

April 8, 2026

Vermont Committee on Senate Natural Resources and Energy

Good afternoon, Chair Watson and Members of the Committee,

My name is Mike Noel. I am a Public Affairs Director at TOMRA. Thank you for the opportunity to comment on the bill today. **We are formally opposed to H.915** largely due to elimination of the handling fee without guardrails, but I want to be clear we support the overall objective of improving the program.

Introduction to TOMRA

By way of background, TOMRA provides technology and services across Vermont's bottle bill system and has done so for decades. We provide reverse vending technology to stores and redemption centers – both single-feed machines and [bulk-feed machines](#) where you can empty an entire bag in at once. You can see an example of this technology today at Morrisville Beverage. We also recently brought [CLYNK](#) into the TOMRA family last year, who offers a popular bag drop redemption service where you can drop off a bag and be paid back or donate your refunds to charity – all on your phone. In addition, TOMRA provides container pickup services on behalf of all beverage distributors in Vermont and processes those containers at our recycling facility in Essex. We also operate the clearinghouse that radically simplifies how deposit refunds and handling fees are exchanged between hundreds of distributors, stores and redemption centers.

Relevant to this conversation, I serve on the Board of Maine's Producer Responsibility Organization for their 'bottle bill' - also known as the "Cooperative". TOMRA operates in all major Deposit Return Systems around the world including all ten US states with such a program, so I am bringing some of that expertise to bear when analyzing this proposed legislation.

Modernization must be done with care

We support the idea of modernizing Vermont's bottle bill. The program has seen better days mostly due to neglect from not updating the law which has stifled public participation and innovation. But **modernization needs to reflect the reality that Vermont is not starting from scratch.**

There is current infrastructure and jobs that rely on the system continuing to work. This includes about 100+ locations statewide that take back cans and bottles and put deposit money back in Vermonters pockets every day. The recycling processing facility in Essex relies on the public's easy access to return their containers. The pickup, processing and recycling of containers, the billing of hundreds of distributors and the payment of these 100+ redemption locations for deposit refunds and handling fees works. But it does so due to the way the law is written, and we need to be careful about a transition to a new entity and be honest about the conflicts of interest at play.

I don't mean to suggest we are immune from this. We generate revenue from the program today. But recognizing conflicts of interest — and designing guardrails accordingly — is a normal and necessary part of policy design.

Summary of comments on H.915

- **At a minimum, eliminating the handling fee needs to come with a scheduled ‘compensation’ update every 2yrs** (Section 1532, A, 2, A) - Vermont has an existing redemption network and it remains viable because stores and redemption centers are paid a handling fee. Without this, redemption centers would close. This bill proposes letting the beverage industry propose “fair compensation” to stores and redemption centers and if DEC approves it, that is the amount for at least the next 5 years. We understand the beverage industry’s interest in reducing costs in the system and even respect the wisdom of removing the handling fee from statute where it is static, but there should be more detail here so the legislature can be confident that this bill does not cause redemption centers to close en masse.

There are a few different options here from adding in an arbitration section (e.g. Quebec), having a separate body set the compensation amount, (e.g. Alberta) or allowing redemption centers to appeal to DEC, but all **we are asking for is the new compensation amount to update every two years**. I think we can agree that costs do not stay static due to inflation so neither should this “fair compensation” amount.

- **‘Distributor Approval’ needs to be added if Vermont wants faster, more convenient technology to redeem containers** (Section 1523, A, 2) - If you want to see redemption at transfer stations and for Vermonters to get their money back from [CLYNK bag drop services](#) or [bulk RVMs](#), there would need to be a requirement for containers processed by this technology to be accepted by distributors and the PRO. We are not suggesting that **any** container redeemed through technology should be accepted, just legitimate containers. So, this section would make it clear that distributors are not expected to accept fraudulently redeemed containers. This is similar to Maine law today.
- **Product Registration is critical for all deposit programs and needs to be added** (Section 1531) – Another requirement for containers to be accepted in through redemption technology – is for distributors to register the Universal Product Codes of their products with the PRO and for these to be made available to technology providers. **Without this, Vermonters will go to redeem their containers at a Reverse Vending Machine or bag drop service and the containers for which they paid a deposit will be rejected.** This is similar to Maine and Connecticut law.
- **Smaller retailers should only be allowed to drop out when the ‘convenience standard’ is implemented** (Section 1523). There is some logic to this as the Producer Responsibility Organization is required to ensure a convenience standard is met at other locations, but retailers should only be allowed to drop out of the system once the convenience standard has been implemented, not just once DEC **approves a plan** to implement the convenience standard.

