

ASSOCIATED INDUSTRIES OF VERMONT

REPRESENTING THE VERMONT INDUSTRIAL AND BUSINESS COMMUNITY SINCE 1920

Comments on H.560

January 17, 2018

Thank you for the opportunity to provide comments on H.560. We have serious concerns about this legislation. However, we would support the continuation of ANR's stakeholder process to discuss more effective, efficient, and fair options.

It is concerning that there does not appear to be any understanding of what the true scope of the bill would be in terms of products covered or the amount of money that will be raised.

It is not clear that there are meaningful cost controls or accountability for spending, including the potential for cross subsidizing infrastructural and administrative expenses not directly related to household hazardous waste.

There are bound to be concerns among manufacturers of different sizes, different market shares, and producers of products with different levels of hazard or ease of recycling or disposal that the fee is a flat amount per specific products and variants without any reflection of such differences. On top of these concerns, the patchwork of exemptions could prove confusing and also begs the question of whether or not one or more of the existing Vermont waste programs should be discontinued and subsumed within any new program.

By imposing this cost on manufacturers, it can be expected to increase prices for consumers and aggravate the competitive disadvantages for Vermont's retailers.

Moreover, this cost would be imposed on consumers in one of the least efficient or effective ways. It would create a hidden cost at the start of the supply chain, with the risk of inflation at steps between the manufacturer and the consumer and without incentivizing participation in disposal options or encouraging service providers to control costs.

By comparison, a financing mechanism more like the paint program would still increase costs for consumers but would also be transparent and clear, providing an incentive for consumers to take advantage of the disposal options they know they are paying for and creating an incentive for service providers to keep costs as low as possible. However, because this too would increase consumer costs, even if less than the current draft bill, and because of the wide mix of products involved, AIV would recommend further study of this option as one possibility rather than propose it at this time.

There are also concerns with the reporting provisions of the bill. The bill gives open ended authority for what information ANR might require manufacturers to provide without clarifying protections for confidential business information or trade secrets. There could also be concerns that product information made public in this way could create false impressions about the safety of given products.

Ultimately recycling and disposal decisions are made by consumers, and there are significant limitations to how much manufacturers can impact such decisions. Rather than moving forward with the many concerns and uncertainties of the current draft of this bill, ANR and its stakeholder group should continue to investigate possible financing mechanisms that are transparent and efficient, that incent service providers to control costs, and help ensure that consumers are invested in supporting and participating in collection options.