

Hon. Carol Hagan McEntee, Co-Chair Hon. Mark McKenney, Co-Chair Special Joint Legislative Commission to Study and Provide Recommendations to Protect Our Environment and Natural Resources from Plastic Bottle Waste

Via Email:

rep-mcentee@rilegislature.gov sen-mckenney@rilegislature.gov

March 14, 2025

Re: Rhode Island Beverage Association's Response to the Draft Final Report of the Special Joint Legislative Commission to Study and Provide Recommendations to Protect Our Environment and Natural Resources from Plastic Bottle Waste

Co-Chairs McEntee and McKenney,

On behalf of the Rhode Island Beverage Association, I thank you both for your work on the Special Joint Legislative Commission to Study and Provide Recommendations to Protect Our Environment and Natural Resources from Plastic Bottle Waste. The discussions around improving recycling in Rhode Island have been informative and appreciated. We look forward to continuing to work with you both and the General Assembly in addressing the issues raised in the Commission.

The Rhode Island Beverage Association is the trade association that represents the nonalcoholic beverage industry in Rhode Island – comprised of manufacturers and distributors from national brands to regional, family-owned labels. Our industry employs more than 500 workers in Rhode Island and pays more than \$46 million in wages and benefits annually. Our members include Coca-Cola Beverages Northeast, PepsiCo, BlueTriton Brands, Keurig Dr Pepper, Polar Beverages, Granny Squibb's Organic Iced Tea, and Yacht Club Bottling Works.

Support for "EPR Only" Legislation

Based on our experience as an industry operating under both deposit return systems (DRS) and extended producer responsibility (EPR) programs all over the world, we offer our strong support for an "EPR only" policy for Rhode Island to address not just plastic bottle waste, but to improve our entire state's recycling program. The key factors behind that decision are:

• EPR builds on decades of investment by local and state governments and the private sector in our recycling system including the Resource Recovery Corporation's



Materials Recovery Facility. A DRS would require planning, permitting, siting, and operating an entirely new system for redeeming containers from consumers, collecting and transporting them, and processing them in central locations. All of this would mean substantial new costs and years to establish since none of it exists today.

- EPR shifts the cost of recycling from the budget of every Rhode Island city and town to the producers of packaging and paper products. This frees up tens of millions of dollars in tight municipal budgets for other priorities. Under DRS, taxpayers still fund recycling of all the remaining packaging and paper, and they are responsible for returning their bottles and cans to separate facilities for refunds.
- EPR addresses a wide range of plastics all plastic bottles, not just beverage bottles, as well as other plastic packaging. Beverage bottles are only seven percent of plastics in the waste stream; all plastic bottles are 14 percent of plastics; plastic packaging is 41 percent of plastic waste. EPR targets 41 percent, not seven under DRS.
- Beyond just plastics, EPR will expand the types of material recycled, standardize materials recycled statewide, and upgrade service for all residents.
- Through public space recycling, EPR can significantly reduce not just beverage container litter, but other types of litter as well. Deposit systems are not a silver bullet for litter reduction as only 5.6 percent of total litter is attributable to beverage containers; for plastic alone, plastic beverage containers are 1.8 percent of total litter and 8.7 percent of "large" litter (over 4"), meaning DRS leaves well over 90 percent of the litter problem unaddressed.¹
- Producers will cover all state costs to oversee and enforce the program, fund statewide education and outreach, cover all local administrative costs of recycling, and reimburse at least 90 percent of local government operating or contracted service costs of recycling.

Many of these points were outlined in our <u>presentation</u> to the Commission on January 13, 2025, as to why we must address recycling through an EPR system and not a DRS or combined DRS/EPR.

Why Not Deposits?

By itself or as part of an EPR/DRS package, a deposit system is not the right approach for Rhode Island.

• Adding 10¢ to the price of every beverage container sold is a tone-deaf response to the cost pressure consumers are under at the grocery store. And the costs of establishing and operating an entirely new redemption, collection, and processing infrastructure will also be passed on to consumers in higher prices.

Margaret Hogan Sweeney, Esq., Executive Director Cell: 401.480.9298 | Email: mhogansweeney@fscapitol.com

¹ Data from the Keep American Beautiful 2020 National Litter <u>Study</u>



- New redemption centers do not appear overnight. They are subject to local zoning, landlord restrictions, traffic impact studies, and resident input over congestion and safety concerns at facilities where cash refunds are offered.
- Rhode Island businesses near the borders prosper today as consumers from Massachusetts and Connecticut come to the state to avoid deposits back home. A \$2.40 savings on a case of beer or water drives customer traffic to package stores, convenience stores, and supermarkets in Rhode Island; that means jobs and tax revenue for the state that would be lost.
- A DRS would also pull revenue out of the recycling system, including from the MRF in Johnston. By shifting the highest value materials, aluminum and PET, into a DRS, recycling tipping fees to local cities and towns would go up.
- The anti-litter aspects of a DRS are limited to less than six percent of total litter. Public space recycling funded through EPR has broader reach, but comprehensive litter control requires a broader approach.²

Why Not Both?

We believe a DRS is the wrong policy for Rhode Island, accompanied by EPR or not. Attempting to establish both programs simultaneously is a staggering proposition in terms of investment, regulatory burden on the state, costs to businesses.

- There are no scale economies between the systems a DRS does not utilize municipal recycling infrastructure so the costs of the two systems would be largely added on top of each other.
- EPR doesn't get cheaper by pulling beverage containers out of the system trucks still need to service every household, but the value of the material collected for recycling would be lower because aluminum and PET would be largely swept into the DRS.
- To our knowledge, no jurisdiction anywhere in the world has built both EPR and DRS programs out simultaneously. The EPR programs in US deposit states are being added on top of deposit systems that have been in place for at least 40 years.

The beverage industry's advocacy for EPR is not isolated to Rhode Island. We have been focused on well-designed EPR programs which fund recycling collection programs that are effective, efficient, and convenient for consumers. We developed a set of producer responsibility principles based on best-in-class EPR systems and have advocated for systems based on these principles across the country. We are actively supporting an EPR bill in Washington State, based largely on the model of the Minnesota law passed in 2024, which

² Unfortunately, Rhode Island's \$8 million annual funding originally intended for litter control has been redirected to other purposes.



reflects those principles. We were also heavily involved in the development and passage of the EPR law in Colorado.

We appreciate that the Co-Chairs included a recommendation for an EPR-only program for Rhode Island. We believe that policy best meets the needs of the state, its local governments, its consumers, and businesses.

Best,

Margaret Hogan Sweeney, Esq.

Margaret Hogan Sweeney, Esq. Executive Director, Rhode Island Beverage Association

Cc:

Hon. K. Joseph Shekarchi, Speaker of the Rhode Island House of Representatives Hon. Dominick J. Ruggerio, President of the Rhode Island State Senate Lynn Urbani, Director of Policy, Rhode Island House of Representatives Stephanie Gemski, Policy Analyst, Rhode Island State Senate