



MAINE BEVERAGE ASSOCIATION

**Testimony of Newell Augur
Executive Director
Maine Beverage Association**

Before the Joint Standing Committee on Environment and Natural Resources

**In Support of LD 1467, An Act To Promote a Circular Economy through Increased
Post-consumer Recycled Plastic Content in Plastic Beverage Containers**

**Sponsored by Representative Doudera
Hearing Date: April 26, 2021**

Good morning Senator Brenner, Representative Tucker and members of the Joint Standing Committee on Environment and Natural Resources, my name is Newell Augur. I am a resident of Yarmouth, a lawyer with Pierce Atwood and the Executive Director of the Maine Beverage Association, your local distributors of regular and diet beverages, water, juices and sports drinks, among other refreshing low and zero calorie products. I am here to testify in support of LD 1467, An Act to Promote a Circular Economy through Increased Post-consumer Recycled Plastic Content in Plastic Beverage Containers.

America's Beverage Companies make carefully designed plastic bottles that are 100% recyclable. We want Every Bottle Back and we are continuing our investments to achieve this goal. Our bottles are made to be remade, not end up in oceans, rivers and beaches. To that end, our association supports policies that reduce the carbon footprint of beverage bottles and encourage better recycling. We view LD 1467 as an important part of that effort.

This bill requires plastic beverage containers that are covered under the bottle bill to be made with a portfolio average of 25% post-consumer recycled plastic by 2026. That threshold will increase to 30% by 2031. Notably, manufacturers can report this information as a portfolio average for sales specific to the State of Maine, or for a region within the United States that includes Maine. This provision was essential to secure the support of our member companies.

A manufacturer will pay 20 cents for every pound of virgin plastic that is used above the required threshold. Those penalties, along with a yearly registration fee, will be paid to

the Department to oversee this bill. Any residual monies may be deposited in the Solid Waste Management Fund to support municipal recycling programs. A manufacturer may request the Department waive this penalty due to disruptions in the manufacturer's supply of postconsumer recycled plastic, although the costs for evaluating the merits of any waiver must be borne by the manufacturer making the request. Further, beverage manufacturers collectively can petition the Department to adjust the threshold downward as a result of broader market disruption. These provisions are consistent with existing law in California and similar legislation currently awaiting Governor Inslee's signature in Washington State.

MBA members have made national and international commitments to increase their use of food grade recycled polyethylene terephthalate (PET or resin code 1) in the beverage containers they sell. Pepsico has set a goal to use 25 percent recycled content in all plastic packaging by 2025. This goal is especially ambitious because the target includes all plastic used in its beverage containers as well as its food brands, such as Quaker Oats and Frito-Lay. Coca-Cola has committed to making its beverage containers with an average of 50% recycled content by 2030. This includes its new 13.2oz Coke bottle made from 100% rPET already in circulation, and its 20oz Dasani bottle made from 30% rPET that is scheduled to debut in August. BlueTriton Brands, the parent company of Poland Spring, has committed to achieving 25 percent recycled plastic across its portfolio this year with a goal of reaching 50 percent recycled plastic by 2025. Keurig Dr Pepper has committed to converting to 100% recyclable or compostable packaging by 2025. As part of that effort, they have set a goal to use 30% post-consumer recycled content across their packaging portfolio and eliminate landfill disposal across all operations by 2025.

Meeting these goals will not be easy. Each member of our association is working to expand its relationship with its respective suppliers to rapidly and significantly increase use of recycled PET. The recent Chapter 11 filing by CarbonLITE, once a major rPET supplier in the United States, illustrates the difficulty of the challenge ahead. There is not enough recycled material available to meet the demands of industry. The vast majority of PET that is collected for recycling in the US currently flows to non-food grade applications like carpeting, fiber for clothing and strapping. Our companies must pay significantly higher prices for recycled PET than these other buyers to cover the cost of producing food grade material.

Nonetheless, we believe this bill is the right step for our association and our State because it can be an instrument for making packaging more sustainable and improving markets for recycled material. In doing so, we also must modernize our collection systems so that more recyclable materials can be collected in an efficient manner. These systems must be convenient for our consumers so they recycle consistently and properly. While not a subject for discussion today, reforming the 40 year old bottle bill needs to be a part of that effort.

On behalf of the MBA members, I'd like to recognize Representative Doudera and Sarah Nichols of NRCM for their willingness to engage us in this process of working on the language that is before you. It is the product of a thoughtful and meaningful negotiation and we were much obliged to be part of it. Thank you for the opportunity to testify. I'd be happy to answer any questions you may have.