

February 4, 2026

Senator Denise Tepler, Senate Chair
Representative Vicki Doudera, House Chair
Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333

Testifying in SUPPORT of LD2036 "An Act to Clarify the Approval Process for and the Operation of the Commingling Program for the Management of Beverage Containers" and AGAINST LD2141 "An Act to Direct a Portion of Unclaimed Beverage Container Deposits to the Lake Water Quality Restoration and Protection Fund, the Maine Working Farmland Access and Protection Program and Public Defender Office Staffing"

Chair Tepler, Chair Doudera, and members of the Environment and Natural Resources Committee:

My name is Mike Noel. I am a Director of Public Affairs at TOMRA. TOMRA is known for pioneering a range of technology and services for recycling and reuse systems, with the goal to reduce extraction of natural resources. We have over 50 years' experience operating in more than 40 jurisdictions with container Deposit Return Systems (or "bottle bills"), including all ten U.S. states with deposit laws.

TOMRA's role in supporting Maine's bottle bill system

- **Reverse vending solutions** – TOMRA provides automated redemption technology that assists retailers and redemption centers to more efficiently evaluate and store redeemed beverage containers. We have brought bulk-feed Reverse Vending Machines to Maine for the first time. Offered at Roopers Redemption in Lewiston and Raider Redemption in Winslow for example, the technology enables consumers to return containers a bag at a time rather than feeding machines one by one.
- **CLYNK 'bag drop' services** – TOMRA recently acquired CLYNK, which makes it easy for consumers to return containers. We are proud to work towards bringing this Maine-based startup innovation to the world.
- **Container pickup** – We offer container pickup services to beverage distributors who do not want to pickup their redeemed containers statewide.
- **Commodity brokerage** – We sell recycled cans and bottles back to packaging manufacturers on behalf of the beverage industry.
- **Redemption center management** – We have experience operating redemption centers including Capitol Container here in Augusta.
- **Commingling Group Administration** – As a pickup provider, the 2023 deposit reform law required TOMRA to establish and manage a "Special Commingling Group" to enable redemption centers to sort the containers of our 350+ beverage distributor customers together. I have been serving on the Commingling Cooperative (MBRG) Board to assist in developing the operational plan.

LD2036

First, I want to make sure the committee knows that TOMRA has met the legislature's October 2024 deadline for forming our own commingling group and significantly reducing the number of sorts or boxes into which redemption centers need to sort our customer's beverage containers. We have also been working essentially non-stop since late 2024 with the Cooperative Board and DEP to align on program regulations and an Operational Plan for the Cooperative. I am not complaining as the program provides real benefit for Mainers and Maine's environment, but I do want the committee to know we have not been sitting around twiddling our thumbs. We want this to work. But in many ways, the Plan's development has felt like trying to jam a square peg in a round hole. That's because many of the distributors prefer reaching compliance while keeping the existing program's financial and organization structure in place rather

than having the Coop to handle and administer millions of dollars. It's possible to do this way, but it does make it more complex.

We support LD2036 because it makes compliance easier and less costly while still upholding the environmental and efficiency objectives of the 2023 reform law. Here are its two big changes and why we support them:

Paying for core program improvements without the need to collect 'initiated deposits'

Maine law allows distributors to use unclaimed deposits to help offset some of their handling fee expenses. Maine has the highest handling fee in the country for most containers so this is a way to help manage the cost of the program.

The problem is the 2023 law required all *initiated* deposits – those that a distributor collects when it sells the product to the retailer – to be sent to the Coop. That's about \$120m. After paying out refunds to consumers when they return the containers, there is about \$11m left in 'unclaimed deposits'. So now the Coop needs to essentially send that \$11m back to distributors to help offset their handling fees. It begs the question, why did the Coop collect those initiated deposits in the first place?

It would be far more efficient for the commingling groups to just do what they do today, which is pay redemption centers the deposit refund and handling fee directly then bill distributors. And then the Coop can ensure that the few key items that the unclaimed deposits need to be spent on by law – DEP's oversight, the Refill Fund, the Efficiency Fund etc. - are paid for. They're just billed through commingling groups like any other program expense. There's no need to collect that \$120m in initiated deposits up front.

