



**Vermont State House Committee on Environment Testimony on the VT Bottle Bill
(DR 25-0991)**

John Langhus, Owner
Putney Rd. Redemption Center
Brattleboro Vermont

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Dear Committee Members,

Thank you for the opportunity to join you today to share my experience with you of the Vermont Bottle Bill and the container redemption system and to offer my thoughts on DR 25-0991 and its proposal to create a Producer Responsibility Organization to manage the future of the Bottle Bill.

My name is John Langhus, and I live in Norwich. I am a former Member of the Norwich Selectboard, a renewable energy entrepreneur, and am the owner of Wisdom & Power, a Vermont energy and climate consulting firm. Most relevant today, I am one of the owners of the Putney Rd Redemption Center in Brattleboro. Putney Rd has operated for over thirty years, and has been owned by my partners and me for over eight years now. We understand that Putney Rd is the single largest independent Redemption Center in VT, responsible for about 6% of the statewide redemption volume.

I want to start with just a quick refresher on how our industry works. The Bottle Bill mandates that beverage companies, as the producers of the disposable containers, collect a 5-cent deposit on disposable containers for carbonated beverages sold in Vermont. The deposit provides an incentive for the consumer to return the container to the manufacturer so that they can properly dispose of it. The deposit is first charged by the manufacturers when the beverage is sold to retailers. The deposit is then collected from consumers by retailers who sell these containers in Vermont. Consumers pay the 5-cent deposit when they buy the beverages in Vermont and can get that deposit back by redeeming the empty container where they purchased it or at a certified Redemption Center like ours. The big difference is that a retail outlet is only required to redeem brands that it sells. A Redemption Center must redeem any container presented to it that bears a "VT 5 cents" stamp on its label. Once collected, those redeemed containers are picked back up either by the distributors in the case of retail outlets, or by TOMRA, in the case of Redemption Centers. We are paid the 5-cent deposit, plus a 3.5-cent handling fee (4-cents for sorted brands); compensation for having to collect, sort, and package for re-collection, the redeemed containers. Finally, all deposits not paid back through the redemption process to consumers are then paid on to the State, in recognition of the burden that unredeemed containers have on the solid waste disposal systems in the State of Vermont. Those unredeemed deposits are commonly referred to as the "escheats".

As an initial matter, we continue to believe that the Bottle Bill should be expanded to cover water, sports drinks and wine, there being no rational reason to exclude these containers from the Bottle Bill other than the fact that they either did not exist, or did not represent a significant portion of containers, when the Bottle Bill was first written. The Bottle Bill is incredibly popular, as is its expansion, and is the single most successful recycling policy in the State. The current bill does not seek to expand the Bottle Bill, but we think it should.

We also continue to advocate for an increase in the handling fee paid for those who are charged with redeeming containers for the manufacturers and distributors. This fee has never been increased. The current bill increases the handling fee for sorted containers by 1 cent. We believe that the fee for all containers should be increased by 1 cent. Our revenues are a function of legislation. We are a regulated

market where the government sets our prices we get for our containers, but government does not set our costs. My partners and I are active supporters of the \$15 minimum wage, and we pay above the current minimum wage at Putney Rd. After the payment of deposits to redemption customers, Payroll, Payroll taxes and Workers Compensation insurance (which is a function of payroll) represent most of our expenses. Vermont is a high-cost labor market, as we all know, and labor is generally in short supply. Each one of our employees is worth more than they make, as are all Vermonters at the low end of the wage scale. Please do not make a false choice between what is good for Vermont workers and what is good for the environment.

The main thrust of this bill is the establishment and operation of a Producer Responsibility Organization. The main structure and responsibilities laid out in the Bill seem appropriate to us. The primary concern that we have with it is that it places those being regulated in charge of managing the implementation of the regulations and thereby of achieving the goals of the regulations. Regulatory capture is rampant in every level of government. This seems to start with capture and hope that things improve from there. We believe that the PRO should include at least one redemption center owner, and at least one independent person or organization with expertise surrounding the structuring of recycling markets. An NGO such as VPIRG would be a good choice. Manufacturers and distributors are burdened by the Bottle Bill. Rightly so, in my view because they have made the decision to build a multi-billion business case on the conversion of natural resources into garbage, with no functional plan to take responsibility for that garbage. But given this burden, it is naïve at best to expect them to energetically work to develop redemption in Vermont to its full potential. We must have other voices in this process.

Thank you for the opportunity to speak with you today.

A handwritten signature in black ink, appearing to read "John Langhus".

John Langhus
Owner, Putney Road Redemption