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Rhode Island General Assembly
House Committee on Environment and Natural Resources
Comments on House Bills 6207 and 6206
May 13, 2025

Comments from James P. Toner, Jr. International Bottled Water Association

Chair Bennett and members of the Committee, the International Bottled Water Association (IBWA) appreciates this opportunity to provide comments in support of House Bills 6207 and 6206. House Bill 6207 creates a joint extended producer responsibility program (EPR) for packaging and paper and a beverage container deposit program (DRS). House Bill 6206 establishes the Beverage Container Recycling Act for the purpose of redemption of beverage containers. IBWA has always been a strong advocate for recycling and supports comprehensive, multi-industry approaches to recycling and solid waste management. We believe that the best option for Rhode Island to address the litter problem in the state would be support for both EPR and a beverage container deposit program.

IBWA is the trade association representing all segments of the bottled water industry, including spring, artesian, mineral, sparkling, well, groundwater and purified bottled waters. IBWA represents bottled water bottlers, distributors, and suppliers throughout the United States, including several small, medium, and large-size companies doing business in Rhode Island. IBWA's stated mission is to serve the members and the public by championing bottled water as an important choice for healthy hydration and lifestyle and promoting an environmentally responsible and sustainable industry.

IBWA believes that an EPR system combined with DRS would sufficiently handle the needs of the state when it comes to waste management, waste diversion, material collection, and recycling. A recent poll citing that 85% of Rhode Island voters have concerns with litter in the state and 65% stating it is of great concern; it should be imperative that lawmakers find the best solution to tackle the issue that has the best results.

A comprehensive approach to tackling these issues can be best addressed in HB 6207 which combines both EPR and a beverage container deposit program. Some of the major benefits of taking a combined approach are:

• Increased recycling rates in the state, which have the potential of achieving up to 75% for all packaging and paper and above 90% for beverage containers.

- The creation of a significant amount of new, green jobs by boosting recycling and waste industry employment. One study found that bottle bills create up to 38 times more jobs than a curbside recycling beverage container system alone.
- A dramatic decrease in beverage container litter. A quick look at the states that have deposit programs show a major increase in the amount of material redeemed and recycled significantly more than non-bottle bill states.
- Support for work being done by major producers to achieve recycled content use goals.
 Additional material recycled means higher volumes of high-quality material for domestic manufacturers to use to make new containers instead of using new or imported materials.
- Savings to taxpayers, which could be as high as \$15 million per year as litter cleanup and landfill disposal charges shift from municipalities to industry in addressing the cost of recycling collection.

IBWA particularly would like to address the beverage container deposit language in both HB 6206 and B 6207. The following are IBWA's key principles of a successful deposit or recycling refund program that the industry agrees should be addressed in any legislation. IBWA believes that these principles can help to increase redemption rates, provide better results for the state, and ease the burden on consumers and manufacturers. Many programs are operating below their intended or expected capacity, and IBWA believes good legislation brings together the best of what all state programs have to offer.

- Performance-based with Achievable Targets. Targets for redemption, recycling rates, and the quality of redeemed material should be established and must be measurable, achievable, and cost effective. Targets should be phased in over a period of time, and revision of performance-based targets should be carried out at appropriate intervals. If a target is not achieved, the producer responsibility organization must make changes to the program. Targets for new programs should account for the considerable time necessary for consumers to adapt to a new collection system.
- Industry-Led Producer Responsibility Organization. The best practice for a recycling refund system is to establish a third-party organization, referred to as a Producer Responsibility Organization (PRO) that manages the program and is led by beverage manufacturers and distributors. The organization will set the redemption system cost structure and associated fees to ensure an effectively and efficiently run program. This cooperative model will foster higher rates of redemption rather than artificially capping redemption rates due to an inefficient costly structure.
- Unclaimed Deposits Stay with the Program. All funds from unclaimed deposits should be used solely for collection of post-consumer materials and improvements within the program. Time and again in existing systems, states have diverted consumers' unclaimed deposits to general funds for other uses undermining the system's integrity and consumers' trust that material is actually recycled.

- Convenient for Consumers. The PRO should establish a network of convenient collection points such as bag drops, redemption centers or other collection channels for easy and accessible consumer return and redemption. Use of consumer-friendly technology tools will also improve consumer engagement and operational efficiency of the system.
- Controls to Reduce Fraud and Abuse. An organization, in cooperation with the
 government oversight agency, should work to prevent and reduce opportunities for fraud.
 This could include licensing of redemption facilities, regular inspections at return facilities,
 increasing penalties for violations, and a daily limit on the bottle quantity that can be
 redeemed by an individual or entity.
- Focus on Reducing Contamination and Increasing Yield. Recycling refund systems typically keep beverage container types separate (from each other and from non-container recyclables), thereby improving material quality, market value, and reducing processing loss, all of which lead to higher yields, and thus support the circular economy. This could include standardizing quality control and increasing oversight of recycling processing to better ensure proper sorting of materials.
- Ensure Primary Access to Post-Consumer Content. As noted earlier, IBWA supports a true circular economy which is only achievable when producers have access to post-consumer recycled materials such as rPET. To support a closed loop circular economy system, a PRO's primary mission must be material collection. Beverage producers who are members of the PRO should have first right of refusal to collected post-consumer recycled materials that can be re-made into new bottles. IBWA does not support the "downcycling" of post-consumer recycled material (e.g., taking rPET from beverage containers and using it to produce carpet) which undermines the concept of a circular economy.

When looking at Rhode Island's jobs and economy, it is important to note that the bottled water industry is a strong economic driver in the state. Companies in Rhode Island that manufacture, distribute, and sell bottled water employ as many as 855 people in the state and generate an additional 1,040 jobs in supplier and ancillary industries. Examples of such employment include jobs in companies that supply goods and services to manufacturers, distributors, and retailers, as well as those that depend on sales to workers in the bottled water industry. The jobs currently generated by the bottled water industry in Rhode Island are good jobs, paying an average of \$63,600 in wages and benefits.

Not only does the manufacture and sale of bottled water create good jobs in Rhode Island, but the industry also contributes to the economy as a whole. In fact, the bottled water industry is responsible for over \$352 million in total economic activity in the state. The industry also generates sizable tax revenues. In Rhode Island, the bottled water industry and its employees pay over \$15 million in business taxes, while sales drive another \$12.6 million in consumption taxes.

In conclusion, IBWA and its members, both in Rhode Island and throughout the United States, strive to make a product that is healthy, refreshing, and considers the environmental impact of our products, both in manufacturing and waste management. IBWA is a strong advocate for

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comprehensive, multi-industry approaches to recycling and solid waste management that examine all types of programs that offer workable solutions.

This joint approach of EPR and DRS has the potential of addressing the state's outdated recycling and waste management system and providing for the future with the best possible programs to handle these materials. IBWA requests your support for HB 6207 and HB 6206 that can ensure comprehensive high-performance recycling for Rhode Island.