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THE MAINE SENATE
132nd Legislature

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**Testimony of Senator Joe Baldacci
Introducing LD 1423, "An Act to Improve Recycling by Updating
the Stewardship Program for Packaging"
Before the Joint Standing Committee on Environment and Natural Resources
4/22/25**

Senator Tepler, Representative Doudera, and esteemed members of the Environment and Natural Resources Committee, I am Senator Joe Baldacci and I represent the people of Senate District 9, which includes Bangor and Hermon. I am here today to present LD 1423, "An Act to Improve Recycling by Updating the Stewardship Program for Packaging".

Maine was the first state in the country to pass an extended producer responsibility (EPR) law for packaging, and I voted in support of it. The law's goals were clear and commendable: reduce costs for taxpayers and improve recycling by requiring producers to pay for the packaging they introduce into the market. By shifting this responsibility, municipalities will be reimbursed for recycling costs, easing the financial burden on taxpayers. These are goals that I continue to support.

While the law was well-intended, the actual implementation of the program via routine technical rule, recently adopted by the Board of Environmental Protection, differs significantly from the approaches taken by all five other states that have since passed EPR packaging laws. One major concern is the prescriptive application of fees on "producers" of packaging that could add nearly \$2.00 per pound of packaging to the cost of goods, based on what we are learning in other states.

The current structure of Maine's EPR packaging program makes our state an outlier, adding to challenges already facing Maine businesses, such as inflation, tariffs, workforce shortages, and high operating costs. LD 1423 addresses these concerns by recognizing how products are packaged and sold in today's economy, strengthening definitions, aligning Maine's program with other states, and providing flexibility to the Department of Environmental Protection (DEP) and the stewardship organization (SO) to keep the program in step with real-world market conditions.

As you're all aware, products reach consumers (individuals and businesses) through a variety of distribution channels that influence how packaging is designed and ultimately disposed of. LD 1423 updates the definition of "producer" to better reflect how goods are produced, sold and distributed, providing clearer guidance on who is responsible for covering packaging costs. The bill also defines "consumer" as a residential customer, recognizing that not all packaging enters municipal recycling systems, and our business community is already paying for recycling at their facilities. It redefines "manage" to mean "collect, transport, process, or otherwise prepare

packaging material for recycling, reuse, or industrial or residential composting” – addressing what I believe is an oversight in the original law, to define what the program will pay for.

It provides some additional time flexibility for producers to make initial payments into the program. Again, to ensure they are based on actual data while maintaining the timeline for payments to municipalities.

LD 1423 provides consistency for producers operating in multiple states. California, Colorado, Oregon and Minnesota all recognize federally regulated products and acknowledge that their packaging requirements for safety, sterility, storage or transportation is governed at the federal level. Maryland is expected to follow suit; they recently passed an EPR packaging bill that was sent to their Governor on April 7, 2025. If Maine stands alone, producers of those products could face steep double fees that will double again in 2031 as they may not be able to meet the state’s abnormally stringent recyclability standards. These products range from animal health products and infant formula made right here in Maine to hazardous and flammable goods.

Additionally, to be consistent with California, it provides for an off-ramp for packaging that is highly-recycled, like our forest products sector, where a producer must demonstrate to the DEP that their packaging material is not collected through residential recycling services, is not separated at commingled recycling facilities, is recycled at a responsible end market, and has a proven recycling rate of at least 65 percent for three consecutive years before January 1, 2027, and at least 70 percent annually thereafter.

One of the most concerning aspects of Maine’s current program is the potential for exponentially rising fees if recyclability goals are not met. This risk could have serious consequences for Maine producers and the broader business community. LD 1423 addresses this by giving the DEP and SO flexibility under Section 16, subsection 13. It allows the DEP to approve a system of producer payments submitted by the SO and requires the SO to develop a performance assessment process. This ensures producer payments are informed by measurable goals that are established based on data collected in the state – an approach consistent with other states’ EPR laws.

This legislation preserves the law’s goals while recognizing the realities of our complex supply chains, creating consistency with other states, and giving the DEP and SO the flexibility to administer a successful, cost-effective program. With these updates, producers remain accountable, taxpayers get relief, and municipalities can begin developing the infrastructure needed to better manage diverse packaging types.

Without some reform and alignment with other states, I fear we risk Maine, a small product market, becoming an outlier and we will unnecessarily punish companies that make and deliver products to our State. Therefore, I urge you to support LD 1423. Thank you for your time and consideration.