

ASSOCIATED INDUSTRIES OF VERMONT

REPRESENTING THE VERMONT INDUSTRIAL AND BUSINESS COMMUNITY SINCE 1920

February 22, 2022

House Natural Resources, Fish, and Wildlife Committee
Vermont House of Representatives

RE: H.115 Questions and Issues for Further Consideration

Dear Chair Sheldon and Committee Members:

I appreciate the recent opportunity to provide testimony on this legislation, and am writing to follow up on some of the key questions and issues we recommend for consideration by the Committee.

As noted by AIV and others, H.115 proposes a wide ranging and complicated program.

The definitions for covered products are broad but also generally opaque on their face by relying on reference. It is important to understand in greater detail what the bill would actually cover, and how the scale and market share of the various products compares to the scale and makeup of what is actually handled as hazardous waste and what instead is appropriately handled as normal recycling or other waste streams. This could have a number of implications, including for administrative complexity, financial responsibilities, equity, performance goals, etc. Some questions include:

- What is the actual, plainly stated list of the products that would be covered?
- How does the makeup of the covered products sold in Vermont compare to the makeup of what is actually collected as household hazardous waste?
- What do the discrepancies between what is sold and what ends up as hazardous waste mean for the bill, including basic organizational challenges and cost equity?

With the wide range of product categories and industries, there might be significant practical challenges in cross-sector coordination, as well as potentially better opportunities to address specific products in more discreet and focused ways. However, the bill appears to impose structures and responsibilities on stewardship organizations, including requiring acceptance of all covered products, comprehensive performance goals, and mandatory inclusion of existing solid waste stakeholders, that appear to make it difficult or impossible for multiple and/or product focused stewardship programs to operate.

With regard to cost, it is not clear that this legislation, particularly given the additional and complex administrative issues, will save money in the handling of household hazardous waste. To the extent that costs are shifted from taxes and fees in the existing system to higher product costs, it is not clear how this might actually benefit Vermont consumers. In addition, shifting costs is not the same as improving waste program participation and outcomes.

Another area of concern regarding overall cost is the responsibility of stewardship organizations to cover all facility, labor, and other costs claimed by existing solid waste stakeholders – this raises questions about incentives for cost effectiveness and potential cross subsidization of unrelated or overlapping expenses. Some questions include:

- How is a stewardship organization able to ensure that SWMEs are being reasonable and cost effective in the expenses the stewardship organization has to cover?

- How will costs for labor, facilities, maintenance, and other items that serve multiple purposes, including non-household hazardous waste activity, be excluded or monitored?

It should also be considered how the application of costs can impact consumer participation in disposal options. Ultimately every solid waste policy depends on consumer decisions. There can be a difference in consumer incentives when costs are hidden in prices, paid as taxes, paid at disposal, or paid at purchase. Is H.115 requiring the optimal funding model?

Finally, it is worth considering how this bill could conflict or be redundant relative to the larger question of EPR for paper and packaging. The debate over EPR in Vermont has largely focused on the latter in recent years. Although it remains to be seen how this process will resolve itself, it seems a fair question whether it is prudent to proceed with H.115 before it does.

In conclusion, we would recommend that the Committee review and consider the issues of scope, equity, accountability, and other issues outlined above. We appreciate the Committee's consideration and look forward to continuing to engage in this discussion.

Sincerely,



William Driscoll
Vice President