May 13, 2025

Hon. David A. Bennett
Chair, House Environment and Natural Resources Committee
Rhode Island State House
Providence, RI 02903

H6206: An Act Relating to Health and Safety: For Information Only
H6207: An Act Relating to Health and Safety, Beverage Containers Recycling Act: For Information Only
H6205: Extended Producer Responsibility for Packaging and Paper - OPPOSED

To Chair Bennett and Members of the Environment and Natural Resources Committee:

My name is Mike Noel. I am a Public Affairs Director for TOMRA where I work on public policy related to the circular economy across North America. TOMRA is a global recycling and reuse innovation company with operations in 80 markets around the world. We provide a range of technology and services to both the curbside recycling system under Extended Producer Responsibility (EPR) for packaging and Deposit Return Systems (DRS) or "bottle bills" as they are more commonly known. We wanted to provide testimony today primarily to share our perspective that the proposed collection programs match the principles of other high performing programs and the bill which adopts both programs (H-6207) provides complementary benefits for residents, businesses and municipal governments.

We also wanted to caution against pursuing an EPR for Packaging program alone as proposed in H6205 as it risks recycling investments to one vehicle, which make it more difficult to address the challenge of litter and consumer convenience later.

TOMRA: technology, services and our experience with EPR and DRS
TOMRA is a leading provider of advanced technology to help facilities sorting 'curbside' recyclables. For this reason, our technology is relied upon to help EPR management bodies around the world to properly sort and recycle materials. TOMRA also has five decades of experience in the Deposit Return Systems. We operate in every major state or country with a DRS in the world including all ten US deposit states. In the Northeast, we are active in nearly every link in the deposit value chain, providing Reverse Vending Machines (RVMs) and bag drop services to incentivize the public to participate in recycling, clearing deposits, providing material pick-up services, operating processing facilities for recycling, and selling collected material back to the market on the beverage industry's behalf. Our team includes union Reverse Vending Machine technicians and container pickup drivers – jobs that would not exist without container deposit legislation. In Canada, Europe and Australia we assist beverage industry-managed Producer Responsibility Organizations to meet their compliance responsibilities.

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Deposit Return Systems are adopted for two primary reasons: litter reduction and increasing 'closed loop' recycling

Giving consumers a refund for returning containers has proven to reduce litter

DRS was first adopted in the U.S. primarily as a litter prevention tool. Litter studies conducted on the mainland U.S. after deposit systems were introduced showed between 69% and 84% reductions in beverage container litter.[1] More recently Keep America Beautiful's 2020 litter study found approximately half as much deposit container litter per capita in DRS states than states without a DRS.[2] Since 30-50% of beverage containers are consumed on-the-go where recycling and even garbage bins are not always available, the refund program provides a critical public service at redemption center locations.[3] Given the Rhode Island Department of Transportation spends $800k per year on litter clean-up, the

Table 2-7: Aggregate Count of Deposit Material Litter by Product Type, Bottle Bill and Non-Bottle Bill

Product Type	Bottle Bill	Non-Bottle Bill	Total Containers
Soda	37,753,100	305,063,200	342,816,300
Beer	181,741,500	945,871,400	1,127,612,900
Single-serve wine & liquor	67,205,900	296,055,200	363,261,100
Other wine & liquor	3,069,800	33,223,200	36,293,000
Sports & energy drinks	16,034,000	130,832,900	146,866,900
Still water	42,070,100	233,667,700	275,737,800
Other water	5,359,200	19,244,500	24,603,700
Other plastic beverage bottles	12,472,200	37,525,300	49,997,500
Total	**365,705,800**	**2,001,483,400**	**2,367,189,200**

Table 2-8: Aggregate Count of Litter per Capita, Bottle Bill and Non-Bottle Bill

	Bottle Bill	Non-Bottle Bill	Total
Deposit Material Litter Items	365,705,800	2,001,483,400	2,367,189,200
Non-deposit Material Litter Items	9,867,790,500	37,338,065,700	47,205,856,200
Total Litter Items	10,233,496,300	39,339,549,100	49,573,045,400
Population[1]	88,751,439	236,634,918	325,386,357
Deposit Material Litter Items Per Capita	**4.1**	**8.5**	**7.3**
Non-deposit Material Litter Items Per Capita	**111.2**	**157.8**	**145.1**
Litter Items Per Capita	**115.3**	**166.2**	**152.4**

1. Source: U.S. Census 2020

Figure 1: Keep America Beautiful 2020 Litter Study, Comparing litter in 'Bottle Bill' and 'Non-Bottle Bill' U.S. states.

