



May 13, 2025

The Honorable David A. Bennett
Chair, House Committee on Environment and Natural Resources
Rhode Island State House
82 Smith Street
Providence, RI 02903

**Testimony of Melissa Kocon, Chief Financial Officer
in Opposition to H6205, H6206, and H6207**

Dear Chairman Bennett and Members of the Committee:

As the CFO of an 85-year-old family-owned Rhode Island-based beverage distributor, I am writing to express my strong opposition to H6205, H6206, and H6207. While I fully support responsible environmental policies and efforts to reduce litter, these bills raise serious concerns—particularly due to the absence of any cost analysis on how they will impact Rhode Island businesses and ultimately consumers.

None of these proposals provide transparency on what implementation will cost producers, wholesalers, retailers, or consumers. Before advancing sweeping legislative changes, there must be a thorough and public understanding of the financial implications. It is deeply concerning that no economic impact assessment has been conducted or presented as part of these bills. For small and medium-sized businesses, like McLaughlin & Moran, even moderate cost increases can translate to reduced margins, higher consumer prices, and long-term instability, especially at a time when many Rhode Islanders are already facing rising costs for essential goods.

Another major concern is the exemption of on-premises retail establishments—such as bars and restaurants—from paying deposits, as indicated in the bill’s definition of a “retail establishment.” Without a deposit tied to these containers, there is nothing preventing individuals from collecting discarded bottles and cans from dumpsters or recycling bins at these locations and redeeming them for cash. This creates a clear and easily exploitable loophole. There is no practical or scalable way to distinguish or manufacture separate containers for on-site versus off-site consumption. In fact, this type of abuse is already happening, with containers collected in Rhode Island being transported to Connecticut or Massachusetts for redemption. This raises serious concerns about fraud, enforcement, and the integrity of the system as a whole.

These concerns are further amplified by the lack of standardization across New England states. For example, Connecticut and Massachusetts do not allow the return of nips, while Rhode Island’s proposal would permit it. Massachusetts also only includes carbonated beverages in its bottle bill, whereas Rhode Island’s proposal would cover virtually all beverage types—with only four exceptions: milk, infant formula, meal replacement drinks, and prescription drugs. This disparity

creates significant cross-border redemption issues. Will manufacturers have to produce entirely separate containers for Rhode Island to meet the deposit requirements, while still meeting the regulations in neighboring states? This would create a logistical nightmare, with different packaging needed for products sold across state lines. The inefficiency and increased costs associated with this type of supply chain disruption could prove to be a major burden for businesses.

Additionally, the varying deposit amounts and return policies between states could further complicate the process, leading to issues with theft, cross-border redemptions, and compliance challenges. For example, when Connecticut increased its deposit from 5 cents to 10 cents in early 2024, it saw a significant rise in theft and fraudulent redemptions; issues that still have not been adequately addressed through legislation. These are real, ongoing problems that demonstrate the unintended consequences of poorly aligned regional policies. Before moving forward with legislation that could cause more harm than good, Rhode Island must thoroughly evaluate these risks and ensure that any proposed program is designed with enforcement, feasibility, and cross-border realities in mind.

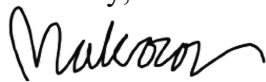
The legislation also overlooks a critical fact: Rhode Island distributors are already contributing through an existing beverage container tax. This tax was increased from \$0.04 to \$0.08 per case effective July 1, 2019, as stipulated in R.I. Gen. Laws § 44-44-3. The funds collected from this tax are supposedly allocated to support litter reduction and recycling programs. However, there has been no evidence or analysis shared on how this increase has affected litter reduction or recycling rates. Before scrapping this program and layering on new mandates, the Committee should assess the effectiveness of policies already funded by Rhode Island businesses.

Implementing major policy shifts like these without direct input from the businesses most impacted is short-sighted and risky. Industry leaders and local distributors must have a seat at the table. It's not that we don't want to be part of the solution to environmental and recycling challenges—we do. But these are complex issues that require thoughtful, realistic planning grounded in operational realities. It's simply not as easy as flipping a switch or copying a model from another state.

We urge the Committee to look beyond just the success stories often cited in support of these programs. EPR-style provisions are unproven in the U.S., and there is no indication they would deliver better results than investing in and improving our existing municipal recycling infrastructure. Rhode Island is not in a position to become a test case for unproven systems, especially at the expense of local small businesses and consumer affordability.

I respectfully urge the Committee to reject H6205, H6206, and H6207. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Kocon', with a stylized flourish at the end.

Melissa Kocon
Chief Financial Officer