



### **Testimony of Alison Vanderhoof in Support of LD 134 as Amended**

**"An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers" / "An Act to Support Maine's Bottle Bill by Stabilizing Redemption Center Handling Fees and Reducing Processing Time"**

Joint Committee on Environment and Natural Resources

March 29, 2023

Senator Brenner, Representative Gramlich, and distinguished members of the Joint Standing Committee on Environment and Natural Resources my name is Alison Vanderhoof, I am the CEO of CLYNK, headquartered in South Portland, and here today to testify in Support of LD 134, as amended.

CLYNK is a Maine-based, national, recycling Tech company, with our boots also planted firmly in recycling Operations here in Maine. We have more than 150 employees in this state. I will spare the committee the full CLYNK bio as you will hear it during LD 192, but it is important context to know that CLYNK provides our service to 55 Hannaford Grocery Redemption Centers, reaching about 85% of Maine's population, handling 25% of all containers returned in the state. Our highest priority is to have what CLYNK does, which is Account Based Bulk Processing, recognized in the bill. But today is important too.

CLYNK was in the media spotlight last summer as we grappled with extremely high container volumes across Maine. Redemption Centers going out of business, compounded by the post-covid return of tourists, resulted in Hannaford receiving an unprecedented level of containers to redeem. Picture pickup trucks full of empties pulling up with no room to drop off, CLYNK bags piled around the outside of parking lot depots that were filled to bursting. My team literally worked around the clock for months and could not get ahead of the wave of containers we faced each day. We are still feeling the effects.

This was a very real symptom of the industry under duress. When Redemption Centers go out of business, those that are still open get inundated. When Redemption Centers don't have labor to sort containers, they bring those containers to CLYNK depots, adding to the chaos. While there are loads of positives about CLYNK bag drop, it is an unmanned, largely outdoor, solution, and this means it cannot ever truly close. The depots may be full, but people who want to get rid of their empties will drop them off anyway creating an environmental and sanitation hazard for many others.

To mitigate this for summer of 2023, CLYNK, Hannaford, and the other surviving community Redemption Centers, need to get real creative, real fast. We must find ways to handle lots of containers faster and with less labor since labor is still in very short supply.

The waiver envisioned in LD 134 is intended to encourage innovation. It would allow the DEP to approve Redemption Centers to temporarily test ways to improve their speed or the efficiency of how their operation sorts containers. It provides relief in the back room, which is where the IoDs are invoiced to pay handling fees and reimburse deposits. It does NOT change the count for customers. It requires the use of data and sound methodologies, like any well-designed test. I've inserted into my testimony a copy of suggested new language for this section.

This is presented as emergency legislation to create a bridge between the upcoming busy summer and the eventual larger changes anticipated through stakeholder collaboration. It is low risk and may result in one of us identifying a game changer for the industry – as innovation with looser guardrails often does. Thank you for considering.

Proposed, simplified language:

**Sec. 3. 38 MRS §XXX is enacted.**



**XXX. Redemption Center Pilot Waiver.** For good cause shown by a Redemption Center(s), the department may waive the requirements in 38 MRS §3106(5) and regulations in Chapter 426: Responsibilities Under the Returnable Beverage Container Law, sections 9,10,11 that pertain to reporting and provision of containers for the purpose of collecting handling fees and deposits from IoDs or their Agents. To establish good cause, the Redemption Center must demonstrate to the department that it will implement an alternative method for fair apportionment of costs among the parties they typically bill that relies on data and provides (1) a count of containers that is at least as accurate at the method that will be replaced, (2) an allocation of redeemable containers to billing parties that is accurate within a margin of error deemed acceptable by the commissioner of the Department of Environmental Protection (3) container level detail on a statistically valid sample of the containers, which serves as the basis for allocation, and (4) a process to return to the billing party equivalent material equal to the weight of the containers allocated for that billing party.

A waiver granted by the department may not exceed 1 year in duration, but may be renewed at the department's discretion.