

5.15.23

Chair: Senator Brenner

Chair: Representative Gramlich

Members: Committee on Environment and Natural Resources

RE: LD 1909 & LD 1910

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.

Currently, I am an employer and business owner and taxpayer in Portland. I employ 3 staff. We operate 7 days a week. We have from 1 to 3 staff working at any 1 time. Most usually we have 1-2 staff and commonly we have 2 staff on duty.

I supported LD 1909 an Act to Modernize & Evolve Maine's Bottle bill!
We support reducing the sorts and removing bag fees. We support providing assistance to utilize technology like the Tomra RVM's. We support consolidating and commingling the "Tomra" manual empties. While they are only about 15% to 20% of the total volume, they make up the VAST majority of sorts. Streamline sorts have benefits for both redemption and distributors. Also, eliminating boxes will save distributors greatly.

The key and challenging issue here is “HOW TO GET AN ACCURATE AND FAIR COUNT FOR” EVERYONE!

I do not support LD 1910 which seeks to bring Maine backwards into a model like Oregon’s which is a distributor CONTROLLED and operated system. Just in the last 4 years or so Oregon was forced to double the deposit on containers TO THE PUBLIC, as the system was sinking.

Coincidentally, that “DOUBLED OVERNIGHT THE AMOUNT OF ESCHEAT THE DISTRIBUTOR RUN SYSTEM HAD IN THEIR POCKET!”

So much so that I saw an article that the Oregon AG was looking at the large amount of funds.

Oregon return rates were dropping precipitously, to the point, as I recall that glass had shrunk to under 60%, or near that number. Also, the bill is nowhere as comprehensive as Maine’s Bottle bill. Oregon has also had to resort to significant fines to get participation.

Oregon does not include wine or spirits. Therefore, it does not include all that glass which we all want out of the waste stream and should be a priority!!!!

Oregon does not include anything over 3 liters like the big gallon jugs Maine includes.

Oregon has 3x the population of Maine, but its redemption system only has roughly 2x the amount of containers reported as sold. Oregon system has roughly 2.5 billion containers and Maine roughly 1.17 billion. Oregon recently got it is overall return rate close to 80% which

is where Maine's rate has fallen to. The annual Escheat in Oregon is now up to 50 million dollars per year.

Oregon has many many retailers taking back empties along with a bag drop program like Clynk and a small amount, but growing amount of redemption centers set up by the distributors. The retailers in a complicated system take back anywhere from 24 containers per customer to a few hundred as I recall. Roughly 50% of Oregon's empties come thru retail.

Maine several years ago at the request of retailers and IOD's and the beverage industry focused on a Redemption Center system along with only the largest retailers of over 5000 square feet. This was to streamline the pickup system for IOD's as well as getting empties out of small mom & Pops and convenience stores and pharmacies etc.

The beverage industry would have you believe that redemption centers are overpaid and inefficient and not well run.

For clarity sake- there is nothing in Maine's bottle bill that prohibits beverage distributors from getting into the redemption business, in the past, today or tomorrow!

The beverage industry contends that RC's efficiency need to be studied. I would contend that the Beverage industry should be looked at simultaneously if we are going down that route. The consolidation and franchise exclusivity that has evolved in the Maine marketplace contributes to a complete lack of competition in the market and the accompanying higher prices.