



March 11, 2026

Vermont House Committee on Ways & Means
Representative Emilie Kornheiser, Chair; Representative William Canfield, Vice-Chair
Vermont State House, Room 45
115 State Street
Montpelier, VT 05633

Dear Chair Kornheiser, Vice-Chair Canfield, and Members of the Committee,

We write in opposition, unless amended, to Vermont H.915, a bill that would create a Producer Responsibility Organization (PRO) for beverage containers in Vermont. In this letter, we highlight concerns with the bill and propose amendments for the committee's consideration. This comment letter refers to the version of H.915 dated February 26, 2026.

We strongly support modernizing Vermont's bottle bill operations. Eliminating the requirement that redemption centers hand-sort containers by brand is decades overdue. Equipment upgrades and bag-drop systems have been successfully implemented in many other states and countries, while Vermont's program has changed little in decades.

However, Extended Producer Responsibility (EPR) laws typically contain many interconnected components that must be carefully structured and timed to function effectively. H.915 omits several key provisions, creating loopholes that could allow noncompliance and an uneven playing field for producers. Vermont should learn from the challenges experienced in Connecticut and Maine, both of which recently attempted to establish a PRO for beverage containers.

In Connecticut, legislation passed in 2021 required beverage producers to form a PRO. However, producers failed to form the organization, did not implement operational or equipment upgrades, and yet retained the unclaimed deposits negotiated in the bill. In Maine, the PRO is struggling to achieve full producer participation, and the draft stewardship plan has been repeatedly delayed. **In neither state have beverage producers successfully formed a PRO and implemented a stewardship plan. In contrast, Oregon's PRO is fully formed and operating effectively.** This letter shares examples that were learned from both successful implementation and failures.

The bill would also likely decimate the state's redemption center network by eliminating its primary funding source well before a new funding mechanism is in place. By removing the mandated handling fee, the bill proposes replacing it with negotiated fees. However, negotiations would occur within a significant power imbalance between large beverage companies and small redemption center operators. A newly formed PRO could simply fail to reach agreements with certain redemption centers, forcing them out of business. A similar situation occurred in California, where underpayments to redemption centers caused more than half of the state's facilities to close. Retailers would also lose handling fees,

but they generally have greater negotiating leverage due to longstanding vendor relationships with beverage producers.

Expansion to all beverage types

Once operational changes eliminate the need to hand-sort containers by brand, the program should expand to include all beverage types, consistent with the vast majority of the more than 70 beverage container deposit-return systems (DRS) worldwide.

Issue 1: There is no “Plan B” if the beverage industry fails to form a PRO

Only three U.S. states include a Producer Responsibility Organization within their beverage container deposit systems: Oregon, Maine, and Connecticut. All three have experienced challenges related to PRO formation or distributor participation. Vermont’s legislation should anticipate and prevent these problems.

Connecticut’s modernization law, passed in 2021, 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.

Since 2009, Oregon has a very successful PRO-run system, but has faced similar issues. In 2022, the state enacted Senate Bill 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 the 2022 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 ORS 459A.732 and ORS 459A.733 to ensure compliance through meaningful penalties and full producer responsibility for distributors that choose not to join the PRO. This approach is standard in EPR laws worldwide.

Additional recommendation:

Require the PRO to report to the state every six months any distributor or first importer operating in Vermont without PRO membership or proper registration. This should include retailers importing beverages into the state without assuming responsibility as a “first importer” or “deposit initiator.”

Issue 2: Definition of “dealer” is missing**Recommendation:**

Add the following definition:

“Dealer” means every person in this state who sells beverages in beverage containers directly to consumers.

Issue 3: Definition of “distributor” requires updating

The definition should address modern sales channels.

Recommendation:

Include online sales, home and office delivery, and vending machines. These situations allow distributors to sell directly to consumers without first selling to a dealer and should be covered to close this loophole.

Issue 4: Definition of “beverage” should be expanded

More than 70 beverage container deposit-return systems exist worldwide, with 56 currently operating and roughly 20 under development. Vermont is one of only four systems that do not include still water, which became the most consumed beverage in the United States in 2016.

Recommendation:

Expand the definition of “beverage” to include common categories such as bottled water, juice, sports drinks, wine, and similar beverages.

Issue 5: Potential conflicts involving the Department of Liquor and Lottery (DLL)

Operational conflicts may arise between the Department of Liquor and Lottery and the future PRO. The PRO may restructure the redemption network by operating redemption centers directly or introducing bag-drop systems in which consumers place all containers in a single bag for later processing.

In practice, consumers are unlikely to separate liquor containers from other beverage containers in bag-drop systems. As a result, the DLL and the PRO may need to coordinate operationally and financially. The DLL may need to pay handling fees or other charges to the PRO. A similar situation occurred in Ontario when wine and liquor containers were added to the deposit system and the program operator charged significant fees to the provincial liquor agency.

The bill currently contains conflicting provisions. It states that compensation rates are unspecified—giving the PRO substantial pricing authority—while also maintaining a handling fee of 3.5 cents for liquor containers.

Recommendation:

Establish limits on the per-container fees the PRO may charge to the state liquor agency.

Issue 6: Early elimination of the handling fee would likely cause redemption center closures

Section 1522(b) eliminates the current 3.5-cent handling fee as soon as the stewardship plan is approved (approximately 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—approximately April 1, 2029.

The bill also anticipates reimbursement for equipment purchases between 2030 and 2033. The stewardship plan should clarify that equipment must be installed prior to implementation, even if reimbursement occurs later.

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. Compensation should not be reduced until operational requirements are reduced and most distributors have joined the PRO, allowing containers to be commingled by material type rather than separated by brand.