[1] "Litter studies in bottle bill states," Bottlebill.org.
[2] "2020 Litter Study," Keep America Beautiful. 2021.
[3] "Container Recycling Institute Releases Special 2013 Vermont Bottle Bill Report," Container Recycling Institute. 2013. CRI.org

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reduction in litter from deposit systems is notable.[4]

Deposit systems strengthen domestic supply chains with high-quality recycled material
Deposit systems increase recycling through two strategies: 1) increasing collection rates by paying people when they return contaienrs, and 2) separating cans and bottles by material type, which ensures the recyclable material is kept clean throughout the process. This enables manufacturers to access high quality feedstock for new containers. TOMRA manages most of the containers collected in the Northeast's deposit systems. Virtually all of these containers are recycled, most back into beverage containers or containers of similar high quality. This is particularly relevant in the context of glass. Curbside 'single-stream' recycling operations tend to crush glass, contaminating it with other materials. When collected in deposit systems the material is still valuable, approximately $40 per ton for clear glass, and is used for making new glass bottles.[5] The situation is similar with rigid plastics. Generally, bales of PET plastic containers (think water bottles) collected in a deposit system are 40% more valuable than curbside bales, because manufacturers of food-grade products like beverage bottles know the quality is higher and more reliable.[6]

Adopting DRS alongside EPR provides complementary benefits, more than either program can provide alone
Jurisdictions with high recycling rates tend to have both EPR for Packaging programs and Deposit Return Systems for beverage containers. The programs provide different strategies to target different packaging types and are not mutually exclusive.

- EPR is critical to raise Rhode Island's overall recycling rate of 26%. Since 80% of households already have recycling access, this indicates more holistic change and management is needed to improve performance. EPR provides that kind of engagement by tapping producers to have 'skin in the game' and a guiding framework to channel their efforts.
- EPR does not address litter, so jurisdictions adopt a bottle deposit program – EPR primarily finances product design and curbside recycling efforts. Given the evidence provided above, deposit programs are used to specifically target beverage container litter. When Maine faced a curbside recycling cost crisis and endemic liquor 'nip' problem, it passed EPR for packaging and added a deposit to nips (and most other beverage containers).
- Passing EPR and DRS together can eliminate material revenue loss concerns from curbside recycling operations Deposit systems are good at collecting beverage containers. This will divert containers from litter, from the trash bin and from the curbside recycling bin. Aluminum and PET plastic do have market value so diverting these containers to the deposit system does create a revenue loss for curbside recycling operations. At least 33 studies show that deposit systems more than offset this cost for municipal governments by creating savings elsewhere including reducing collection costs (less material to pickup) and reducing litter clean-up costs. However, if this curbside material revenue loss is still a concern, adopting an EPR program at the same time can address the income disparity since producers would cover the cost of curbside, regardless of the materials it processes.
- Adopting EPR & DRS together is cheaper for a beverage company than EPR alone - This happens through two ways: 1) The EPR program will likely require the establishment of a few collection locations statewide to collect packaging types that are not handled well via curbside (e.g. plastic film). At the same time, the DRS will establish redemption centers to take back deposit containers. The two programs, EPR and DRS, can split the cost of these return locations, bringing down the cost of both systems. 2) A DRS sets material-specific fees for beverage

[4] LitterFree.RI.Gov. Rhode Island DOT.
[5] RecyclingMarkets.net. Northeast NY region.
[6] RecyclingMarkets.net lists baled PET market value data from deposit streams as 58% to 93% higher than baled PET from non-deposit streams. This refers to deposit vs non-deposit PET in the northeast USA, January-June 2020. Susan Collins of the Container Recycling Institute commented that this is higher than normal due to COVID-19 implications and deposit PET is typically 40% higher.

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producers to fulfill their compliance responsibilities. Producers selling glass bottles in particular can face high container fees in an EPR system and more manageable costs in a DRS system.

