

February 12, 2026

Chair Sheldon
 Joint Standing Committee on Environment and Natural Resources
 115 State Street
 Montpelier, VT 05602

Regarding “DR 25-19001 Draft **3.1**” An act relating to establishing an extended producer responsibility program for beverage containers

Chair Sheldon, Vice Chair Labor, and members of the House Committee on Environment and Energy:

My name is Mike Noel. I am a Director of Public Affairs at TOMRA. TOMRA has is known for pioneering a range of technology and services for recycling and reuse systems, for both bottle deposit programs, ‘curbside’ recycling and reuse innovations. For several decades TOMRA has supported Vermont’s ‘bottle bill’ through a range of services.

TOMRA’s role in supporting Vermont’s bottle bill system

- **Reverse vending solutions** – TOMRA provides automated redemption technology that assists retailers and redemption centers to more efficiently verify and store redeemed beverage containers. We have brought bulk-feed Reverse Vending Machines to Vermont for the first time. Offered at Morrisville Beverage for example, the technology enables consumers to return containers a bag at a time and get paid back immediately rather than feeding machines one by one.
- **CLYNK ‘bag drop’ services** – TOMRA recently acquired CLYNK, which makes it easy for consumers to return containers by enabling the drop-off of an entire bag at a time and mobile refund repayment. We are proud to work towards bringing this Maine-based startup innovation to the world.
- **Container pickup** – We offer container pickup services to beverage distributors who do not want to pickup their redeemed containers statewide.
- **Container processing** – we process virtually all of Vermont’s redeemed containers, most at our recycling processing facility in Essex Junction.
- **Commodity brokerage** – We sell recycled cans and bottles back to packaging manufacturers on behalf of the beverage industry.

Internationally, we have over 50 years’ experience operating in more than 40 jurisdictions with container Deposit Return Systems (or “bottle bills”), including all ten U.S. states with deposit laws.

Overview

We do not have a strong perspective on the proposed bill. We do think it lends itself to increasing consumer access to their deposit refund money, bringing in innovation and some efficiencies. Version 3.1 includes a “handling fee floor”. If that were to be removed that would be a big change and we would likely want to revisit our perspective at that time. I have several programmatic edits that are designed to ensure the text works in practice and drives consumer convenience.

Edit Rationale	Recommended Language
To implement ‘Universal Redemption’ - where any redemption center or store is required to takeback any deposit container regardless of whether they sell	“Redemption center” means a store or other location where any person may, during normal business hours, redeem the amount of the deposit for any empty

<p>that type or brand – the ‘Retailer Refusal’ language needs to be edited.</p> <p>The ‘redemption center’ and 1523-C section suggest retailers need to accept all deposit containers, but the two retailer refusal sections contradict this by only requiring retailers to accept “kind, size, and brand” they sell.</p>	<p>beverage container labeled or certified pursuant to section 1524 of this title...</p> <p>(1) A retailer shall not refuse to accept from any person any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the retailer, or refuse to pay to that person the refund value of a beverage container as established by section 1522 of this title, except as provided in subsection (b) of this section...</p> <p>...(c) A retailer or that is not exempt, a person operating a redemption center, or any other point of redemption may only refuse to redeem beverage containers that are not clean, or are broken, and shall not redeem beverage containers that are not labeled in accordance with section 1524 of this title.</p> <p>[REDEMPTION OF LIQUOR CONTAINERS]</p> <p>(3) Retail redemption. A retailer shall not refuse to accept beverage containers subject to this section or refuse to pay that person the refund value established by subdivision (1) of this section for any container sold by the retailer unless the container is not clean, broken, or has an exemption issued by the Secretary. The Department of Liquor and Lottery shall not refuse to pick up empty beverage containers subject to this section, pay the refund value, or pay the handling fee to a retailer subject to this section.</p>
<p>To implement ‘Universal Redemption’ - where any redemption center, store (or transfer station) is required to takeback any deposit container regardless of whether they sell that type or brand – the ‘Distributor Refusal’ language needs to be edited.</p> <p>There is a loophole in the current law that allows a beverage distributor to claim it does not need to pay refunds or handling fees on containers processed in a Reverse Vending Machine (or bag drop service that utilizes bulk RVMs at its processing facility). This is why you don’t see more automated redemption technology at transfer stations and redemption centers. Maine does not allow this loophole as it is considered an inhibitor to fairness, innovation and efficiency.</p> <p>If VT seeks to adopt Universal Redemption and avoid disputes with distributors, a clause of this kind is necessary. It also is relevant for returns at stores where</p>	<p>(2) A manufacturer or distributor may shall not refuse to pick up from a retailer that sells its product or a person operating a certified redemption center any empty beverage containers, labeled in accordance with section 1524 of this title, or any beverage container that has been processed through an approved reverse vending machine that meets the requirements of rules adopted by the department pursuant to this chapter of the kind, size, and brand sold by the manufacturer or distributor, or refuse to pay the retailer or a person operating a redemption center the refund value of a beverage container as established by section 1522 of this title</p>

