May 13, 2025

The Honorable David Bennett Chairman House Committee on Environment and Natural Resources 82 Smith Street Providence, Rhode Island 02903

RE: H 6207 An Act Relating to Health and Safety

Dear Chairman Bennett,

Thank you for providing the Department of Environmental Management (DEM) the opportunity to comment on H 6207, which would institute a deposit return system for covered beverage containers and an extended producer responsibility requirement (EPR) for producers of packaging and paper products.

H 6207 would require that DEM serve in an oversight capacity for two separate producer responsibility organizations created to implement the legislation's requirements and we do not believe that we can meet these requirements with current staffing. These requirements include, but are not limited to, providing administrative support for two advisory councils, reviewing two sets of program plans on a regular cycle, and enforcing the new requirements introduced in the legislation. Although the legislation includes provisions making funding available to DEM to cover these costs, it does not explicitly make staff available to DEM for this purpose. This is an important distinction because DEM's ability to hire new staff is constrained by the FTE authorization included in each year's state budget and, absent an increase in the authorization, may be unable to hire staff even if funding is available.

A critical component of any bottle deposit return system is the program's financial management. DEM's experience with other extended producer responsibility programs administered by third party PROs indicates that it is critical for the state to have control over the program's financial resources to protect Rhode Island customers and businesses and ensure effective and efficient program implementation. Additionally, it is inherent to any such system that there will be unclaimed deposits and H 6207 proposes that these funds be specifically reserved for use by the PRO on purposes including education and outreach, adding new redemption sites, and other activities directly helping to increase the collection of covered beverage containers. We are

concerned that unclaimed deposits, and program funds more generally, would be controlled by the PRO under H 6207's current provisions and the state, including DEM, would have very limited ability to regulate the spending of program funds and the implementation of the program. DEM respectfully urges the Committee to consider amending the legislation to provide more direct state control over program funds.

Finally, we note that while five states have adopted EPR laws comparable to those included in this legislation, none have fully implemented and operationalized these programs. This means that there will be limited opportunities for DEM to learn from the experiences and best practices of other states in implementing the EPR requirements envisioned by this legislation. This only heightens the need to ensure that DEM is well-resourced to implement the legislation if it moves forward.

We appreciate the opportunity to offer comments on this legislation and would be pleased to make ourselves available as needed. Please feel free to contact Ryan Mulcahey, DEM Director of Legislative Affairs, at ryan.mulcahey@dem.ri.gov should you have any additional questions or wish to discuss this matter further.

Sincerely,

Terrence Gray, P.E.

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Director

cc: Members of the House Committee on Environment and Natural Resources
The Honorable Carol Hagan McEntee
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House
Lynne Urbani, House Policy Director