

From: Susan Collins
Sent: Thursday, February 25, 2021 10:03 AM
To: House Natural Resources
Subject: CRI letter of support H. 175

Please see attached letter of support on H. 175.

When I testified yesterday, I was trying to stay within a 15-minute time frame for my presentation, and so I did not talk about two important items that the committee has been discussing: (1) the number of containers expected to be received upon expansion, and (2) impacts on retailers. I've included some of this information, briefly, in the attached letter, and have pasted that in below.

Thank you,
Susan

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Impacts on Retailer and Redemption Centers: A program expansion in Vermont will increase containers redeemed, but the increase will likely phase in gradually over a 2-3 year period.

Consumers will likely take some time to become accustomed to the changes in the system. When Oregon increased the deposit from a nickel to a dime, the redemption rate rose from 64% in 2016 to 71% in 2017, to 81% in 2018 and 86% in 2019. When Hawaii started its new container deposit program in 2005, redemption rates were modest in the first year, and gradually rose to a peak three years later.

Meanwhile, consumers will receive more money in refunds when they redeem more containers, and studies have shown that these consumers are likely to spend the redemption money in the store where they redeem. Some Oregon retailers have seen this as a benefit, and even encourage this behavior by offering a 20% bonus on top of the redemption value if consumers use the redemption money to shop in that store.