The proposed deposit systems in H6206/H6207 follow the four principles that high performing deposit systems share in common

There are over 40 deposit systems in existence across all major continents. The high performing systems, those that collect 85% or more of containers eligible for a refund, typically share four principles in common:

The proposed DRS model in H6202 and H6207 touches on all of these elements. Rhode Island has seen proposed DRS legislation in the past so I thought I would share how the H6206 and H207 differ from the previous proposals, deposits systems in the Northeast of the US and what many think of when they hear "bottle bill".

- **The deposit program proposed in H6206 and H6207 does *not* set a "handling fee" for the beverage industry to pay –** Other Northeast deposit states set a 'handling fee' in statute that a beverage company must pay to a retailer or redemption center to takes back their container. H6206/H6207 set no such fee. Given Maine sets a high 6 cent per container handling fee, Rhode Island's 0 cent handling fee is an enormous savings for the beverage industry.
- **H6206/H6207 does not require retailers to take back containers, period.** The other deposit systems in the Northeast require at least retailers of a certain size to take back containers unless they are near a redemption center. In response to stakeholder requests in RI, H6206/H6207 completely relieves retailers of this obligation. Instead, the bills follow a model that is similar to deposit systems we see in Canada and Australia, which requires the beverage industry to provide a certain number of locations where the public can return containers.
- **H6206/H6207 allows the beverage industry to offset much of its DRS costs by reinvesting the *unredeemed* deposits** – Some of the Northeast's bottle bills are criticized as being a 'money grab' for the state, since some of the systems take any unredeemed deposits that consumers choose not to redeem. RI's bill does not follow that model. It follows best practice which is to reinvest that revenue back in the deposit recycling system to improve it so consumers do have more convenient access to get their money back – and so the beverage industry can provide this collection program at low cost. To put the value of unredeemed

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deposits in perspective - in Norway, unredeemed deposits and revenue from commodity collected covers 84% of the costs of their DRS (and they still achieve a 92% return rate).[7]

- **The proposed bills give the beverage industry more control over the system's management and costs through a single non-profit organization** – this non-profit Producer Responsibility Organization (PRO) would have as it's mission to reach high recycling rate targets at the lowest cost. This counters some of the uncontrolled costs present in existing Northeast deposit systems due to hundreds of independent redemption centers serving as return points. Like Oregon's DRS, the RI PRO would own and operate it's own redemption centers and can operate them at cost. You can see some examples of new redemption centers and return locations built by the beverage industry managed program in Quebec at the end of this document. Th centers are consumer focused with the latest technology that enable consumers to return containers quickly and get paid back immediately or on their phone.
- **The proposed bills provide a pathway to mitigate unauthorized cross-border redemption** – Since the PRO will manage all the return locations, it has greater control over which containers it collects. Like Oregon's DRS, the legislation could allow the PRO to refuse redemption if they have "reasonable grounds" to consider a container was purchased out of state without paying a deposit. If a high-volume redeemer does not have receipts, the PRO could turn them away. This measure plus some modest funds for enforcement would be a practical approach to mitigating cross-border redemption.

Further comments on why pursuing EPR alone is unwise (H6205)

Establishing EPR-alone risks costly redesigns and makes adopting a deposit system much more challenging

The highest performing recycling jurisdictions have both EPR and DRS. They do not approach the collection systems as an either-or option. Yet establishing EPR causes serious challenges should RI determine that a deposit system is important in the future. The reason is that an EPR program would build out recycling infrastructure that is designed for a certain amount and mix of tonnage – and expected level of revenue from the commodities collected. Since aluminum beverage cans and PET beverage bottles do have significant market value, shifting these items to a deposit system after an EPR system has been established will disrupt the economic and budget process for the EPR system operator. It may also mean the EPR system 'overspent' on designing a recycling system that does not need to handle as much tonnage. A more prudent approach would be designing for both systems from the start EPR for packaging, alongside EPR for beverage containers (a deposit system).

An EPR-only approach misses creating new jobs for Rhode Islanders

Across the border in Connecticut, roughly 1,300 jobs have been created thanks to CT's bottle bill.[8] These jobs, which include container pick up drivers and Reverse Vending Machine technicians, will not be created in an EPR-only system, because it primarily focuses on curbside collection. With a low recycling rate, Rhode Island has a tremendous opportunity to both clean up its beaches, increase recycling and create new jobs.

