



RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

Plastic Bottle Waste Commission Presentation
January 22, 2024

Statement of Facts

Rhode Island Alcohol Retailers Operate at a Tax Deficit with Massachusetts

	RI Before 2015	RI 2015 Onward	Massachusetts
Sales Tax (Beer)	7.00%	7.00%	0.00%
Sales Tax (Wine & Liquor)	0.00%	0.00%	0.00%
Still Wine (per gallon)	\$0.60	\$1.40	\$0.55
Sparkling Wines (per gallon)	\$0.75	\$0.75	\$0.70
High Proof Spirits (per gallon)	\$3.75	\$5.40	\$4.05
Low Proof Spirits under 15% abv (per gallon)	\$1.10	\$1.10	\$1.10
Malt Beverages Including Beer (per gallon)	\$0.10	\$0.11	\$0.11

Statement of Facts

Average Retail Cost - Domestic Light Beer 30pk				
	Shelf Price	Bottle Deposit	Sales Tax	COST TO CONSUMER
Massachusetts	\$27.99	\$1.50	\$0.00	\$29.49
Rhode Island	\$27.99	\$0.00	\$1.96	\$29.95
Rhode Island (with 10 cent deposit)	\$27.99	\$3.00	\$1.96	\$32.95

*Massachusetts & Rhode Island have the same excise tax on beer

Statement of Facts

Average Retail Cost - Mid-Range Wine

	Cost from Wholesaler before excise	Bottle Deposit	Excise Tax	Cost to Retailer	Cost to Consumer (35% Markup)
Massachusetts	\$10.00	\$0.00	\$0.11	\$10.11	\$13.65
Rhode Island	\$10.00	\$0.00	\$0.28	\$10.28	\$13.88
Rhode Island (with 10 cent deposit)	\$10.00	\$0.10	\$0.28	\$10.38	\$13.98

*Massachusetts & Rhode Island do not have sales tax on wine

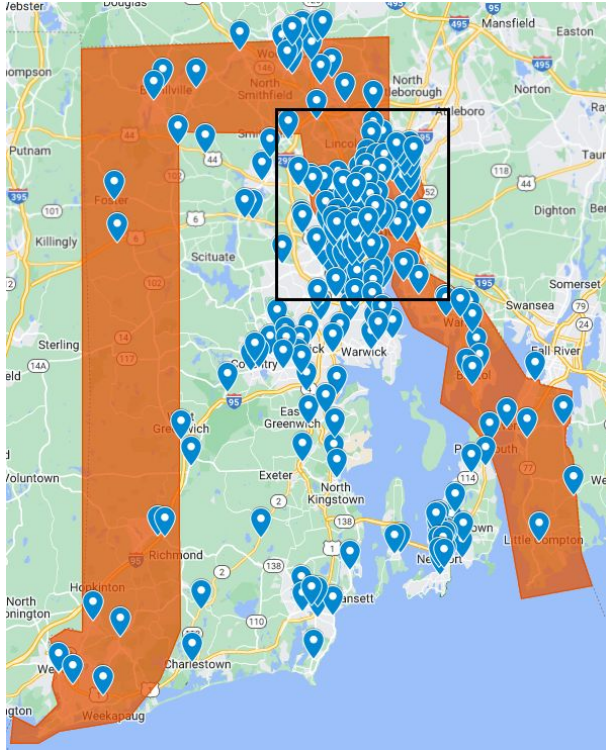
Statement of Facts

Average Retail Cost - 1.75L Spirits

	Cost from Wholesaler before excise	Bottle Deposit	Excise Tax	Cost to Retailer	Cost to Consumer (20% Markup)
Massachusetts	\$23.00	\$0.00	\$1.87	\$24.87	\$29.84
Rhode Island	\$23.00	\$0.00	\$2.50	\$25.50	\$30.60
Rhode Island (with 10 cent deposit)	\$23.00	\$0.10	\$2.50	\$25.60	\$30.70

*Massachusetts & Rhode Island do not have sales tax on wine

Fair Competition With Bordering States is Important



Rhode Island's Largest Concentration of Liquor Stores Is at Our Borders
Stores in Orange are within 6 Miles of the State Line

Mike Bogolawski - Colonial Liquors of Pawtucket

Stores as redemption centers doesn't work, especially in densely populated areas



Simply put...