- **Locations subject to the ‘convenience standard’ should have minimum opening hours** (Section 1532, 3) - The bill eliminates the minimum opening hours when Vermonters can get their deposit money back. These minimum hours should remain and should apply AT LEAST to the locations that are required under the convenience standard unless a waiver is granted by the Secretary. Without this, redemption locations, especially any operated by a cost-focused PRO, could easily decide to only offer redemption for a few hours a week.
- **The ‘Redemption of Liquor Containers’ section says Distributors only need to pay RETAILERS a handling fee but makes no mention of REDEMPTION CENTERS** (Section 1527-2). Redemption centers will refuse liquor containers if they are not compensated for accepting them. This is important since each liquor container has a meaningful 15 cent deposit and Vermonters are likely to be angry if they can’t get their money back.
- **The program’s performance targets are based on a “redemption rate” and this should be defined** (Section 1521). If the PRO fails to reach the minimum redemption rate, it would be required to improve consumer convenience and education efforts. I guarantee there will be disputes over what the statute means by redemption rate because it is not defined in this bill. We strongly recommend adding a redemption rate definition like Connecticut and Maine have.
- **The timeline is unnecessarily long** (Section 1532) – It will not take 15 months to develop the first draft of the plan for example. In Maine this took 6 months. What takes more time is the state agency and the PRO agreeing on the final plan. I provide a recommended timeline below.
- **And finally, the Plan approval process should follow best practices in terms of PRO oversight** (Section 1532). The bill should make clear that DEC has the authority to send the Plan back to the PRO for edits if it does not meet the minimum plan requirements set in this bill. The PRO will be incentivized to put forward a first draft plan that does the bare minimum to comply. At that point the state needs the authority to require edits, so the statute’s intent is fulfilled.

This has been a painful process in Maine, but ultimately it is an important one otherwise the PRO would submit a plan that could be divorced from the requirements in the statute.

We appreciate the opportunity to testify on this important legislative proposal. Again, we are opposed to the bill largely due to the elimination of the handling fee without more clarity on what takes its place. As written, the bill prevents extreme risk to Vermont’s bottle bill.

Thank you,

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DETAILED COMMENTS

Recommendation & Rationale	Recommended Language
<p>Vermont has an existing redemption network and if the transition from a handling fee payment to a vague “fair compensation” method goes poorly, Vermont’s redemption centers will close. The compensation amount should be updated at least every two years.</p> <p><u>Precedent</u></p> <ul style="list-style-type: none"> - Quebec – based on contracts with return locations and can be updated outside of statutory changes. • Denmark – Reviewed and approved by regulator each year. • Alberta, CA – Regulatory board required to establish bylaws including “criteria and procedures for adjusting” handling fees. • Sweden – Handling fees are published and set based on value of service provided. 	<p>[Section 1532, A, 2, A]</p> <p>(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements:</p> <p>(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program. The producer responsibility organization shall review and update the compensation amounts not less frequently than every two years, and shall submit any updates to the Secretary for review and approval.</p>
<p>Universal Redemption and Distributor Participation</p> <p>The bill states that retailers and redemption centers taking back containers for the PRO shall not refuse to accept beverage containers unless they are not clean. However, there is no requirement for Distributors or the PRO to accept containers if the store or redemption center chooses to use a Reverse Vending Machine or CLYNK bag drop service. This – known as ‘Distributor Approval’ - should be specified so stores and redemption centers can invest in improving their operations and Vermonters can more easily get their deposit money back.</p> <p>To address fraud concerns, the bill should make clear that distributors and the PRO are not required to accept fraudulently redeemed containers.</p> <p><u>Precedent:</u></p> <ul style="list-style-type: none"> • Maine • Connecticut 	<p>[1523, A, 2]</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 any 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, unless such beverage containers are on a list previously provided by the distributor or Producer Responsibility Organization to the redemption center as not being sold in the state or have been confirmed to be previously redeemed.</p>
<p>Universal Redemption - To realize universal redemption where stores accept all deposit containers, not just certain brands, the retailer refusal section of Section 1527 needs to be adjusted.</p> <p>As written, liquor retailers are only required to take back liquor containers they sell.</p>	<p>Section 1527: 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</p>

