



THE MAINE SENATE
131st Legislature

**Testimony of Senator Richard A. Bennett
In Opposition to LD 718
“An Act To Increase the Beneficial Reuse of Construction and Demolition Debris”
May 8, 2023**

Senator Brenner, Representative Gramlich and members of the Committee on the Environment and Natural Resources: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities across Androscoggin, Cumberland and Oxford Counties in western Maine in the State Senate. I am testifying in opposition to LD 718, “An Act To Increase the Beneficial Reuse of Construction and Demolition Debris”.

Maine’s government acted responsibly last year by enacting LD 1911 to stop future contamination of farmland and drinking water by banning the land application of PFAS-laden sludge. As you know, last year we also enacted LD 1639 to save limited State-owned landfill space for Mainers by halting the disposal of construction debris from out of state. During the committee hearings on these bills last session – bills that Casella claims are responsible for the lack of stability at Juniper Ridge Landfill – I repeatedly asked for information from Casella about their business practices and financials. This is information Maine taxpayers have a right to know about the landfill they own. Casella did not give that information, saying it was proprietary.

In 2004, Casella entered into a 30-year contract with the State’s General Services Administration to operate this landfill. Our right to know did not end with the signing of this contract. Policymakers can’t make good decisions if relevant information is kept from them. As the consequences of widespread PFAS contamination have become clearer, the financial underpinnings of our solid waste policies have become murkier. Casella refused to provide critical information to the committee then; and the company is no more forthcoming today.

Are the dramatic rate increases Casella is imposing on municipalities justified? What is the actual cost of using alternative bulking materials to ensure landfill stability compared to what Casella is paid to take construction and demolition debris from out of state? What is a fair rate for Casella to charge municipalities to manage sludge? These are legitimate questions that Casella has refused to answer, but must be answered well before the Legislature considers changing the law enacted last year.

Right now, communities are in a take-it-or-leave-it situation. Casella’s business is essentially a public utility; but the Public Utilities Commission does not regulate them and they have not volunteered to share financial information the PUC would routinely require.

Landfill management is complex and important. Casella services around three dozen sewer treatment facilities out of the roughly 41 that are licensed to manage biosolids in the state. That puts Casella in a huge position of power over the majority of our wastewater treatment facilities here in Maine and across New England.

What is happening with our wastewater treatment districts right now shows the danger of one company having a monopoly over goods and services. It leaves no room for price competition and limits options for customers, in this case Maine taxpayers. Without competition, a company has no reason to innovate and look for different solutions.

And for Casella, this is by design. Indeed, it is the company's business strategy to create a vertically integrated regional monopoly that gives it power to charge its customers exorbitantly.

In addition to being paid to manage the state-owned Juniper Ridge Landfill, it makes money from multiple landfills it owns across the region. It is long past time for the State to take a good, hard look at the iron grip Casella has on Maine's waste options. So far, Casella has been unwilling to work together with municipalities and the DEP to find solutions other than increasing fees and trying to overturn legislation that protects Mainers' health and safety.

In an opinion piece in April 2022 *Bangor Daily News*, John W. Casella, chairman and CEO of Casella Waste Systems argued that we should not worry about state borders, that we ought to simply open up our lands to all of New England's trash for dumping. He wrote, "Creating unnecessary borders on how we manage recycling and waste makes very little sense in a region such as New England.... By allowing for shared resources to cross state lines, we can minimize the amount of infrastructure necessary to achieve maximum economic and environmental benefits for the communities we serve."

Such a vision fits well for Mr. Casella. He and his brother sit atop a \$4.7 billion multi-state company, traded on NASDAQ. They own 4.5% of the company's equity, worth about \$215 million. And he is very well insulated from accountability. At Casella, board members are elected with classified elections, and he and his brother benefit from dual class stock with 10-times the voting power of ordinary shareholders.

Mr. Casella pays himself over \$4 million per year, which is about 68-times the median pay at the company. According to recent SEC filings, the first performance target for executive incentive payouts is "landfill revenue".

Just 11 days ago, Mr. Casella crowed to Wall Street that the company's quarterly revenues were up 12.2% over a year ago, and adjusted EBITDA (a non-GAAP measure of profitability) was up 11.2%. The reason? Mr. Casella credited the company's "pricing programs" in solid waste – that is, Casella's ability to use its market position to charge Mainers and our water and sewer districts exorbitant fees.

As documented two weeks ago in the *Bangor Daily News*, for weeks Casella stonewalled efforts by the DEP to solve the problem and used that time to frighten its customers who are sewer and water district operators with enormous fee increases and threats. Instead of coming up with

solutions, Casella has decided to hold our communities hostage. Casella seems to have decided it is less costly for them to scare Mainers into wanting to change the law rather than invest in solving the underlying problem.

The provisions within LD 1639 enacted last year with a unanimous vote in the Maine Senate were fair, responsible, and restorative to the original purpose of state-landfill ownership. The bill before you today undermines that law in benefit to “pricing strategies” for Casella.

The Juniper Ridge facility exists to serve Maine people. Instead of considering this bill before you, we should reconsider our relationship with Casella. Our communities should not be held hostage by this \$4.7 billion corporation, and Maine should not be the dumping ground for New England’s trash. I urge you to vote Ought Not To Pass.