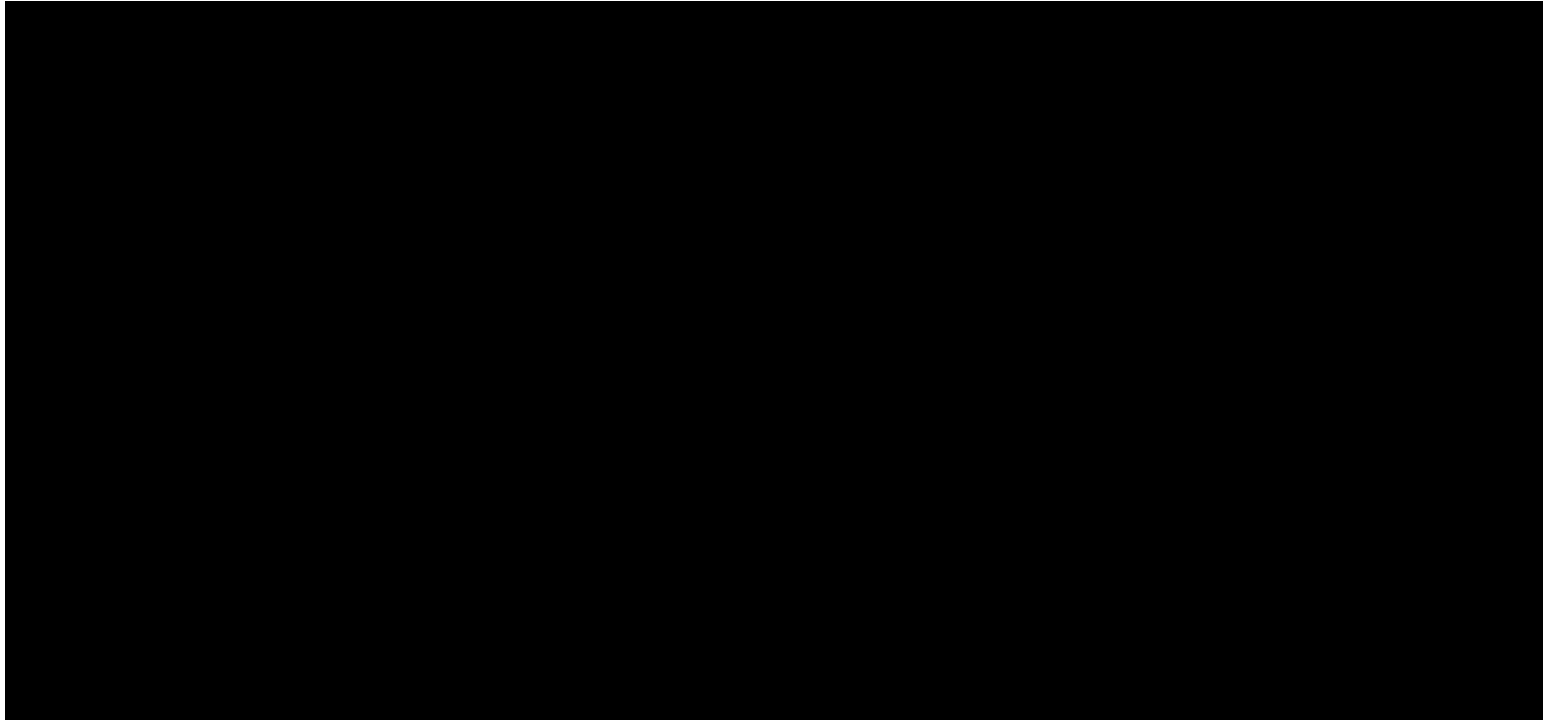
A bottle bill is a

TAX INCREASE

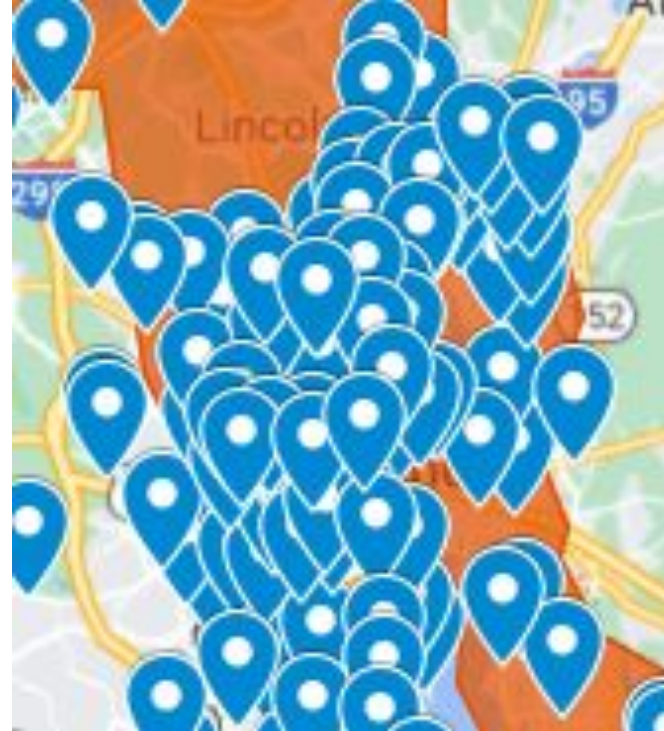
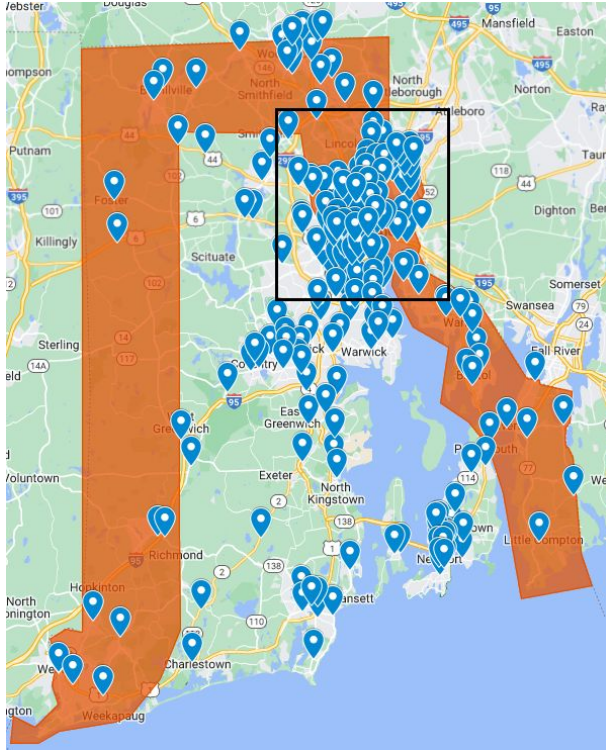
to consumers

