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## IN SUPPORT: LD 1423 An Act to Improve Recycling by Updating the Stewardship Program for Packaging

Dear Senator Tepler - Chair, Representative Doudera - Chair, and members of the committee on Environment and Natural Resources,

The Retail Association of Maine (RAM) and the Maine Grocers and Food Producers Association (MGFPA) are testifying in joint support for LD 1423 An Act to Improve Recycling by Updating the Stewardship Program for Packaging. Our business trade associations represent Main Street businesses including independently owned and operated grocery stores and supermarkets, general merchandise retailers, and convenience stores, food and beverage manufacturers, distributors and supporting partners — together representing more than 450 members statewide. Maine's retail sector employs more than 85,000 Mainers.

Maine businesses support the goals of reducing waste, improving recycling systems, and creating a more sustainable materials economy. In fact, many of the companies we work with have set their own recycling and sustainability goals.

For Maine's EPR for Packaging law to be successful and workable, Maine's law must be aligned with the broader national framework developing across states. Maine was the first state in the nation to pass an EPR for packaging law but no other states have replicated our program's framework nor specifics. LD 1423 offers a timely and essential opportunity to recalibrate our program to be consistent, clear, and feasible. We recognize that Maine's law is as unique as our recycling system and we are not asking for programmatical pauses or significant modifications to the scope of the program but instead definitional and foundational elements necessary to see true results.

Without reform now, the next window to make adjustments will not occur until 2027; the time is now. As the EPR for packaging program has been developing, MGFPA and RAM have continued to have indepth conversations with an EPR-focused task force consisting of Maine-based members and national members. It's evident that alignment with other states is imperative. Maine is at the end of the supply chain and has a small economy. Maine can influence the greatest industry change when working together.

Alignment reduces compliance costs and confusion for producers operating across state lines and enhances regional coordination and efficiency. It is important to align Maine's EPR for Packaging law with

the laws adopted in other states, including Colorado, Oregon, Minnesota, California, and Maryland. Each of these states has established reasonable, collaborative frameworks that balance environmental responsibility with economic viability. It's important that Maine's businesses (and national brands alike) can go from confusion to compliance:

- Specific to LD 1423, Maine's current law and draft rules leave too many key terms undefined, creating uncertainty for producers and program administrators alike. LD 1423 introduces clear definitions for critical concepts such as "responsible-end market," "commingled recycling processing facility," and "post-consumer recycled material." These clarifications are consistent with other states' approaches and are necessary for effective program implementation.
- The current law requires producers to screen packaging materials for more than 2,000 chemicals, an unmanageable and unrealistic standard. LD 1423 would refine this list to a focused and actionable set of priority chemicals, aligning with other states' EPR frameworks and existing toxics management programs.
- LD 1423 also introduces greater flexibility in how producer fees are structured and how performance goals are set. States like Minnesota, Colorado, and Oregon allow goals to be based on real-time data and evolving market conditions. Maine should adopt the same approach to allow for realistic, data-driven outcomes.
- The current mandatory requirement to provide a UPC code for each product is burdensome and unnecessary. A simpler and more effective approach, used in every other EPR state, is to allow producers to submit a list of registered products and brands. LD 1423 would implement this change, greatly improving compliance and reducing costs without compromising the program's goals.

LD 1423 clearly defines the term 'consumer' to exclude industrial and commercial entities. Including these sectors in the definition creates unnecessary compliance burdens for business-to-business packaging and distorts the intent of the program, which is to address household packaging waste. We believe this holds true to the legislative intent of the bill while also providing the necessary clarity to follow the packaging material through the multifaceted supply chain. EPR fees should be based on the amount and type of packaging that ends up in the hands of consumers. With a defined 'consumer,' it's easier to determine which packaging types and quantities should be counted in producers' reporting and fee calculations.

We also support changes that align the definition of "producer" with national best practices. This clarity is essential for ensuring that the correct entity is responsible for compliance and that the program functions as intended. The additional details within the newly proposed 'producer' definition provides the tiered hierarchy and ownership clarity needed to best determine the responsible party. The new definition clarifies the multiple points of responsibility, prevents gaps in responsibility, and ensures that all relevant players in the product supply chain can be held accountable for packaging waste (especially in more complex or decentralized brand ownership structures). It also reflects modern retail realities, ensuring that online retailers and out-of-state sellers who contribute to packaging waste in the state are covered. Reducing ambiguity by defining a clear order of precedence when determining the producer, helps regulators and businesses understand their obligations more easily.

Specific to 'producer payments', the language seeks to enhance clarity and fairness by directing the Department to 'adopt a process to approve a producer payment system under the program'. The rules must establish a transparent, equitable process for approving a payment system that differentiates between readily recyclable and non-recyclable packaging. The major substantive rules are critically important because they provide the necessary oversight. Given the program's scope—shifting the cost and responsibility of packaging waste from municipalities to producers—clear, comprehensive rules ensure accountability, transparency, and effective implementation.

While public education and litter reduction are important goals, they should not be considered forms of packaging recycling. Forcing producers to reimburse municipalities for these costs falls outside the scope of an EPR system and sets a problematic precedent. LD 1423 rightly proposes removing these as reimbursable categories. EPR for packaging should remain tightly focused on waste reduction, recycling efficiency, and creating a circular economy. Using these funds for unrelated purposes dilutes their impact and risks undermining the program's core mission. We will even go as far as suggesting that to support Maine businesses in adapting to evolving packaging standards, the state could consider establishing grant programs that help companies improve the recyclability and sustainability of their packaging. These programs would encourage innovation, reduce environmental impact, and ensure that local businesses remain competitive and compliant under new regulations.

We have continued to express concerns as it relates to the timing of the program and lack of communication to the business community specific to next year's reporting requirements (and lack of price estimates). In May of 2026, producers will need to register and report. They will be required to report an estimate of total tons of packaging produced during calendar year 2025 (*this year*). That means they should be 4 months into tracking their packaging production for this year.

If LD 1423 is not adopted this session, Maine risks locking businesses into a misaligned system that could have significant economic and operational consequences for years to come. Maine's EPR for Packaging law was specifically created with a long on-ramp. A longer implementation period—to be used for just this—to make necessary changes before the weight of the program plagues its success.

Supporting sustainable business is about supporting a clearer EPR for packaging program in Maine. Thank you for the opportunity to provide testimony.

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