Issue 7: “Not less than” should remain in the statute

Container deposit laws commonly use the phrase “not less than” when specifying deposit values to allow future increases without legislative amendment.

The bill anticipates potential increases in Section 1534(b)(2). The PRO should have authority to raise the deposit if necessary to meet redemption targets. For example, British Columbia’s stewardship organization increased its deposit from five cents to ten cents in 2019 without legislative changes.

Similarly, the Department of Liquor and Lottery may need flexibility to adjust deposits on liquor containers.

Recommendation:

Restore the phrase “not less than” in Section 1527(1) to provide necessary flexibility.

Issue 8: Unintended loophole for distributors operating small retail outlets

The current language creates a loophole allowing manufacturers or distributors to establish a small retail location and avoid participation in the program (becoming “free-riders.”)

Recommendation:

Rewrite the provision to eliminate this loophole.

A common approach is a **de minimis exemption** based on sales volume. For example, producers selling fewer than 250,000 containers annually in the state could be exempt from most producer responsibilities, provided they submit an annual declaration verifying their sales volume.

Issue 9: Sales reporting is missing

Section 1527(5)(A) requires reporting of redeemed containers but not containers sold.

Effective oversight requires all three values:

- Containers sold
- Containers redeemed
- Calculated redemption rate

Recommendation:

Revise the reporting section to require sales data in addition to redemption data.

Issue 10: Stronger enforcement provisions are needed

Section 1531(a) requires distributors to join a PRO.

Recommendation:

If a distributor does not join a PRO, it should assume all responsibilities assigned to the PRO under the law. This approach mirrors Oregon’s system and reflects common practice in EPR legislation.

The bill should also include stronger monetary penalties for noncompliance.

Section 1531(b) requires manufacturers and distributors to form a PRO, but experience in Connecticut shows that a PRO may never be formed. Maine is currently facing similar participation challenges.

Issue 11: Dissolution of the PRO is not a workable remedy

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.

Issue 12: The bill does not authorize the PRO to assess per-container fees on manufacturers or distributors.

Recommendation:

Add language authorizing the PRO to assess per-container fees on all manufacturers and/or distributors operating in the state. Without this authority, the PRO may lack the financial mechanism necessary to operate effectively. Such provisions are standard in other deposit-return systems that include a PRO.

Issue 13: Portions of the program timeline are unclear.

For example, regarding Retailer Universal Redemption in Section 1523(c): Does this requirement take effect immediately upon passage of the bill, or is it tied to the full implementation date of the stewardship plan?

Recommendation:

Clarify the program timeline in the bill to ensure that implementation dates for each provision are clearly defined.

Issue 14: Section 1527(5) reporting requirements are incomplete.

Section 1527(5) requires reporting of the amount and tonnage of containers “collected,” as well as the redemption rate.

Recommendation:

The section should require reporting of the number of containers sold and redeemed, in addition to the calculated redemption rate.

Issue 15: Approval of the PRO is limited to “not more than 10 years.”

The bill states that the state may approve a PRO for “not more than 10 years,” but it does not specify what occurs after that period. The bill should address renewal procedures and ensure continuity of operations.

Recommendation:

Add provisions describing how the PRO approval may be renewed after the initial term. All sections referring to the PRO and the stewardship plan should be written to ensure uninterrupted program continuity while allowing periodic review by the state.

Issue 16: Section 1533 – Program and fiscal audit

The term “fiscal audit” typically refers to governmental entities. In this context, “financial audit” would be more appropriate.

Recommendation:

Replace the term “fiscal audit” with “financial audit,” and specify that the audit must include an audited financial statement.

An example of this practice can be found in British Columbia, where the beverage container PRO publishes audited financial statements in its annual report. Sales volumes should also be included in the information reported annually. The annual report, including the audited financial statement, should be publicly available online.

In addition, the following sentence appears to give the state agency no authority to question the audit: “The Secretary shall approve the audit results”

The bill should clarify whether the agency has authority to review or reject audit findings if necessary.

Issue 17: Section 1532(c) – Reporting timeline

After the Secretary reviews the stewardship plan and provides comments to the PRO, the bill does not specify a deadline for resubmitting a revised plan.

Recommendation:

Add language such as:

“If the Secretary requests revisions, the PRO shall submit a revised plan within 30 days.”

This deadline would prevent unnecessary delays and reduce the risk that the process could stall due to lack of clear timelines.

Issue 18: Section 5 – Reporting**Recommendation:**

The reporting requirements should also include the percentage of material losses due to contamination during the recycling process, if any.

Issue 19: Section 1532 – Stewardship Plan consultation

The consultation process for the stewardship plan should include opportunities for public participation.

Recommendation:

Public meetings should be held, including online participation options, and the public should have the opportunity to submit written comments. The draft stewardship plan should be posted online to ensure full public access, and the Agency of Natural Resources (ANR) should review submitted comments when evaluating the plan.

Issue 20: Section 1532 – Stewardship Plan, convenience of collection

This section attempts to ensure that a sufficient number of collection points exist within the state. However, it does not address the capacity of those sites or their hours of operation.

Consumers should be able to redeem or drop off containers when they arrive at a redemption site, rather than encountering full collection bins or closed facilities.

Recommendation:

Add language requiring the stewardship plan to address operational capacity and hours of operation at collection points to ensure that consumers have reliable and convenient redemption opportunities.

In sum, CRI opposes H.915 as written but would be more than happy to discuss potential changes. Please contact me with any questions you may have.

Sincerely,

A handwritten signature in purple ink that reads "Susan Collins". The signature is fluid and cursive, with the first name "Susan" written in a larger, more prominent script than the last name "Collins".

Susan Collins
President, Container Recycling Institute