Nicole Gasbarro - Phil Gasbarro Liquors

There is fraud in redemption systems



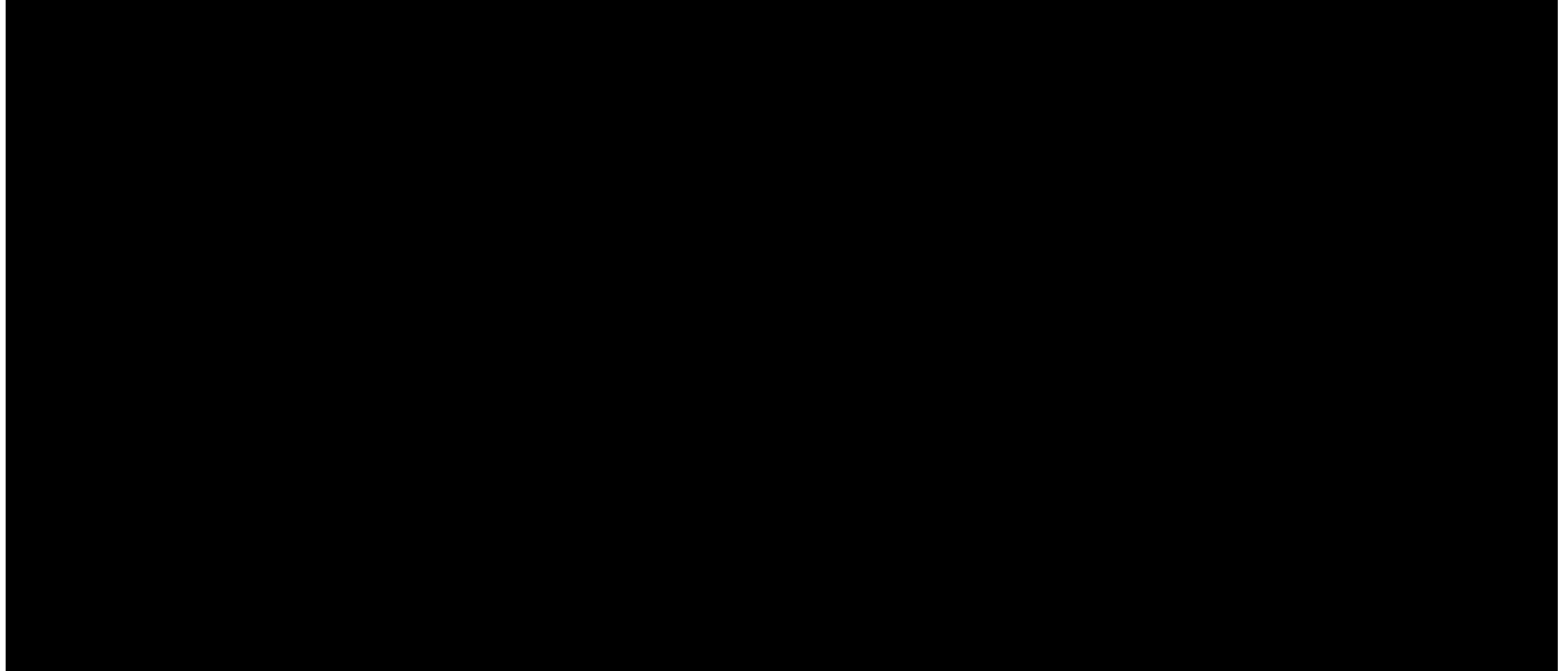
Fair Competition With Bordering States is Important