	<p>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>For Vermonters to get their deposit money back from CLYNK bag drop services or bulk/single-feed Reverse Vending Machines, technology providers need the Universal Product Code information. All distributors should be required to register their UPC information regularly as new products come on the market and change.</p> <p>Precedent:</p> <ul style="list-style-type: none"> • CT 221-244 (d) • Maine 3105 - 5 	<p>§ 1531. MANUFACTURER AND DISTRIBUTOR PARTICIPATION IN PRODUCER RESPONSIBILITY ORGANIZATION</p> <p>(a) No manufacturer or distributor may sell or distribute a beverage container in this State without participating in a Secretary-approved producer responsibility organization.</p> <p>(b) <u>Each distributor shall provide the Universal Product Code, and barcode, with packaging information 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 ten months following approval of the Stewardship Plan referred to in Section 1532, 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 freely available upon request in order to allow consumers to redeem deposit containers through redemption technology.</u></p> <p>(c) <u>The initiator of deposit shall renew a label registration annually and whenever that label is revised by altering the universal product code or whenever the container on which it appears is changed in size, composition or glass color.</u></p> <p>(d) <u>This section shall take effect nine months after approval of the Stewardship Plan referred to in Section 1532.</u></p>
<p>The timing of retailers refusing to accept containers needs to be done only once the convenience standard is met, not just once DEC approves a plan to implement the convenience standard.</p>	<p>Section 1523...</p> <p>(b)(1) A retailer, with the prior approval of the Secretary, may refuse to redeem beverage containers if a redemption center or centers are established that serve the public need <u>if the Secretary confirms a stewardship plan that meets the requirements of section 1532 of this title has been implemented by the producer responsibility</u></p>

	<p>organization in the State and the retailer’s building is less than 5,000 square feet.</p>
<p>Redemption centers will refuse liquor containers if they are not compensated for accepting them, making it harder for Vermonters to get their 15¢ deposit back.</p>	<p>Section 1527 -2: REDEMPTION OF LIQUOR BOTTLES</p> <p>...Handling fee. Distributors of beverage containers subject to this section shall pay a retailer <u>or redemption center</u> that redeems a beverage container three and one half cents per container</p>
<p>The program’s performance targets are based on a “redemption rate” and this should be defined. Given failure to reach the redemption rate carries requirements for the PRO to improve the program, this metric should be defined to avoid future disputes.</p> <p>Precedent:</p> <ul style="list-style-type: none"> • CT: 22a-245a 2-C • Maine: 3107, 3-B, B, 3 	<p>Section 1521 - Definitions</p> <p>...</p> <p>(8) “Redemption Rate” means the number of beverage containers redeemed for the deposit divided by the number of beverage containers sold and may not include in its calculation any unredeemed beverage containers collected or processed by municipal or other recycling programs.</p>
<p>The bill eliminates the minimum opening hours for Vermonters to get their deposit money back. These minimum hours should AT LEAST apply to the locations that are required under the convenience standard unless a waiver is granted by the Secretary.</p>	<p>Section 1532...</p> <p>... (3) <u>Collection location standards. All locations that provide for redemption of beverage containers shall:</u></p> <p>(A) <u>provide expeditious redemption services that limit the need for persons redeeming containers to wait for redemption services;</u></p> <p>(B) <u>be at sites that are secure, sufficiently lighted, and managed to ensure the safety of persons redeeming containers at a location;</u></p> <p>(C) be open to the public at least 40 hours a week unless a waiver is granted by the Secretary, and</p> <p>(D) comply with all applicable laws related to the collection, transportation, and disposition of mandated recyclables.</p>
<p>The timeline is way too long. Also, DEC should have explicit authority to edit the Plan if the PRO simply does not submit a plan that meets the requirements of the statute as consequences for this are not clear in the bill. Also, implementation will be gradual so it should begin with implementation of a “timeline” approved in the Plan.</p> <p>As of now the timeline is like so:</p> <ul style="list-style-type: none"> • Jan 1, 2027: Application to form PRO 	<p>§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS (a) Plan elements. On or before October April 1, 20278, an approved producer responsibility organization shall submit a stewardship plan to the Secretary. A stewardship plan shall, at a minimum, meet all of the following requirements of this section:</p> <p>§ 1532(c). Secretary of Natural Resources approval</p>

