

April 14, 2026

**Testimony to the Senate Committee on Natural Resources & Energy - H.915  
From Maggie Lenz, On Behalf of the Vermont Retail and Grocers Association**

The Vermont Retail and Grocers Association respectfully requests the following changes to H.915.

On behalf of some of our members, we object to the removal of the handling fee for containers covered under a Producer Responsibility Organization. The handling fee should remain in statute, and should be increased, as it has not been meaningfully updated in decades.

The current framework in H.915 creates a challenging dynamic by shifting this core payment into a negotiated arrangement between the PRO and individual redemption centers. That structure risks creating imbalance and uncertainty, rather than providing the stable, predictable reimbursement that redemption centers rely on to operate.

We also respectfully request the establishment of an ongoing process to review and update the handling fee at regular intervals, taking into account changes in labor, materials, and operating costs over time.

Suggested language:

**§ 1522. BEVERAGE CONTAINERS; DEPOSIT**

(b) A retailer or a person operating a redemption center who redeems beverage containers shall be reimbursed by the manufacturer or distributor of such beverage containers in an amount that is **no less than four and one-half** ~~three and one-half~~ cents per container for containers of beverage brands that are part of a commingling program and **no less than five** ~~four~~ cents per container for containers of beverage brands that are not part of a commingling program. **The reimbursement amounts established in this subsection shall serve as a minimum for beverages that are covered by a stewardship plan approved by the Secretary under this chapter and may be exceeded by agreement between the producer responsibility organization and a retailer or redemption center.**

**(c) Beginning on -----, and every five years thereafter, the Secretary of Natural Resources, in consultation with the Joint Fiscal Office, shall review the reimbursement amounts established in subsection (b) of this section. The Secretary shall consider changes in inflation, operational and labor costs, transportation costs, and program performance, and shall submit recommendations to the General Assembly for any adjustment to the reimbursement amounts.**

## **Definition of Distributor**

Additionally, the shift to a PRO structure raises a new question for VRGA about how the definitions of manufacturer and distributor will apply in practice.

Some of our members sell private label beverages that are produced by third-party manufacturers, shipped to a central warehouse, and then distributed to their own retail locations. Under a plain reading of the current definition, that model could be pulled in as a “distributor,” even though the company is not actually producing the beverages.

If that interpretation is correct and entities like that would be required to participate in the PRO, we would have concerns. These businesses are functioning as retailers with a distribution step, not as producers controlling manufacturing.

If they are included, we would ask that the bill be clarified to exclude this type of model from PRO membership requirements, as it does not seem to align with the intent of producer responsibility.

## **Additional Funding for PRO Implementation**

The transition to a Producer Responsibility Organization model will require substantial upfront and ongoing investment to establish a functioning system. Startup costs will include information technology systems, personnel, administrative infrastructure, compliance systems, and program oversight capacity. These are significant costs that must be accounted for to ensure the program operates effectively and as intended.

We request a revised and transparent calculation of the full costs associated with establishing and operating the PRO, including multi-year projections. We also ask that the State consider increased and clearly defined funding to support these costs, particularly during the initial implementation period, to ensure stability and avoid unintended cost burdens on participating entities.