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Sen. Leonidas Raptakis - (D - Coventry, West Greenwich)

There should be stricter penalties for littering



How do we change behavior?

In order to change behavior, we must crack down on those who are the reason items aren't reaching our recycling system, **people who litter!**

1. Increased mandatory fines
2. Increased mandatory community service

The only way to change behavior is to penalize people where it matters most...

their wallets and their watches.



It's possible: We have changed human behavior before!

From the CDC...



History

Car manufacturers began installing seat belts in passenger cars sold in the United States in the late 1950s.^{3,6} In 1968, the federal government began to require lap and shoulder seat belts in the front outboard seats of all new passenger cars sold in the United States if the lap belt alone could not prevent occupant contact with the windshield.³ Modern integrated three-point lap and shoulder seat belts, which lock during rapid deceleration, became standard in 1973.³

Seat belt use was low (between 11% and 14%) in the late 1970s and early 1980s, before occupants were required to use seat belts.⁶ In 1984, New York became the first state to enact a seat belt use law, and other states soon followed.⁶ Nationwide seat belt use began to increase dramatically once seat belt laws went into effect and were enforced.⁶ The greatest increase in seat belt use took place from 1984 to 1987 when seat belt laws were implemented in 29 states.³ By 1991, 37 states had primary or secondary enforcement seat belt laws.⁶ All states had laws requiring seat belt use for drivers and front-seat occupants by 1996, except New Hampshire.⁶ Nationwide front-seat seat belt use in the United States has been at or above 80% since 2004.² In 2020, nationwide front-seat seat belt use was at 90%.⁸ However, in 2019 almost half of passenger vehicle occupants who were killed in traffic crashes were unrestrained.⁵ See above for current legislation.

A Bottle Bill Does Not Allow RI Retailers to Be Competitive, Especially the Smallest Stores



CAPITOL
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SENATE COMMITTEE

WEDNESDAY | APRIL 26 | 2023

ON SPECIAL LEGISLATION & VETERANS' AFFAIRS

ROOM 313 | RHODE ISLAND STATE HOUSE

Artificial Intelligence - BANQloop

via banqloop.com

BANQloop Invision IQ hardware allows for scanning and classification of waste events in real-time, with equipment installed on waste management vehicles

- Gain location-based insights on waste patterns
- Environmental policy monitoring
- Recognize hazardous materials
- Improve worker safety
- Lower fleet costs
- Optimize fleet management



Artificial Intelligence - BANQloop

via banqloop.com

BANQloop also has technology that will help our roads and infrastructure, which can be mounted to waste management vehicles

- Fewer road repair costs and early detection of conditions
- Lower state level automobile maintenance costs
- Efficient pothole mapping
- Reduced costs of road inspection
- Safer road conditions
- Reduced traffic and carbon emissions



Artificial Intelligence - Sortera Technologies

via sorteratechnologies.com

Embracing A.I. is the future of waste collection and resource recovery

- Sortera Technologies, of Markle, Indiana, uses A.I. to sort mixed metals from products that have reached their end of life.
- Sortera is supported by Advanced Research Projects Agency - Energy (ARPA-E), a federally funded and operated organization
 - ARPA-E advances high-potential, high-impact energy technologies that are too early for private-sector investment. ARPA-E awardees are unique because they are developing entirely new ways to generate, store, and use energy



Artificial Intelligence - Sortera Technologies

via sorteratechnologies.com

Takeaway:

Sortera utilizes various technologies to offer low-cost sorting of multiple mixed material packages.

