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April 2, 2025

The Honorable Amy Sheldon
Chair, House Environment Committee
Vermont State House
115 State Street
Montpelier, VT 05633-5301

RE: Comments on dr req 25-0991 – draft 1.1, an act relating to establishing an extended producer responsibility program for beverage containers

Dear Chair Sheldon, Vice Chair Labor, and members of the committee:

The Can Manufacturers Institute (CMI) supports modernizing Vermont's recycling refund program for beverage containers, also known as a deposit return system. The draft legislation would help achieve this by creating a producer responsibility organization to manage the program, providing consumers with a more efficient system and increased access to redemption. It also makes significant changes to container labeling, providing can makers with the flexibility to print redemption value information on the label, thereby offering clear information to consumers.

CMI Comments and Suggestions on Draft Language

CMI is the U.S. trade association representing metal can makers and their suppliers. The industry employs more than 28,000 people, and our members have facilities in 33 states, including New York and Connecticut in the Northeast. Our members are proud to make the most sustainable package for beverage and food products. The metal can industry appreciates the opportunity to share our thoughts on the draft language.

Section 1524. Labeling

The changes proposed in Section 1524, specifically related to labeling, are of utmost importance to CMI. This section allows can makers flexibility in where the deposit value and label can be placed on the can. Vermont requires the can lid to be incised with the refund information, making it an outlier. Today, only Vermont and California are the two recycling refund states that require the can lid to be incised with redemption information. California will undergo a rulemaking process to eliminate this requirement.

Incising the can lid has become more difficult as can makers are using significantly less metal, and the walls of the can have become thinner. In fact, can makers have reduced the amount of metal to make cans by 30 percent over the last 30 years and hope to make even further progress in the future; this action reflects our industry's commitment to environmental stewardship. As a result, the depth of the incisions on the lid is less deep and less visible today than in the past. There is very little room on can lids for additional state insignias that demarcate container deposit laws. If one more state was to implement a beverage container deposit, there would not be room for that state's insignia. Thus, by eliminating the requirement that the lid be incised and retaining this information on the label, the consumer is assured that they know the

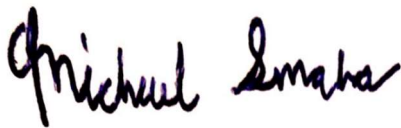
can is redeemable. The deposit insignia is visible, and it complies with the deposit laws of Vermont and other states.

Section 1531. Producer Responsibility Organization

Although CMI members are not producers and therefore do not have an obligation under a producer responsibility organization-run program (PRO), we recognize that these programs require substantial funding sources for the necessary upgrades. CMI urges the legislature to examine handling fees and unredeemed refunds, which are used to fund programs important to environmental groups. The committee should consider eliminating the handling fee and allowing the PRO to negotiate a fair fee with retailers or redemption centers. Another option is to reduce the amount of unclaimed refunds that fund important environmental programs. Lawmakers should collaborate with relevant stakeholders to identify and implement appropriate changes that enable producers to meet new program obligations.

The draft language is an important step in improving program efficiency and providing more redemption access for consumers. Vermont's recycling refund program is an important source for used beverage cans, which are highly valued and sought after by aluminum suppliers. CMI thanks the committee for your consideration of our comments. We look forward to continuing to work with you and other stakeholders on the language. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael Smaha". The signature is written in a cursive, slightly slanted style.

Michael Smaha
Vice President, Government Relations
Can Manufacturers Institute