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THE MAINE SENATE
131st Legislature

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Testimony in Support of LD 134
An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers

Presented to the Joint Standing Committee on Environment and Natural Resources
Wednesday, March 29, 2023

Senator Brenner, Representative Gramlich, and members of the Joint Standing Committee on Environment and Natural Resources, my name is Troy Jackson. I serve as President of the Maine Senate and proudly represent Aroostook County in the Legislature. I am here today to present an amended version of LD 134, "An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers."

Maine citizens joined together to pass the "Maine Bottle Bill" at the ballot box in 1978 in an effort to curb roadside litter and incentivize the recycling of these materials. But in recent years, redemption centers have found it difficult to remain open, jeopardizing the program and leading to decline in recycling across the state. This amended proposal seeks to increase reimbursements for the cost of handling the beverage container redemption program in Maine. It also would put a process in place to streamline the system to meet the needs of season high volume.

When redemption centers close, it becomes more difficult to redeem the deposit the customer paid, which naturally leads to less recycling. According to the Beverage Container Redemption Program at the Maine Department of Environmental Protection (DEP), Mainers recycle approximately 80 percent of their bottles and cans. This is down from 87 percent.¹ This directly correlates to the closing of redemption centers.

According to Maine DEP's Environmental Specialist, Scott Wilson, there are currently 321 licensed redemption centers in the State. This means that 53 redemption centers have shut their doors since December 2019.² A major reason is increased business expenses. These include the cost of labor, electricity, and fuel. It is true that all businesses face increasing prices, but owners of redemption centers cannot raise their prices to make ends meet.

¹<https://www.centralmaine.com/2022/07/26/neighborhood-redemption-centers-becoming-less-common-as-their-numbers-decline/>

²<https://www.wmtw.com/article/dozens-of-maine-bottle-redemption-centers-close-amid-pandemic-inflation/4086278711>

The owners of redemption centers are on a fixed income set by the State. This is known as a "handling fee." When customers return their bottles and cans, redemption centers pay back the customer's deposit. This is covered by the Initiators of the Deposit (IoDs) when they collect the containers from the center. The IoDs also pay the "handling fee" as authorized by statute. Which brings us to the bottom line — redemption centers count on the "handling fee" to pay all business expenses including labor costs. Simply put, redemption centers will continue to close and employees will not earn raises unless the legislature increases the handling fee. The amendment before you would increase the redemption center handling fee to \$.0575 per container and provides for biannual increase based on the federal Consumer Price Index.

Finally, the amended measure includes a provision to prevent the system from becoming overwhelmed following the events of last summer. The increase in volume of containers needing to be process coupled with decreased hours and redemption center closures across the state led to a perfect storm. This backlog has still not been addressed, which is the reason for the emergency preamble. Section 3 of the amendment provides a process for the Maine DEP to waive individual beverage container scans if the redemption center implements an alternative method for fair apportionment of costs among the parties involved. This section will especially help larger processing programs.

This statutory change is necessary to keep Mainers in jobs, businesses in business, and trash from littering our roads and streams. Recycling also helps reduce the amount of waste dumped into our landfills. As summer approaches and tourists return to the state, the last thing we need is fewer redemption centers, more backlog, and discouraging lines. For these reasons, I hope you will join me in support of this bill.

Thank you for your time and consideration. If you have any questions, I will attempt to answer them.