Rhode Island can also benefit from the existing deposit systems operating in nearby Connecticut and Massachusetts. The existing processing and pickup infrastructure can help Rhode Island establish a new deposit system faster and more cost-effectively.

Further, an EPR-only system fails to create the economic and environmental benefits of recycling glass bottles. Generally, glass is not properly handled in the single-stream recycling preferred by EPR-funded curbside recycling leading to glass used as landfill cover rather than sold as feedstock for new beverage containers. The glass that

[7] "Global Deposit Book," Reloop. 2024.
[8] "The Connecticut Bottle Bill Needs Our Help," Conservation Law Foundation. 2019.

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we handle in the Northeast's deposit systems is all recycled, mostly back into glass bottles and can command a higher price due to its high quality.

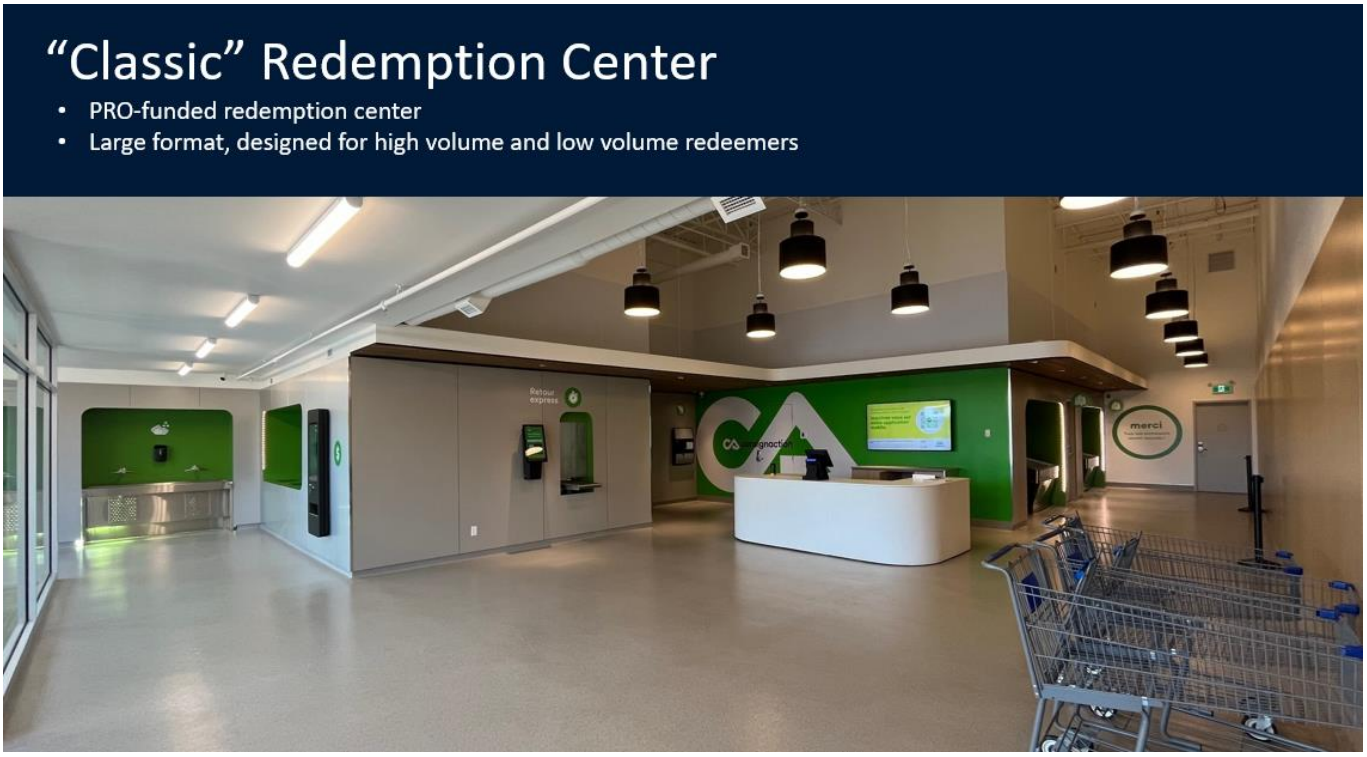
Conclusion
We applaud the Rhode Island legislature for seriously evaluating how to make a step change in its material management process with EPR and a DRS. We urge the legislature to study the best practices from the jurisdictions who have reached the highest recycling rates and litter reduction performance with both EPR and DRS.