It can be trained to sort waste, in the same way it was trained to sort metals.

We aren't too far away from these technologies becoming an everyday reality.

Artificial Intelligence - Wastevision AI

via wastevision.ai

Wastevision AI delivers value by leveraging on-truck camera systems with its cutting-edge AI technology

Captures Contamination in real-time

- Ties contamination to the generator
- Decrease damaging materials for MRFS
- Provides an opportunity to educate citizens on how to recycle properly
 - It pinpoints who is creating contamination



The Beverage and Hospitality Industry Has Been A Partner In Environmental Fundraising for Nearly 40 Years

Ocean State Cleanup and Recycling Program (OSCAR)

via ecori.org

- Instituted in 1988 to provide an environmental grants program administered by DEM.
- Objective of the program was to increase the amount of materials recycled in Rhode Island; and to prevent, control, and to clean up litter in the state.
- One of the key grants offered were **Litter Receptacle Grants**.
 - The OSCAR program presented matching funds to municipal governments when they purchased public litter receptacles.
- Also funded and operated the Youth Conservation Corps, which not only cleaned up RI streets, but also participated in beautification and ecological restoration projects.

The Beverage and Hospitality Industry Has Been A Partner In Environmental Fundraising for Nearly 40 Years

Ocean State Cleanup and Recycling Program (OSCAR)

- Since 1988, Rhode Island's liquor stores, convenience stores, supermarkets, gas stations, restaurants, catering companies, and food trucks paid a **litter permit fee**, which originally funded the OSCAR program. By the late 1990s, these funds were plucked from OSCAR and inserted into the **General Fund**. Per a 2012 report, this tax generated nearly **\$2,000,000 per year**. *This fee was removed for fiscal 2024.*
- Rhode Island's beverage wholesalers pay an \$.08 per case **Beverage Container Tax**. These funds were also intended to be earmarked for litter mitigation, but instead go into the **General Fund**.
- In Fiscal Year 2021, the Beverage Container and Participation Fee generated **\$3,964,592**; all of which went into the **General Fund**.
- When funding for OSCAR was removed, the responsibilities of the program were then transferred away from DEM and given to Rhode Island Resource Recovery Corporation.

Rhode Island Resource Recovery Corporation

- December 12, 2023 - Resignation of Executive Director Joe Reposa
 - With RIRRC Leadership in flux, is it an appropriate time to change how we recycle?
 - Representatives from RIRRC chose not to testify in front of committee each time a Bottle Bill was proposed in recent years.
- How much revenue will RIRRC lose if a bottle deposit system is initiated?
- How much money does RIRRC need to be a successful and active participant in 21st century waste management?
- The MRF is nearly two decades old and incapable of handling modern needs.
- A capital improvement request is expected of RIRRC Corporation?
 - This commission has a right to know what RIRRC is asking for as we work towards a solution for the plastics issue.
- RIRRC had a financial surplus as seen in their most recent report
 - This surplus should go towards improving internal infrastructure within RIRRC

How To Move Forward

- Address the Behavioral Issue of Littering Legislatively
- Incentivize Police Departments to Enforce the New Laws
 - *When the laws are enforced, news outlets will inevitably pick up the story, especially if the penalties are harsh*
 - *Required fines and community service are both imperative for this to be successful*



How To Move Forward

- Ask Rhode Island Resource Recovery Corporation to be transparent about the resources they will need moving forward to succeed
 - This includes capital investments for infrastructure.
 - A legislative bill that would institute a system of Extended Producer Responsibility could defray the costs to taxpayers.
- RIRRC should be investing in modern technology, with a special asterisk on Artificial Intelligence, which is the way of the future in waste management
 - If the technology isn't there today, it will be within the next 5-10 years
 - Investments should be made in technology, not a manual system of sorting that will burden business small and large
- RIRRC is indeed making an effort to educate the public, but more needs to be done
 - RIRRC Facebook page only has 13,000 likes/follows
 - Rhode Island population is 1.1 million
 - The page is filled with a lot of great educational content, but it simply isn't reaching enough people!





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