

3.29.23

Chair: Senator Brenner

Chair: Representative Gramlich

Members: Committee on Environment and Natural Resources

RE: LD 134 as amended on Wednesday 3.28.23

My name is Peter Welch, and I am the manager/owner of Gaia, LLC; d/b/a Forest Avenue Redemption Center at 897 Forest Avenue in Portland, ME. I have been engaged with the Maine Bottle Bill for 43 years since I established our original redemption center at RSVP Discount Beverage in 1981. We sold our beverage business to our management in 2004. Additionally, I owned a redemption center and Discount Beverage in Westbrook for many years. During that time, I also operated two Maine State Liquor Agency stores under BABLO on behalf of the State.

I have also served on several Maine legislative study commissions regarding the bottle bill and the liquor industry over the years. Until just this past year, I was the managing partner of a New England wine importer, based in Portland. Prior to my starting RSVP, I was the regional wine & spirits manager for a National company for Vt. & Maine, managing many well-known brands. My family were beer and wine Brokers and wholesalers. MY relatives operated a statewide soda bottling franchise in VT for many years making such brands as 7-Up, Canada Dry, Hires Root beer & others.

My summers from 5th grade on- involved some work in those warehouses. And to finish the story up- my grandfather on my mother's side was a "bootlegger" and apparently the largest confiscation in VT. in 1930. So, I have been engaged in this industry for a while.

Currently, I am an employer and business owner and taxpayer in Portland.

I support LD 134 as amended. The handling fee increase is a must as 40-50 or more RC's have closed and many more have reduced hours. I have enclosed a rather busy, but 1 page spreadsheet, it will offer a perspective on why we need an increase NOW! **The CPI is a must too! This should have been done previously and today's hearing could have been avoided. And many RC's would not have closed and created "empty container deserts" in many spots in many- rural and urban. North & South, East & West.**

The bottle bill is a USER FEE

The bottle bill reduces property taxes and municipal waste.

It requires no taxpayer funding to accomplish its goals.

I draw your attention to my 1-page spreadsheet and the "green" areas. The green cells indicate the CPI change from June 2019 through and including June 23. I forecasted from June 22 to June 23 conservatively. at 5.0% CPI increase. As you can see, in the 4 years costs have risen & would indicate a Handling fee of over .0575 cents, up from .045.

Next, I draw your attention to the areas in "Orange". There is not 1 person in this room that has not faced rising costs and inflation and expenses in life or work. For my redemption center, Heating & Electricity & Energy way way up!! 50% and more over the last 4 years. Rent & property taxes up. Snowplowing up 100%. Trash pick-up increased nearly 100%. Utilities of water, sewer, phone and internet all climb higher annually. Professional fees way up, accounting and legal and the like.

Postage stamps up!!!!

Bottle Redemption License up 100%. While small in value from 50.00 to 100.00, it blazes the trail!

Our labor costs along with minimum wage have risen 27% to 30%. The minimum wage in Portland has gone from 11.00 to nearly 14.00 and we are way above that in Portland. Temporary services are starting general labor staff at 18.00 in Portland.

When labor goes up, so goes Worker Comp and payroll taxes & all related labor expenditures. Labor alone before the add-ons is 40% of my gross profit. And we do not have a lot of employees. We have between 1-3 people on a shift at a given time and depending on if we have a pick-up from pick-up agents. We can't operate with less than 1 employee.

I want to share with you what our staff does. What constitutes the anatomy of labor at our RC.

- 1.0 Customer Service- greeting customers- assisting customers using RVM's.
- 2.0 Cleaning and more cleaning and more cleaning- equipment-surfaces-floors- building- yard- trash barrels over and over continuously
- 3.0 Counting of and verifying containers for customers for total value
- 4.0 Cashiering & paying and recording of customer units & money
- 5.0 Sorting of containers by IOD or Commingle group. Commingle groups are easier. And if we had to sort by only "material" that would be even easier. We support that idea and have for years.
- 6.0 Stacking pallets and verifying pick-up agent invoice and containers with the pickup agent.

But, the only business group unable to recoup those rising costs are RC's. The Beverage industry would have you think we are "inefficient" and we need a new model from top to bottom. This refrain has been a beverage industry mantra for 43 years! If we had less sorting it would all be better. Yes, less sorting would be a help for sure. In fact, the industry could put that in place right now. It can be done under existing law and regs! RC's conceived of the commingling idea & we argued and fought for the original commingling agreements, this was a RC idea and concept. **The way that worked was by having an even higher handling fee on non-commingled containers.**

RC's make only 1.08 per case of 24 emptys, now!! We are seeking a modest increase of .0125/ unit to 1.38 per case or .0575! Plus, a CPI monitor.

I DRAW YOUR ATTENTION TO THE AREAS IN WHITE ON THE SPREADSHEET. THE BEVERAGE INDUSTRY THAT SO THINKS WE DON'T DESERVE OR NEED AN INCREASE (REFRAIN AGAIN!!)- HAS RAISED PRICES THEMSELVES OVER THE LAST 4 YEARS!!!!

The beverage industry increases, alone, over the last 4 years, are most often more the RC's get in total.

BEER SAMPLE UP \$ 1.88 TO \$9.04 A CASE- LAST 4 YEARS VS 1.38

SODA & WATER SAMPLE UP\$.70 TO \$4.00 A CASE VS 1.38

LIQUOR BABLO SAMPLE (Top 20 BRAND & skus') UP \$ 0.00 TO \$24.00 A CASE VS 1.38.

Lastly, I draw your attention to the area in yellow. The Abandoned containers are growing by leaps and bounds as RC's shutter! **The MAINE ESCHEAT number is now closing in on 18,000,000 per year!!! PER YEAR!** The Maine Supreme court has already ruled that those funds are rightly belonging to the State of Maine as abandoned PROPERTY!

This committee is seeking funds to further efforts in our Solid Waste world, there are more than a few dollars right here.

During the pandemic RC's we were deemed Essential workers and now we need & seek this Legislature and Administration to see the need here, please!

In the era of Climate Change please recognize the importance of RC's and vote to support LD 134

We are Statewide! We serve Rural & Urban Maine! We serve the Citizens of Maine! We could be beacons of sustainability infrastructure for the future in many communities big and small. But we need to exist! We could handle other environmental responsibilities with the right plan! Even compost or food waste with a system!

WE ARE A VALUABLE PIECE OF MAINE'S CLIMATE AND ENVIRONMENTAL INFRASTRUCTURE!

Why should a senior citizen living on fixed income in ANYTOWN MAINE have their municipal or town transfer station be hobbled and impacted by the loss of the bottle bill and cause their property taxes to increase?

Why should small and independent retail stores or corner grocery stores or pharmacy's or delis or gas stations or small local markets be the fall guys for Redemption of containers in Maine? If RC's go out- this is the outcome.

The bottle bill is good legislation, and we know it works! **I submit to you that for the want of a PENNY PLUS, you should not be subsidizing the “alcohol industry” the “soft drink industry” and the “plastics industry”! All of whom have already raised their prices substantially and do specialize heavily in single serve packaging! A lot of single serve packaging, too! Laden with plastics derived from fossil fuels!**

We need to find our way toward RRR and the hierarchy of sustainability for the benefit of our environment, our children and their children! We are way past due!!

I urge this Committee to lead! Please pass LD 134!

DIRIGO!!

I would be glad to answer any questions.

Sincerely yours,

Peter Welch
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