



Vermont House Committee on Environment

TOMRA Comments on VT DR 25-19001

April 3, 2025

DR 25-19001 - Support with Amendments

Chair Sheldon, Vice Chair Labor and Members of the Committee,

We appreciate your invitation to share comments on the proposed legislation DR 25-1001. Given the proposal significantly redesigns and tinkers with the program we have included several comments to make sure the program meets best practice, protects consumers and the investments we have made in Vermont over several decades. In addition to the introductory presentation shared with you all, we would like to share some more detailed commentary of the proposed legislation to clarify our concerns and best practice recommendations.

Please feel free to reach out with any questions.

Thank you,

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Red text = TOMRA edit to bill or law

Underlined black text = recommended by DR 25-19001

Black text that is not underlined = current law

Recommended Edit	Language Recommendation
<p>Beverage manufacturers should retain the right to select their own pick-up provider</p> <p>Today a beverage manufacturer or distributor is responsible for removing their redeemed containers from redemption centers. Today they have the freedom to pickup those containers themselves or collect bids from pick-up providers and choose their own pick-up provider. Shifting that responsibility to a single Producer Responsibility entity limits competition in the marketplace and could harm individual manufacturers. It also disrupts investments we at TOMRA have made over several decades to identify hundreds of beverage manufacturers and distributors, educate them on their compliance responsibilities, and establish pickup contracts.</p> <p>The pickup system can be both efficient and still provide manufacturers the right to choose their own pick-up provider. This would entail enshrining the right for a manufacturer/distributor to choose their own pick-up provider while tasking the PRO with providing an efficient pickup system. The PRO would do this by identifying the redemption volume of each redemption location and designating pickup agents to pickup from certain redemption locations so they collect that distributor's share of redeemed containers. This would prevent more than one pickup provider going to the same redemption location.</p> <p>The edits to the right are similar to Maine 3107 3-B, B, 7, which shifted from a decentralized Deposit Return System (DRS) to a centralized system managed by a single PRO ("Commingling Cooperative") while respecting the investments we have made in the market.</p>	<p><u>§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS</u></p> <p>[A, Subsection 2]</p> <p><u>(D) The [PRO] plan shall describe how</u></p> <ul style="list-style-type: none">a) <u>materials will be picked up from redemption centers on a timely basis</u>b) <u>how distributors and manufacturers will maintain the right to choose their own pick-up provider, and</u>c) <u>how pick-up schedules will be designed to reduce transportation distances and minimize costs.</u>
<p>Beverage manufacturers should retain the right to their own recycled material</p> <p>Today when a container is redeemed, it becomes the property of the beverage company that sold it. A manufacturer or distributor has the freedom to a) choose to use that material in the manufacturing of their next bottle or can, or b) sell the material for the scrap revenue.</p>	<p><u>§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS</u></p> <p>[Add a # to section A]</p> <p><u>(3) The [PRO] plan shall describe how the PRO will ensure that each manufacturer or distributor maintains ownership</u></p>

<p>Many beverage companies want use more recycled material in their packaging and in fact are concerned about the <i>lack</i> of supply of recycled material. Participating in deposit programs gives them unprecedented access to the same recycled material. The bill proposal provides no protections for manufacturers and distributors to continue to have the freedom to handle their recycled material how they see fit. In the absence of some guarantee, it is likely the PRO would use this scrap revenue for it's own cost-saving means.</p> <p>In addition, commodity brokerage is a significant part of TOMRA's business in Vermont, a business we have invested decades of resources in to make Vermont's bottle bill 'work'. We kindly request the committee not disrupt this aspect of the deposit program.</p> <p>The edits to the right are similar to Maine Section 31017 3B, b. 9 which shifted from a decentralized Deposit Return System (DRS) to a centralized system managed by a single PRO ("Commingling Cooperative") while respecting the investments we have made in the market.</p>	<p><u>over the manufacturer or distributor's share of the beverage containers redeemed.</u></p>
<p>The bill requires the PRO to support or provide a certain, minimum number of redemption locations statewide. In addition to setting a minimum number of locations, 'convenience standards' like this also set a minimum level of service so the public can get their money back. Without such criteria – or a meaningful and enforced redemption rate target – there is an incentive for the PRO to actually recycle/redeem less containers, not more.</p> <p>These would not be requirements for every single redemption location in the state (though that is an option). Redemption centers and retailers already have basic requirements in the law. However, this 'convenience standard' would guarantee at least a certain number of locations adhere to minimal standards for service.</p> <p>In order for a "point of redemption" to count towards the convenience standard, some minimum criteria should be defined:</p> <ul style="list-style-type: none"> - Accepts all deposit containers - Open 40hrs a week - Be safe, clean and well-lit - Appropriate location for safe pick-ups - Provide unlimited, immediate deposit repayment - Provide a digital payment option - Provide digital donation options for participating charities 	<p><u>17 § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS</u></p> <p>[A]</p> <p>1) <u>Convenience of collection. A plan shall ensure that consumers have convenient opportunities to redeem beverage containers. The plan shall take reasonable efforts to site points of redemption equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to redemption opportunities. A plan shall document how redemption services will be available to consumers as follows:</u></p> <p><u>(A) at least three points of redemption per county that provide an immediate return of a deposit to a consumer unless a waiver is granted by the Secretary;</u></p> <p><u>(B) at least one point of redemption per municipality with a population of 7,000 or more persons that provides an immediate return of a deposit to a</u></p>