Please feel free to reach out with any questions you may have.

Thank you

Mike Noel
Public Affairs Director, TOMRA

Appendix: Examples of redemption centers provided by the Producer Responsibility Organization in Quebec's bottle deposit system



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"Classic" Redemption Center

'Bag Drop' service

- PRO-funded redemption center
- How it works:
  - Enter your phone number
  - The kiosk prints a sticker with a QR code
  - Place the QR code sticker on your bag of glass, metal and plastic deposit containers and place it on the conveyor belt.
  - The containers will be counted later through technology and credited towards your digital account on your phone

"Classic" Redemption Center

Bulk Reverse Vending Machine

- Processes 100+ containers per minute
- Prints a voucher that is exchanged for cash at a kiosk – or offers digital payment via phone application
- Designed for high volume redeemers and those who request immediate payment

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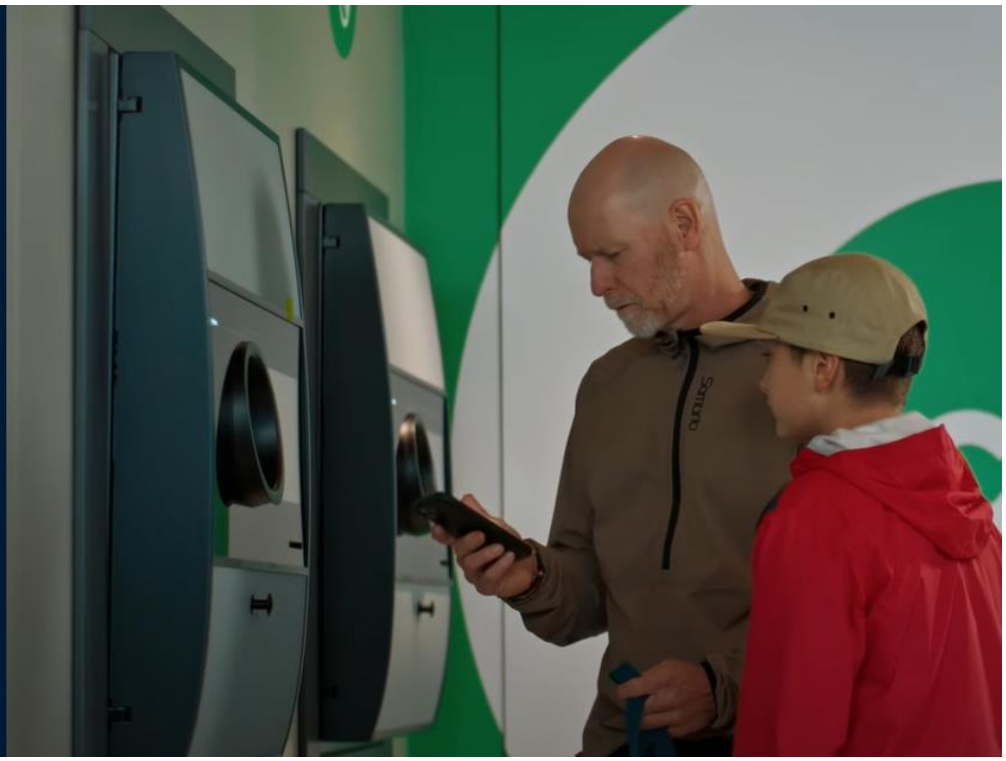
"Classic" Redemption Center

