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**TESTIMONY OF
SCOTT WILSON, PROGRAM MANAGER, BOTTLE REDEMPTION PROGRAM
MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION**

SPEAKING IN SUPPORT OF L.D. 134

**AN ACT TO INCREASE THE HANDLING FEE FOR BEVERAGE CONTAINERS
REIMBURSED TO DEALERS AND REDEMPTION CENTERS**

**SUBMITTED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION
PURSUANT TO JOINT RULE 204**

**BEFORE THE JOINT STANDING COMMITTEE
ON
ENVIRONMENT AND NATURAL RESOURCES**

DATE OF HEARING:

MARCH 29, 2023

Senator Brenner, Representative Gramlich, and members of the Committee, I am Scott Wilson from the Bureau of Remediation and Waste Management, Division of Materials Management, at the Department of Environmental Protection, speaking in favor of the original language of L.D. 134.

Maine's Beverage Container Redemption Program (also known as the "Bottle Bill") was enacted by a people's referendum in November of 1976 and was implemented in January of 1978. The statutory intent of the program has not changed since its

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enactment in 1976; that beverage containers were a major source of non-degradable litter and solid waste in the State and the collection and disposal of this litter and solid waste was a financial burden for Maine citizens. The program is designed to meet these intentions by creating incentives for consumers to redeem their own containers and pick up containers that have been littered through collecting their deposit value, and for redemption centers and dealers/retailers to take back containers by means of a handling fee. Initiators of Deposit, i.e., the manufacturers or distributors of beverages, are required to initiate the deposit, pay the handling fee, and retrieve their containers from redemption centers.

The redemption center is paid for its services through the per container handling fee paid by the initiator of the deposit for its costs. This handling fee is set in statute and is currently 4.5-cents per container; the fee was last adjusted by the legislature in 2018.

Since its implementation in 1978, the beverage container universe has expanded exponentially. The number of brands, products within those brands, and types of containers has dramatically increased. Although a change in the law in 2003 reduced the number of “sorts” by allowing manufacturers to co-mingle, there still are currently 700+ “sorts”, and this number of sorts increase each year with the addition of new beverage products. This increase in “sorts” increases the amount of labor necessary to operate, but redemption centers are still funded by the same per container handling fee. Many redemption centers report having difficulty finding labor at the rate they are able to pay that is provided by the handling fee. Additionally, with inflation, rents, utilities, and other related operating costs for redemption centers have increased. Given these issues, the Department supports a one time increase to the handling fee paid to redemption centers in L.D. 134.

The amendment proposed by the bill sponsor goes beyond the immediate fee increase and proposes changes to how containers are inspected for compliance and sorted for

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cost allocation to the IODs, which may put traditional redemption centers at a competitive disadvantage to “bag drop” systems and increase the chance of fraudulent container redemption. It also provides an “automatic” fee increase, which may not be necessary if the bottle redemption program is streamlined and costs to redemption centers are reduced through efficiency. These changes above the fee increase are significant and should be made only through a more robust review by all the stakeholders of the program. The Department opposes this additional language and believes it would be included in the stakeholder process suggested in the subsequent measure you will hear, LD 972.

Thank you for the opportunity to provide testimony. I am available to answer questions of the Committee, both now and at work session.