<p>Similar to Quebec Article 25 which sets extensive requirements for every return location.</p>	<p><u>consumer unless a waiver is granted by the Secretary; and</u></p> <p><u>(C) how sites of redemption are or will be sited in areas with high population density or located in centers designated under 24 V.S.A. chapter 76A.”</u></p> <p><u>Each point of redemption required by this convenience standard must meet the following requirements unless a waiver is granted by the Secretary:</u></p> <ul style="list-style-type: none"> a. <u>Accepts all deposit containers</u> b. <u>provide a form of unlimited, immediate payment.</u> c. <u>Is open no less than six days a week, one of which is a Saturday or Sunday for a total of forty hours per week except for federal holidays.</u> d. <u>Be safe, clean and well-lit</u> e. <u>Allows for safe pick-ups of container with respect to space for pickup trucks and nearby traffic patterns</u> f. <u>Provides a digital payment option.</u> g. <u>Provides digital donation options for participating charities</u>
<p>The bill requires the PRO to compensate “all locations that redeem beverage containers”. There should be basic safety requirements on at least NEW redemption locations.</p> <p>We have had some safety issues regarding container pickup since there are no safe pickup requirements for someone to open a redemption center.</p> <p>Existing redemption locations could be grandfathered in so there is not a risk for the PRO to put independent businesses out of business.</p>	<p><u>17 § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS</u></p> <p>[A, 2]</p> <p><u>(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements.</u></p> <p><u>(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program.</u></p> <p><u>(B) There shall not be barriers to the participation in the collection program for a redemption center, except for</u></p>

	<p>restrictions that are authorized by the Secretary <u>including but not limited to:</u></p> <p><u>1) an analysis of the ability for container pickup and redemption to take place safely at redemption locations established after June 1, 2025</u></p>
<p>The product registration section needs to be amended in order for Vermonters to get their deposit money back via Reverse Vending Machines – and prevent free-riding beverage producers</p> <p>RVMs evaluate containers based on scanning the barcode. If a beverage company has not shared that barcode with the RVM provider, the machine will reject the container – even if a consumer paid a deposit on it. The bill includes a product registration section but it needs some refinement in order to work in practice:</p> <ul style="list-style-type: none"> - Distributors and/or manufacturers are responsible for picking up containers, paying handling fee and repaying deposits yet the language only refers to ‘distributors’. Manufacturers should be added. - Unless I missed it, the language should define WHO is responsible for product registration and who UPC information should be shared with. We can take this on as an RVM provider as we do in other states or the PRO can handle this. - Product registration should be required 30 days prior to sale. The current language requires it 60 days after March 2025. What happens if a product is not commercially available until after that date? - Product registration should include the container’s size and color since automated redemption technology factors in these attributes when evaluating a container for acceptance or rejection. - In order for innovation in redemption technology to take place, this information should be shared with the market (as it is clearly laid out in CT and Maine law) <p>Precedent:</p> <ul style="list-style-type: none"> - CT Public Act 21-58 Section 2-d - Maine 3104 5-B 	<p>§ 1524. LABELING</p> <p>...</p> <p><u>(b) Each beverage container sold or offered for sale in the State that has a deposit pursuant to section 1522 of this title shall include a Universal Product Code and barcode. Each distributor and manufacturer shall provide the Universal Product Code, and barcode, container size and color to the Producer Responsibility Organization thirty days prior to placement of any such beverage container on the market as part of its beverage registration or within 60 days following March 1, 2025, whichever occurs first. The Producer Responsibility Organization shall ensure that accurate and up-to-date information regarding all label registrations including the information described herein is made available on its publicly accessible website.</u></p> <p><u>This section shall take effect on March 1, 2027</u></p>

