



Maine Grocers &
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Thursday, April 18, 2019

IN OPPOSITION - LD 1431 'Resolve, To Support Municipal Recycling Programs'

Dear Senator Carson, Chair, Representative Tucker, Chair, and Members of the Environment and Natural Resources Committee,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association. The Maine Grocers & Food Producers Association is a business trade association representing Maine's food community; main street businesses including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

We are opposed to the Maine Department of Environmental Protection developing legislation establishing an extended producer responsibility law for packaging in the state. We express an overall concern for any mandate that may cause an imbalance for our producers to comply while still offering safe, quality, reasonably priced products, especially in a category such as 'consumer products packaging' which is so widespread.

The Product Stewardship Report notes that an element of the framework criteria is that a program seeks to 'reduce costs of waste management from taxpayers.' A mandated EPR program will cause the cost of products to rise as a result of producers working to fill the gap of this additional financial burden. Our Maine residents will pay taxes to help fund their municipalities services *and* the fees to establish and run the program, essentially double dipping into our residents' pockets. With higher costs comes less dollars to spend. Producers will struggle with whether or not to expand business or provide further employee benefits. And consumers, whose discretionary funds only stretch so far, will have to make further choices on how to spend their money.

New Hampshire retailers have done a respectable job to entice consumers from outside its borders to shop. With so many stores nearing the New Hampshire border, our stores are already competing against no taxes and now potentially hired priced goods as producers are forced to subsidize recycling efforts. Customers seeking to find lower prices will undoubtedly shop elsewhere including across the border and online where economies of scale allow large retailers to charge less. If the program moves forward in any capacity, we look forward to seeing the language for the small producer exemptions and further economic studies to understand the true impact on our grocery and producer industries.

Of the to be established nonprofit stewardship organization, where does the 80% repayment figure derive from? What, if any, practices will be put in place to ensure the figures make for a sustainable recycling program and also a sustainable business model for producers? What will be done if ever there's an imbalance in which packaging reduction has occurred but the municipalities have become so reliant on the funding that the producers are covering more than their fair share? Will there be fair representation from industry and state parties on the board of the non-profit entity? This to be created nonprofit organization of producers of packaging leaves much to be determined in regard to division of responsibilities both state and local and financial and collection specifics. This language establishes that the Maine DEP will develop legislation establishing the law, will there be a taskforce with fair industry representation? There are many questions still to be addressed.

This is another piece of proposed legislation that will make Maine an outlier. It is worth noting that as recently as the end of 2017, "A task force created by Connecticut's General Assembly to reduce consumer packaging waste released its final report and voted 6-3 against endorsing extended producer responsibility (EPR). Instead, the report recommended a host of voluntary initiatives, more consumer education, more pay-as-you-throw programs, bottle bill updates and other incentives. A dissenting opinion in support of EPR was included."¹ In totality with LD 1433, this will position Maine as a state that is difficult to do business with and within.

While the mandated EPR pressures may create funding and aid municipal costs, we do not believe that it is a full circle approach which will ultimately result in the generation of new or entry back into existing end of life waste markets. At the end of the day, we're trying to change consumer behavior, to recycle more and consume less. We support initiatives that address these social changes which in turn will create the organic changes in the packaging industry. We also stand behind efforts to fully analyze and address infrastructure and capacity of our state and municipalities recycling systems.

Thank you for the opportunity to provide testimony.

Christine Cummings

Christine Cummings
Executive Director

¹ <https://www.wastedive.com/news/connecticut-task-force-packaging-epr/517015/>