I raise this because if this proposal is NOT passed, it will definitely add cost to the Coop's operations. The Coop would need to raise about half a million more in financial administration costs to establish a billing and accounts payable operation, a CPA audit, and financial controls to protect against embezzlement.

Commingling groups are already established in the state to a) pay deposit refunds and handling fees to redemption centers and b) bill distributors for collective costs of the Coop. So, it's not necessary to create a whole new financial operation at the Coop level.

Transition to Full Commingling – once good data is available to make cost-sharing fair

The second change the bill proposes is for the Coop to implement Full Commingling – which is allowing redemption centers to sort containers by material type and size rather than material type, size *and brand* – once 90% of distributors send in auditable sales data. At TOMRA, we went back and forth on this idea, but ultimately we think this is prudent. Previously it was easy to figure how much to charge each distributor their fair share of costs in the program.

Redemption centers sorted their container by brand and then we counted those containers. If redemption centers are mixing everyone's containers together that means the Coop needs to come up with some other method to estimate fair costs between all distributors. Collecting sales data to calculate each distributor's market share is an obvious choice since it's more of an administrative change rather than requiring additional infrastructure.

There are alternatives like using redemption data from CLYNK and reverse vending machines to estimate what is redeemed through manual channels – and we do have a proof of concept of that which makes it a viable pathway in the medium term – but it's not ready to be applied across the whole system yet. We want to test it against manual commingled bags – but we can't just yet because the system hasn't reached Full Commingling.

So back to the Sales data idea. Apportioning costs through sales data only works if we get sales data from all distributors. Otherwise, some will be 'free riding' while other distributors pay more than their fair share. So, setting a

reasonable bar for Full Commingling such as having 90% of distributors send in sales data is a smart way to make this transition, but to do so fairly.

LD2141

Finally, I'll comment on LD2141 which seeks to divert \$6m of the deposit program's unclaimed deposits to non-deposit program causes. We oppose this on principle as we do all legislation that siphons off revenue from the deposit program rather than reinvesting it in making the program better. All high performing deposit programs reinvest the unredeemed containers in the system. There are ten deposit systems in the world that achieve 90% return and recycling rates or higher and they all allow virtually all of the unredeemed deposits to be reinvested in the program. This includes Connecticut and Oregon is not far behind at an 87% return rate.

The idea is there shouldn't *be* any unredeemed deposits. They should be invested in the program to make it more convenient so everyone can redeem easily. The more unredeemed deposits there are, the higher the cost for the consumer.

Also, I want to flag that Maine's deposit system includes hundreds of smaller businesses that sell in the state each day – most of which are in our commingling group. These are small businesses that I'm sure would appreciate all the help they can get to offset the high 6 cent handling fee per container.

Thank you for your time. I would be happy to answer any questions you may have.

Thank you,
Mike Noel

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ABOUT TOMRA

TOMRA was founded on an innovation in 1972 that began with the design, manufacturing, and sale of reverse vending machines for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling, and mining industries.

TOMRA COLLECTION

With an installed base of approximately 83,000 systems in over 40 markets, TOMRA Collection is the world's leading provider of reverse vending and clearinghouse solutions. Every year TOMRA facilitates the collection of more than 45 billion empty cans and bottles and provides retailers and other customers with an effective and efficient way of collecting, sorting, and processing these containers.

TOMRA's material recovery business includes the pick-up, transportation, and processing of used beverage containers in North America, as well as the subsequent brokerage of the processed material to recyclers. The revenue stream in this business area is derived from fees received from bottlers based on the volume of containers processed. Currently, TOMRA Material Recovery processes over 340,000 metric tons of containers annually.

TOMRA SORTING

TOMRA Sorting creates sensor-based technologies for sorting and process analysis within the recycling, food, mining, and other industries. TOMRA Recycling is a global leader in its field and has pioneered the automation of waste sorting for recycling. Its flexible sorting systems perform an extensive range of sorting tasks including separating plastics by polymer type for recycling. Currently TOMRA Recycling has an installed base of 5,900+ units across more than 40 markets.