requirements of this bill. We recommend the committee makes it more explicit that the PROs are accountable to meeting annual specific benchmarks laid out in their plan, as approved by ANR, and as assessed by the independent third party auditor.
 - Specifically, we recommend that the Reporting requirement on Page 14, line 15, include:
 - Reporting. At a frequency required by the Secretary but not less than annually. The producer responsibility organization shall report the following to the Secretary, including the analysis from the independent third party auditor as described in Section 1533.
 - To Section 1533, add "and any additional information required by the Secretary."
 - Further, on Page 11, line 14, we recommend language along the lines of:
 - If a producer responsibility organization fails to implement the requirements of this chapter, the rules adopted by the Secretary, or an approved stewardship plan, the producer responsibility organization must develop and submit a corrective action plan to the Secretary within 6 months. After getting a corrective action plan approved by the Secretary, if they continue to fail to meet the parameters laid out in the plan in their next annual report, the Secretary can recoup the unclaimed deposits, assess other financial penalties, and/or dissolve the producer responsibility organization.
- We also recommend that as opposed to simply requiring consultation with stakeholders, the bill should **create an advisory group** so the range of expertise needed for a successful plan is incorporated. We also recommend adding several additional stakeholders to the groups already named in the bill - an environmental organization representative, a third-party container pick-up agent, a company that operates Reverse Vending Machines (both currently could be represented by TOMRA), and the industry groups representing materials covered by the bill (namely, glass, aluminum and plastics recyclers). These stakeholders could be invited, but it's not clear they would necessarily be included under the current language.
 - And we believe this advisory group should have the opportunity to provide input on the plan, and on the annual reports submitted by the PRO.

- In addition to the stakeholder advisory group, we recommend including a **public comment period** for input on the plan.
- We believe that rather than setting a state *goal* for redemption rates, **the redemption rates included on Page 16, Section 1532 should be requirements** that the distributors must meet, and which they can accomplish through their producer responsibility organization. If the target redemption rate is not achieved, then we should include a trigger to increase the deposit to a dime.
- Our redemption rate is about 75% right now, it could be closer to 90% if we had a higher deposit. Oregon used a trigger mechanism approach in 2011 when lawmakers there set an 80% redemption rate threshold. After two consecutive years of the redemption rate dropping below 80%, Oregon increased its deposit value from a nickel to a dime. In three years, the redemption rate went from 64% to 86%.