

RE: RECOMMENDATIONS FOR THE SPECIAL JOINT LEGISLATIVE COMMISSION TO STUDY AND PROVIDE RECOMMENDATIONS TO PROTECT OUR ENVIRONMENT AND NATURAL RESOURCES FROM PLASTIC BOTTLE WASTE

21 March 2025

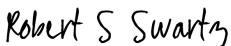
Dear Chairwoman McEntee and Chairman McKenney,

In addition to the concerns outlined in our memo which included commissioners Larry Coburn and Scott Bromberg, the Rhode Island beverage alcohol community has the following additional concerns:

1. Although not studied within the commission, the cost of creating a new system of recycling in Rhode Island would be extremely costly. A 2008 study, which investigated the possibility of implementing a deposit return system in the State of Rhode Island, estimated a \$12 million annual cost to Rhode Island Resource Recovery Corporation. In 2025, that number would most certainly be higher.
2. The Massachusetts bottle redemption system only covers beer, malt, carbonated soft drinks and mineral water. The proposed Rhode Island system, which would include all beverage containers, would put Rhode Island retailers at an unfair competitive advantage at our borders. Over 50% of Rhode Island's liquor retailers are located within 6 miles of our borders.
3. Beer and malt beverages are subject to a 7% sales tax in Rhode Island. Massachusetts has no sales tax on beer and malt. Implementing a deposit return system at 10-cents versus Massachusetts' 5-cents puts Rhode Island retailers at a severe disadvantage. Not only will there be inequity in the deposit amount, but adding sales tax to the final bill won't give Rhode Island retailers a chance to compete at the cash register against Massachusetts retailers.
4. Wine and spirits have a higher excise tax in Rhode Island opposed to Massachusetts. This means products land wholesale to Rhode Island retailers at higher prices, which are then reflected at the cash register at higher costs to Rhode Island consumers. Adding bottle deposits to these packages, where there are no deposits in Massachusetts, will further put Rhode Island retailers at a disadvantage. Furthermore, Rhode Island's Beverage Container Tax, which does not exist in neighboring states, also puts Rhode Island's beverage alcohol industry at a pricing disadvantage.

Sincerely,

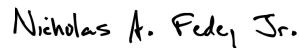
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Southern Glazer's Beverage Company

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RI Liquor Operators Collaborative

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