



January 24, 2024

Sen. Stacy Brenner, Senate Chair
Rep. Lori Gramlich, House Chair
Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333-0100

RE: Concerns regarding LD 2134, An Act Regarding Responsibility for Activities Intended to Increase the Use of Refillable and Reusable Beverage Containers

Dear Senator Brenner, Representative Gramlich, and Members of the Joint Standing Committee on Environment and Natural Resources:

Thank you for the opportunity to submit testimony on behalf of Upstream regarding LD 2134, which is an amendment to the recently-enacted modernized deposit-return system (DRS), LD 1909. I would first like to express my sincere gratitude to Representative Hepler for her tireless work on LD 1909 last year, and for continuing to work with stakeholders, including Upstream, on this amendment. I deeply appreciate her ongoing efforts to ensure this comprehensive DRS program works for all. However, I must express concerns about the bill as written.

The proposed language undoes one of the greatest community benefits of LD 1909 – eligibility for grants to build reuse programs. As enacted last year, LD 1909 creates a grant program (the Cost and Carbon Efficient Technology Fund) within the Department of Environmental Protection (DEP) using unclaimed consumer deposits. Anyone can apply for this funding to build infrastructure and launch programs that enable reuse. This means community groups, nonprofit organizations, small businesses, municipalities, and also the commingling cooperative itself could apply for the funds. **This setup is powerful because it returns the people's money to communities across Maine for their benefit.** And they will benefit: not only is reuse better for the environment; it builds local economies by generating safe jobs that can't be outsourced – all at a much higher rate than recycling, landfilling or incineration.

The beverage sector is ready for reuse, and we need to create strong incentives for beverage companies to choose returnable packaging. In fact, nothing should stop

the cooperative from dedicating a portion of its budget to supporting its members as they shift to returnable containers. However, unclaimed deposits are not needed for this work. **The cooperative is not entitled to unclaimed deposits – this is money that consumers spent and that is meant to be returned to them.** It is a far better use of these funds to return them to Maine communities so they can build reuse systems that work for all – not just beverage companies. Furthermore, allowing the cooperative to keep unclaimed deposits – even if they must be used for a specific aim – creates a perverse incentive for them *not* to achieve high return rates. The better incentive is to simply return these funds to Mainers in support of reuse. If this fund is kept within the cooperative, it will be harder to ensure it is spent on the reuse infrastructure that Mainers need.

We do support the addition of dates (2030, 2040 and 2050) to the third-party study on the feasibility of reuse targets. This adds clarity and will result in more data to inform the program. Around the world, [beverage companies sell major portions of their products in returnable containers](#): In Germany, 82% of beer is sold in refillable bottles, and 99% are returned for reuse. Overall, 54% of beverages sold in Germany are in reusables. In Ontario, Canada, 85% of beer is sold in returnable bottles, with 97% returned and an average reuse rate of 15 cycles. Reusables account for significant portions of beverage sales in Mexico (27%), Columbia (54%), Brazil (24%), China (22%), Vietnam (31%), Thailand (20%), India (34%), Nigeria (43%), and the Philippines (59%). We firmly believe it is possible to recreate these success stories in Maine.

Switching to reusables is more intensive upfront for manufacturers than the status quo because it requires rethinking supply chains and changing the packaging used for beverages. [But the results far outweigh the benefits of recycling.](#) **After just three uses, returnable glass bottles are already less impactful than single-use glass and PET bottles or aluminum cans.** Used 25 times and then recycled, reusable glass bottles generate 85% fewer climate emissions than single-use glass; 57% fewer than aluminum cans; and 70% fewer than single-use PET. **Returnable PET bottles can save up to 40% of the raw materials and 50% of the greenhouse gas emissions compared to the production of single-use PET bottles.** Reusables also benefit the ocean: Oceana estimates that a 10% increase in the share of beverages sold in reusables could result in a 22% decrease in marine plastic pollution. This would keep 4.5 to 7.6 billion plastic bottles out of the ocean each year.

At Upstream, our vision is for 30% of consumer goods to be sold in reusables by 2030. To realize this vision, we need consumer brands to have real skin in the game when it comes to designing, packaging, and selling their products. LD 1909 made strides toward this end by initiating a study on how we can transition the beverage sector to reuse across Maine, and by dedicating a portion of unclaimed consumer deposits to building the new reuse economy.

We would be more than happy to participate in continued discussions to update the reuse provisions in this Act – there are many ways to further strengthen the language, such as binding reuse targets and return rates. We outlined some of these in our original testimony on LD 1909 last year. However, we understand that it takes time to build successful programs, and we are proud of Maine’s modernized bottle bill as enacted.

For any questions, please contact me at sydney@upstreamolutions.org.

Thank you for all you do,

Sydney Harris
Policy Director