Single-feed Reverse Vending Machines

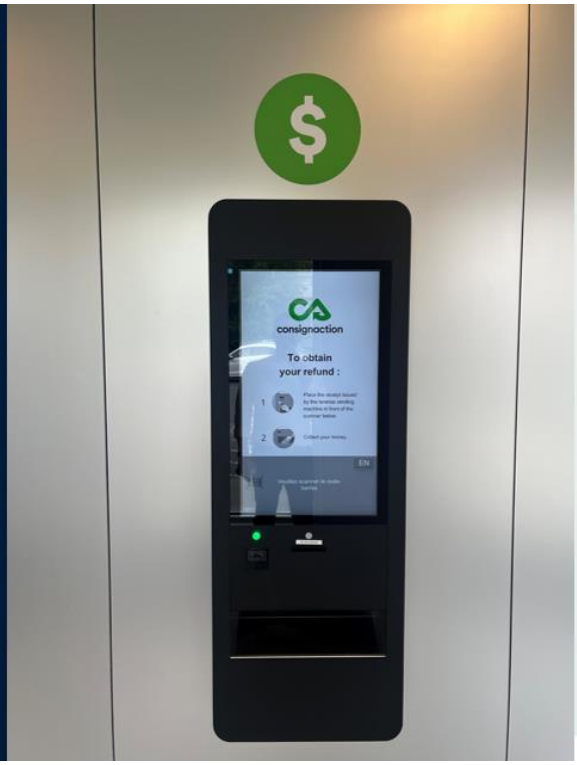
- Designed for those who just have a bag or less of containers to return
- Prints a voucher that is exchanged for cash at a kiosk – or offers digital payment via phone application



"Classic" Redemption Center

Cash Kiosk

- Users scan vouchers to print cash – or can request payment on mobile application



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"Urban" Redemption Center

Small-format style redemption center

- PRO-funded
- Offers Bag Drop and Single-feed Reverse Vending Machines
- Offers digital or immediate payment options

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Small-format style redemption center

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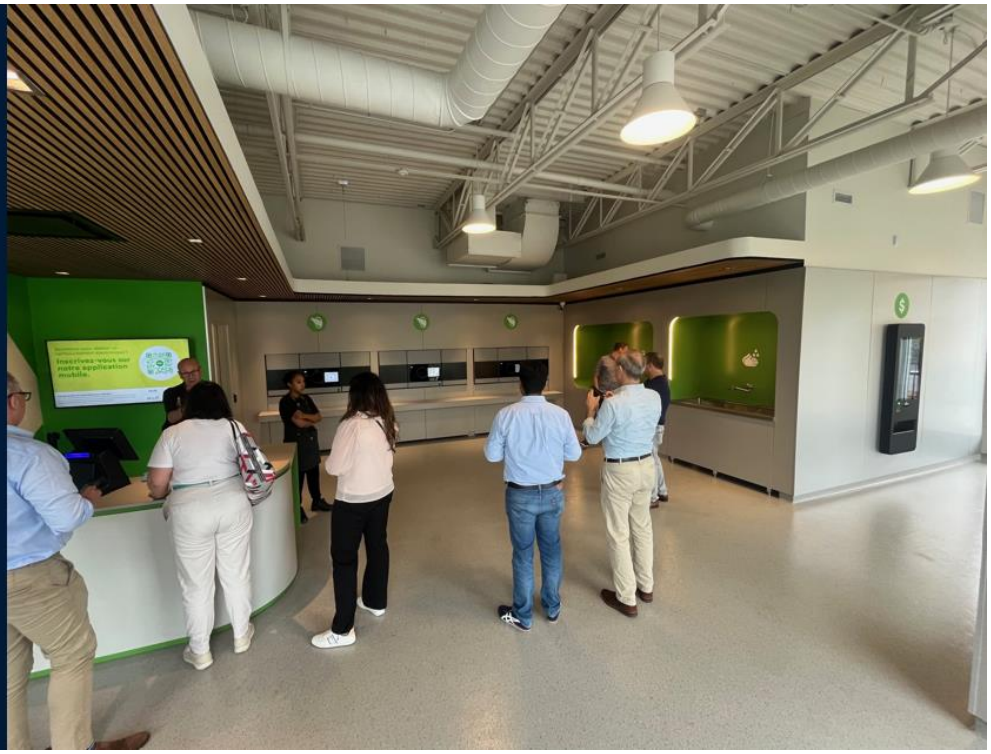

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"Retailer Kiosk"

- PRO-funded return sites located in the parking lot of participating retailers
- Offers immediate repayment of deposit refund via reverse vending machines

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