<ul style="list-style-type: none"> • April 1, 2028: Submission of PRO Plan • ~July 1, 2028 (90 days after the above): DEC Secretary shall review the plan and determine whether to approve the plan. • April 1, 2029 (9 months after the above): PRO shall implement the plan <p>The process of filing a plan of this nature, especially after DEC’s RRS report already provides much of the data and analysis needed to assess the program. What takes more time is back and forth in editing the plan with DEC.</p> <p>The timeline should be closer to this:</p> <ul style="list-style-type: none"> • Jan 1, 2027: Application to form PRO • Oct 1, 2027: Submission of PRO Plan • Dec 1, 2027 (Two months after the above): The Secretary shall review the plan and determine whether to approve the plan or send the Plan back to the PRO for edits. • Feb 1, 2028 (Two months after the above): If the plan has not already been authorized by the Department and the Plan has been sent to the PRO for edits, the PRO shall submit revised Plan to the Department for review and approval by this date. • April 1, 2028 (Two months after the above): If the Plan has not already been approved, the Department shall review the plan and determine whether to approve the plan or send the Plan back to the PRO for edits. • ~June 1, 2028 (Two months after the above): DEC Secretary shall review the plan and determine whether to approve the plan. • By September 1, 2028, or 3 months after the Secretary’s approval of the plan, whichever is first: PRO shall begin implementing the timeline in the approved plana and Stewardship Plan. 	<p>(c) Secretary of Natural Resources <u>review and approval.</u></p> <p><u>(1) Within 60 days after receipt of a stewardship plan submitted under this section, the Secretary shall review the plan and shall:</u></p> <p><u>(A) approve the plan.; or</u></p> <p><u>(B) disapprove the plan and return it to the producer responsibility organization with written notice identifying the specific deficiencies and required modifications necessary to meet the requirements of this chapter.</u></p> <p><u>(2) If a plan is returned for modification, the producer responsibility organization shall submit a revised plan to the Secretary within 60 days after receipt of the Secretary’s notice.</u></p> <p><u>(3) Within 60 days after receipt of a revised plan, the Secretary shall approve the plan or return it to the producer responsibility organization for further modification.</u></p> <p><u>(4) The Secretary may repeat the review process under subdivisions (2) and (3) of this subsection until a plan is approved or until the Secretary determines that the producer responsibility organization has failed to submit a plan that meets the requirements of this chapter.</u></p> <p><u>(5) If the Secretary determines that the producer responsibility organization has failed to submit a compliant plan, the Secretary may:</u></p> <p><u>(A) require further revisions under conditions and deadlines set by the Secretary; or</u></p> <p><u>(B) exercise the authority under subsection 1531(f) of this chapter to administer a plan on behalf of manufacturers and distributors.</u></p> <p><u>(6) The plan shall be approved after concluding that the plan meets the criteria established in this section and the elements of the plan will maximize diversion of recyclable materials, provide convenience to</u></p>
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	<p><u>users, and create a more circular economy. The Secretary’s approval under this subsection shall be for a period not greater than five years.</u></p> <p><u>(d) Plan implementation and timeline.</u> <u>(1) A stewardship plan submitted under this section shall include a detailed implementation timeline identifying phased milestones for program implementation.</u></p> <p><u>(2) Not later than three months after the Secretary’s approval of the plan, or by September 1, 2028, whichever occurs first, the producer responsibility organization shall begin implementation of the approved implementation timeline and stewardship plan. The producer responsibility organization shall implement an approved plan not later than nine months after the Secretary’s approval.</u></p> <p><u>(e) Revision of stewardship goals. If the producer responsibility organization fails to meet the beverage container redemption rate in section 1534 of this title for all other beverage containers, the Secretary may require the producer responsibility organization to implement activities to enhance the rate of redemption, including additional public education and outreach, additional redemption sites, or additional redemption opportunities.</u></p>
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