<p>currently stores can refuse to take back containers sold by competitors.</p> <p><u>Precedent</u></p> <ul style="list-style-type: none"> • Maine – 3106-5 	
<p>The product registration section needs to be amended for Vermonters to get their deposit money back via Reverse Vending Machines or bag drop programs – and prevent free-riding beverage producers</p> <p>RVMs and bag drop programs (that rely on bulk 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 requirement for all containers to have a Universal Product Code, and it refers to a website, but it needs to be clearer to work in practice:</p> <ul style="list-style-type: none"> - Clarify WHO is responsible for REGISTERING (beverage manufacturers and distributors) - Clarify WHO is responsible for ADMINISTERING the registry (Maine DEP used to do this but has recently shifted it to a PRO, in CT RVM system administrators do this) - Clarify how will this information be shared with RVM and bag drop technology providers (PRO website or have RVM system administrators handle registry) - Clarify WHEN does all this need to take place (prior to sale of the container) <p>In order for innovation in redemption technology to take place, this information, especially the UPC information, should be shared with the market (as it is clearly laid out in CT and Maine law), otherwise the PRO could withhold this info and technology operators would be at a disadvantage.</p> <p>This is a key fraud-prevention tool. If an unscrupulous distributor buys containers outside of Vermont (without paying the deposit), and sells them in the state without registering, when those containers are redeemed, the wrong distributor is charged. Product registration fixes that by creating an accountability structure.</p> <p><u>Precedent:</u></p> <ul style="list-style-type: none"> - CT Public Act 21-58 Section 2-d - Maine 3104 5-B 	<p>XXXX – PRODUCT REGISTRATION</p> <p><u>By January 15, 2028, and thirty days prior to sale thereafter, manufacturers and distributors shall register any beverage container sold in the state with the Stewardship Organization on forms established by the Stewardship Organization which will include the Universal Product Code and barcode.</u></p> <p>[Stewardship Organization website requirement section] (3) for each beverage container subject to the plan, a Universal Product Code and a barcode shall be displayed on the container, <u>and the Stewardship Organization shall post this information on the website as new products are registered.</u></p>

<p>The bill requires the Stewardship Organization’s website to post Universal Product Codes on its website, but it should include that in the labeling section as well to be clear.</p> <p>Also, the label should remain as “VT 5¢” or “Vermont 5¢”, not allowing some other “alternate indications” as this could remove the consumer’s ability to know what is eligible for a deposit refund</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 – especially since Vermont’s program is confusing given it does not make many popular beverages eligible for a refund. In states where less than half of containers sold are eligible for a deposit refund as is the case in VT, the number one reason for container rejects from an RVM is the consumer inserted a container that did not have a deposit in the first place due to consumer confusion. The labeling requirement should not be watered down to alternative proposals such as simply “VT RV” as the deposit value is the core motivator for consumers to return containers. Eventually the deposit value will need to be raised as the nickel continues to lose its purchasing power. At that time, it will be even more important for the deposit value to appear on the container, so it fulfills its purpose of reducing litter and increasing recycling rates. But if the law allowed beverage companies to change their labels to simply “VT RV” in this legislation, adding the deposit value <i>back</i> to containers will require another label change.</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>[PRO website requirement section:] <u>for each beverage container subject to the plan, a Universal Product Code and a barcode shall be displayed on the container.</u></p> <p>[But it should be added to the label section:] 1524. LABELING (a)(1) Every beverage container sold or offered for sale at retail in this State shall clearly indicate by embossing <u>or on the normal product label</u>, imprinting on the normal product label, or in the case of a metal beverage container on the top of the container, <u>other approved method secured to the container</u> the word “Vermont” or the letters “VT” and the refund value of the container one of the following in not less than one-eighth inch type size and a Universal Product Code and barcode or such other alternate indications as may be approved by the Secretary.</p>
<p>If the bill is going to allow smaller retailers to refuse consumer’s containers, it would be smart to time this when the Stewardship Organization’s convenience standard has been implemented and not before.</p> <p>The bill allows retailers below 5k square feet to refuse containers once the stewardship plan is implemented. It also allows stores which essentially sell their own private label products (e.g. grocery store-branded carbonated drinks) that are below 5k sf to refuse consumers immediately. This should also be timed to line up with the Plan’s implementation so consumers continue to have access to return their containers during</p>	<p>b)(1) A retailer, with the prior approval of the Secretary, may refuse to redeem beverage containers if a <u>redemption center or centers are established that serve the public need</u> <u>stewardship plan that meets the requirements of section 1532 of this title has been implemented by the producer responsibility organization in the State and the retailer’s building is less than 5,000 square feet.</u></p> <p><u>A manufacturer or distributor that sells directly to a consumer from a retail location may refuse to redeem beverage containers if the retail location where the manufacturer or distributor sells beverage containers is</u></p>

