

PETER A. BRENNAN Executive Director

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Rhode Island General Assembly House Committee on Environment and Natural Resources State House Providence, RI 02903

RE: House Bill 6206 – *An Act Relating to Health and Safety – Beverage Containers Recycling Act-* <u>NECSEMA OPPOSES</u>

Dear Members of the House Committee on Environment and Natural Resources:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience stores and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 550 convenience stores in Rhode Island. Our members are a significant contributor to Rhode Island's economy, employing over 8,800 people and collecting over \$750 million in taxes annually. We play a crucial role in the state's commercial landscape, providing essential goods and services to residents, generating employment opportunities, and contributing to the overall prosperity of local communities.

House Bill 6206 (and H. 6207) would establish a 10-cent statewide beverage container deposit and redemption program. Deposits would encompass all beverage containers including beverage, wine, and spirits. While the aim of this bill is noble – to reduce waste and increase recycling, data from other states both with and without redemption programs shows conclusively that the biggest driver of recycling rates are comprehensive curbside recycling programs. A \$.10 deposit would be the largest between Rhode Island and Maine and would exponentially increase costs for businesses and consumers while driving cross-border fraud to the state. Consequently, NECSEMA is opposed to the bills as drafted.

When Connecticut's bottle redemption law update went into effect 2023, increasing the deposit from \$.5 to \$.10 and expanding the types of covered beverages, the state immediately experienced a surge of fraud. which continues unabated despite attempts by the legislature to control the problem. Ultimately, distributors and bottlers could be responsible for millions in fraudulent bottle redemptions that are purchased in another state and redeemed in Rhode Island. This problem is well-documented in Connecticut (see attached article), and has led to increased costs on the state, businesses and consumers. We would caution the committee against pursuing the same path as Connecticut while these problems remain widespread.

We would be remiss if we did not credit the Bottle Bill Commission led by Representative McEntee and Senator McKenney for their comprehensive work on the issue over many months. NECSEMA was honored to participate in the process and credit the bill drafters for providing flexibility to retailers that may not have the space to take container returns. However, with Connecticut's program in disarray, we would caution against adopting similar legislation until those issues are resolved in the Nutmeg State.

Thank you for your consideration of this testimony. Please don't hesitate to contact me if you have any questions or concerns.

Sincerely,

Peter A. Brennan, Esq