

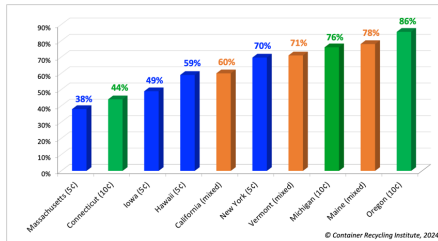
VT 25-0991 Testimony

Presented by Susan Collins, President of the Container Recycling Institute
April 2, 2025



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Redemption Rates for U.S. Deposit States, 2023



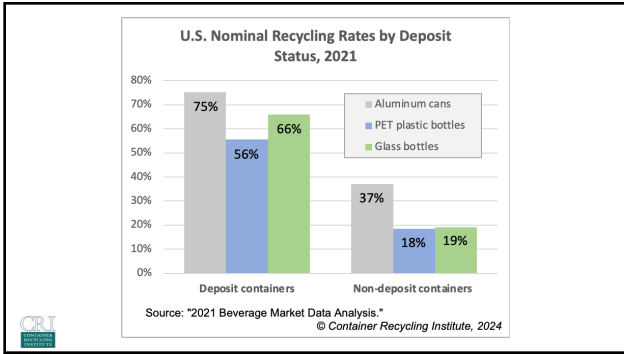
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Benefits of deposit systems:

- **High recycling rates:** 50-90% for beverage containers in the U.S.
- Produce **clean** recycled materials for manufacturing
- Create **jobs** and **new businesses**
- Shift end of life costs for used beverage containers to **producers (EPR)**
- Reduce **litter: KAB found 50% reduction of beverage container litter in DRS states**
- Conserve **energy** and natural resources
- Reduce **greenhouse gas emissions**
- **Prevent pollution** from manufacturing new containers from virgin materials
- Public opinion polls: very popular, 75% to 90%



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Economic Benefits of Bottle Bills

Deposit Scrap is More Valuable

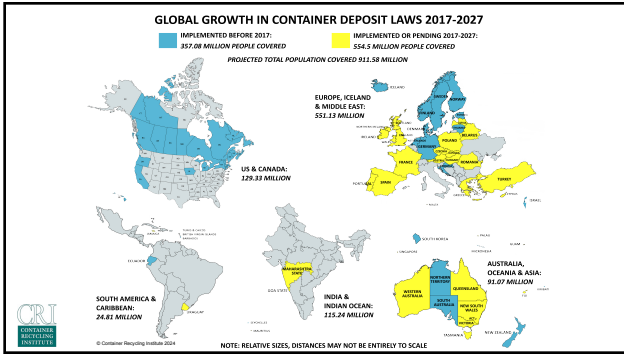
- PET plastic from curbside programs typically sells for 40% less than deposit PET
- Curbside glass **costs \$20-40/ton to recycle** – when markets can be found for it at all – versus deposit glass that has a **\$20/ton scrap value**

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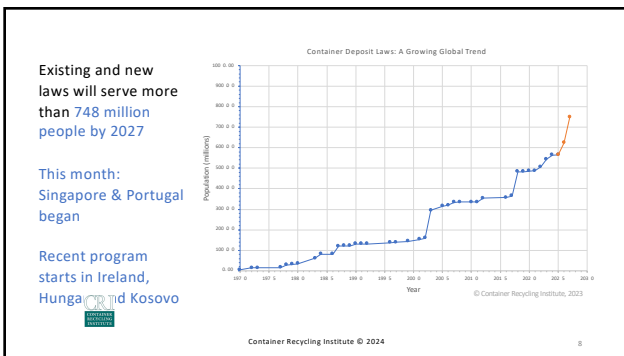
Benefits to Municipalities

- In Massachusetts, DEP study estimated cost savings to municipalities of \$7 million per year. (6 mil. Pop.)
- Cost savings come from:
 - Reduced collection costs
 - Reduced landfill costs
 - Reduced processing costs
 - Reduced costs for pick-up of litter
- Additional savings from reduced costs for storm drain clean-out

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Vermont can learn from Maine & Connecticut

- Connecticut’s modernization law required beverage distributors to form a PRO, **but they did not do so**. Fortunately, distributors retained individual producer responsibilities under the law, allowing the program to continue operating without a PRO. Although modernization was expected, the only operational changes have been implemented by redemption center operators.
- In Maine, the new law also requires a PRO. However, **many distributors have failed to join**, delaying the program start date and creating uncertainty about implementation.

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Recommendation:
Do not eliminate the handling fee early

- The bill eliminates the current 3.5-cent handling fee as soon as the stewardship plan is approved (~ July 1, 2028). At that time, redemption centers would still be operating under the existing system and sorting containers by brand.
- Operational modernization would not occur until the PRO implementation date—~ April 1, 2029.
- **This creates a gap between when the plan is approved vs implemented.**
- Redemption centers are unlikely to operate without compensation and **would likely close**. Retailers, however, remain legally required to redeem containers and would suddenly face much larger return volumes without compensation.
- The bill appears to intend that negotiated handling fees replace current fees once operational efficiencies reduce sorting requirements.

Recommendation:
The current handling fee should remain in effect until the implementation date of the stewardship plan—not the approval date.

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Recommendation:
The Bill Needs a “Plan B”

- Vermont’s legislation should **anticipate and prevent** challenges related to PRO formation or distributor participation.
- Look to Oregon as an example of success:
 - In 2022, OR enacted SB 1520 requiring distributors that do not join the dealer cooperative (the PRO) to assume the same responsibilities as the PRO. Nonparticipating distributors must “establish a program to provide redemption services in the distributor’s distribution area comparable to services provided by a distributor cooperative.” They must also pay an annual fee to the state based on container sales (ORS 459A.732 and ORS 459A.733).
 - Before this law, more than 130 distributors in Oregon were not participating in the PRO. By 2024, after implementation of penalties, only 16 remained outside the PRO (Source: *Oregon Liquor and Cannabis Commission redemption reports*).

Recommendation: Insert language similar to Oregon’s law to ensure compliance through meaningful penalties and full producer responsibility for distributors that choose not to join the PRO.

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Recommendation:
Do not allow the dissolution of a PRO as an option

- Dissolving the PRO if it fails to implement its stewardship plan would create significant disruption. State agencies are unlikely to assume operational responsibility, and consumers could be left paying deposits without redemption opportunities.

Recommendation: Instead of dissolution, the state agency should be authorized to:

1. Require a corrective action plan
2. Impose escalating monetary penalties for noncompliance

The current annual penalty cap of \$170,000 is too low relative to the scale of the program.

The law should also specify that if the PRO ceases to exist, all distributors automatically assume the same responsibilities individually. This would ensure continuity of consumer redemption opportunities.

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Lithuania: Proven Success

- Prior to DRS: 1/3 of beverage containers in Lithuania were returned
- 2016: 74.3% returned
- Reached **92.3% return rate in 2023**



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Thank You!

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