<p>the transition to Stewardship Organization management.</p>	<p><u>less than 5,000 square feet and a stewardship plan that meets the requirements of section 1532 of this title has been implemented by the producer responsibility organization in the State.</u></p>
<p>Liquor containers should continue to be eligible for compensation by redemption centers and the refund value</p>	<p>1527 REDEMPTION OF LIQUOR BOTTLES <u>“Beverage containers subject to this section shall pay a retailers and redemption centers that redeems a beverage container three and one-half cents per container in addition to the refund value.</u></p>
<p>‘Redemption rate’ should be defined so expectations are clear when the redemption rate goals reach their deadline. Beverage containers processed through curbside or drop-off collection programs are excluded from redemption rate definitions due to the inferior quality of the commodity produced. Maine clearly excludes containers collected in this manner. CT excludes them though indirectly. Regardless a clear methodology should be defined.</p> <p><u>Precedent:</u></p> <ul style="list-style-type: none"> • Redemption rate definition - Connecticut, Section 389, p. 735 • Exclusion of municipal/curbside collection in the redemption rate definition – 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>An Advisory Board is likely a better role for stakeholders who are not involved in the bottle deposit program</p> <p>The latest bill draft designates solid waste management entities and solid waste haulers as not just advisors but Board members of the Stewardship Organization. Both entities, unless they are referring to deposit program pickup agents and deposit material processors, are not involved in Vermont’s bottle bill. There are examples of retailers and deposit program pickup agents (TOMRA) appearing alongside the beverage industry on such PRO-like Boards, but not entities that are not involved in the deposit program. For stakeholders who have an interest or are affected in the program but are not involved in management or financing, a role on an Advisory Board or formal public comment is a more appropriate.</p>	<p>See 1531 -1</p>
<p>The return location minimum business hour standard should remain. At a minimum the locations that ‘count’ towards the convenience standard should be open for around 40 hours a week so the public can easily get their deposit money back at reasonable hours. Since the bill does not have meaningful enforcement of the performance targets, the Stewardship Organization has a strong incentive to redeem less containers, not more.</p> <p>Precedent:</p>	<ul style="list-style-type: none"> • Containers shall be redeemed during no fewer than 40 hours per week during the regular operating hours of the establishment. <p>[removed cross out of this existing law text]</p>

Similar to Quebec Article 25 which sets extensive requirements for every return location.	
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Thank you for your time. I would be happy to answer any questions you may have.

Thank you,
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ABOUT TOMRA

TOMRA was founded on an innovation in 1972 that began with the design, manufacturing, and sale of reverse vending machines for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling, and mining industries.

TOMRA COLLECTION

With an installed base of approximately 83,000 systems in over 40 markets, TOMRA Collection is the world's leading provider of reverse vending and clearinghouse solutions. Every year TOMRA facilitates the collection of more than 45 billion empty cans and bottles and provides retailers and other customers with an effective and efficient way of collecting, sorting, and processing these containers.

TOMRA's material recovery business includes the pick-up, transportation, and processing of used beverage containers in North America, as well as the subsequent brokerage of the processed material to recyclers. The revenue stream in this business area is derived from fees received from bottlers based on the volume of containers processed. Currently, TOMRA Material Recovery processes over 340,000 metric tons of containers annually.

TOMRA SORTING

TOMRA Sorting creates sensor-based technologies for sorting and process analysis within the recycling, food, mining, and other industries. TOMRA Recycling is a global leader in its field and has pioneered the automation of waste sorting for recycling. Its flexible sorting systems perform an extensive range of sorting tasks including separating plastics by polymer type for recycling. Currently TOMRA Recycling has an installed base of 5,900+ units across more than 40 markets.