<p>It is typical for complex and varied EPR legislation like this that hands significant power to a single PRO, for the legislation to also establish an Advisory Board. At a minimum DEC should make the PRO's draft Stewardship Plan available for public comment prior to sending back edits to the PRO before implementation.</p> <p>This is particularly relevant given the PRO is tasked with 'fairly compensating' redemption locations and meeting a 'convenience standard'. Stakeholders will want to have input on how the PRO proposes to execute those compliance requirements.</p> <p>Typically, the PRO is required to collect input from the Advisory Board on the proposed stewardship plan, adjust it as necessary then report to the state how it did address the Advisor Board's concerns and if not, why. At all points, the PRO maintains control over the stewardship plan, though it remains subject to DEC approval.</p> <p>The Advisory Board would be made up of non-distributors and manufacturers who nonetheless have a stake or interest in the success of the deposit program.</p> <p>In the language at the right, I have not recommended a formal Advisory Board though that is an option. Instead, I simply recommend that DEC be required to publish the draft stewardship plan when they receive it from the PRO and execute a public comment period. If stakeholders would like more formal dialogue with the PRO, then the committee could establish a formal Advisory Board with defined duties, membership, durations, quorum minimums, and voting rights.</p>	<p>[I would take legislative council's recommendation on how to incorporate this concept]</p>
<p>The label of a container should continue to communicate clearly what is and is not eligible for a consumer to get their deposit refund money back. The labeling requirement should not be watered down to simply "VT RV". Beyond confusing the consumer, this would also create complications at a later date when manufacturers would argue against increasing the deposit to 10 cents, if they recently invested in changing their labels to say "VT RV" alone.</p>	<p>§ 1524. LABELING (a)(1) Every beverage container sold or offered for sale at retail in this State shall clearly indicate by embossing or on the normal product label, imprinting on the normal product label, or in the case of a metal beverage container on the top of the container, other approved method secured to the container the word "Vermont" or the letters "VT" and the refund value of the container <u>one of the following</u> in not less than one-eighth inch type size or such other alternate indications as may be approved by the Secretary.</p>

<p>Keeping the label requirement the same as today will cost manufacturers nothing yet it will cost consumers who may be confused about what is and is not eligible for a refund – and could diminish recycling and redemption rates.</p> <p>We do not take issue with the recommended additions at right which refers to WHERE on the container proper identification needs to appear, which is an interest of can manufacturers.</p>	<p>(A) the refund value of the container; (B) the words “refund value”; or (C) the letters “RV.”</p> <p><u>(2) The label shall be on the top lid of the beverage container, the side of the beverage container, or in a clearly visible location on the beverage container.</u> This subsection does not prohibit including names or abbreviations of other states with deposit legislation comparable to this chapter</p>
<p>The provision that has ANR charge producers if they do not form a PRO, should apply to distributors AND manufacturers, not just manufacturers in case the manufacturer is not located in the state and VT does not have jurisdiction over that entity.</p>	<p><u>(f) If no producer responsibility organization is formed, the Secretary shall either require the formation of the producer responsibility organization or adopt and administer a plan that meets the requirements of section 1532 of this title. If the Secretary administers the plan adopted under section 1532, the Secretary shall charge each manufacturer and distributor the costs of plan administration, the Agency’s oversight costs, and a recycling market development assessment of 15 10 percent of the plan’s total cost to be deposited in the Solid Waste 16 Management Assistance Account of the Waste Management Assistance Fund, for the purpose of providing grants to develop markets to recycle materials.</u></p>
<p>The law mentions ‘redemption rate’ performance targets so ‘redemption rate’ should be defined</p> <p><u>Precedent:</u></p> <ul style="list-style-type: none"> • Redemption definition - Connecticut, Section 389, p. 735 • Exclusion of municipal/curbside collection – Maine 3107, 3-B, B, 3 	<p><u>“Redemption rate” means the number of beverage containers subject to this Chapter redeemed for the refund divided by the number of beverage containers subject to this chapter sold. The redemption rate shall not include beverage containers collected through municipal or curbside collection systems.</u></p>
<p>ANR’s annual report should include the total statewide redemption rate since that is metric that is referred to in the performance target section.</p>	<p><u>Beginning on July 1, 2027 and annually thereafter, the Secretary of Natural Resources shall submit to the Senate Committees on Natural 4 Resources and Energy and on Finance and the House Committees on 5 Environment and on Ways and Means a written report containing the current 6 beverage container redemption rate in the State for the following two categories of beverage containers: 8 (A) liquor bottles; and (B) all other beverage containers. and (c) all beverage containers</u></p>