



April 26, 2021

Honorable Stacy Brenner, Senate Chair
Honorable Ralph Tucker, House Chair
Joint Committee on Environment and Natural Resources

Re: LD 1467, "An Act To Promote a Circular Economy through Increased Post-consumer Recycled Plastic Content in Plastic Beverage Containers"

Senator Brenner and Representative Tucker:

Wine Institute, a public policy association representing 1,000 California wineries and affiliated suppliers, is opposed to LD 1467, "An Act To Promote a Circular Economy through Increased Post-consumer Recycled Plastic Content in Plastic Beverage Containers" as it relates to individual plastic containers for wine products. At this time, it is not certain that the postconsumer recycled content requirements in LD 1467 can be met for the specialized PET bottles used in limited circumstances by the wine industry.

The California wine industry is committed to sustainability with an impressive 85% of wine in California made in a California Sustainable Winery. The Prerequisite Code for Certification encourages use of products with recycled content, reusability, takeback or recyclable packaging, and non-toxic materials. Mandated recyclable content is not required by the California Sustainability Code because of the problems inherent in mandates and the challenges presented when manufacturing unique packaging for wine.

Beginning in 2022, CA AB 793 requires all **plastic** bottles covered by the state's container redemption program to average at least 15% post-consumer **recycled** resin. The amount of **required** post-consumer **recycled** resin increases to 25% in 2025 and 50% in 2030. While California will require minimum recycled content in plastic beverage containers, wine products are NOT included in this mandate.

The Wine Industry uses a Very Small Quantity of Specialty, Recyclable Plastic:

As you know, 187 ml plastic wine bottles are a niche market for PET wine bottles in large part because the shelf life of the wine is diminished in plastic.

- There is a relatively small amount of wine sold in Maine in 187ml PET bottles. To our knowledge, no wine producers are selling wine in larger PET formats.
- This product is typically marketed in four packs offering consumers a wine product that is easy to open (screw top), transport (one-sixth the weight of glass)

and consume (single-serving size). These lightweight PET wine bottles are also sold by airlines and public venues (sporting facilities, parks & concert venues) that are concerned with glass breakage and the weight to transport.

- Currently, the suppliers of these bottles are using only virgin resin for the PET. These bottles have a special barrier coating which seals the container from the inside to protect the contents from oxidation and maintain a glass-like clarity. These bottles are recyclable with the barrier easily removed during the recycling process. Though recyclable, it has NOT been determined that the same quality bottles with glass-like clarity and the necessary barrier can be produced with postconsumer recyclable content.
- Data from Maine's bottle deposit law shows only **49 wine labels in PET 187ml bottles out of 38,221 registered labels**. We believe that it is unreasonable to subject a small number of out-of-state wineries to these costly regulatory requirements given the minimal quantity of plastics used.

Supply Deficiencies make Mandate Difficult:

Even if it is determined that 187ml PET wine bottles could use postconsumer recyclable content without losing clarity or functionality, the wine industry's comparatively minimal need for recycled content would place it at a significant disadvantage in the marketplace. The much larger beverage manufacturers, such as soda and water companies, will have the highest demand and much greater purchasing power than wineries. Wineries will be a tiny part of the demand and may not have access to the uniquely shaped and treated plastic bottles they require with the recycled content required by this bill, thereby subjecting them to regulatory penalties.

“According to a recent report (2018) from the National Association for PET Container Resources (NAPCOR), the trade association for the PET packaging industry in North America, there is not enough recycled PET supply or processing capacity in the U.S. to meet brand owners' stated commitments. The report states that current collection volumes could only support a ten percent recycled content commitment by CPGs (*Consumer Packaged Goods companies*), though many companies have pledged to meet much higher targets in the next few years. One plastics recycling expert estimates that the U.S. would need a PET recycling rate of at least 70 percent to meet future demand, though according to NAPCOR's 2018 PET Recycling Report, it currently sits at just 28.9 percent.”

NAPCOR recently released its 2019 PET Recycling Report which cites a 2019 US recycling rate of 27.9% for PET plastic bottles, a 1% decrease from the 2018 rate.

Increased regulatory burden on wineries:

Current Maine law requires that each winery doing business in the state be licensed by the Maine Bureau of Alcoholic Beverages (BABLO). In addition, all of our products sold through the state's three tier system must also register all of our product labels with BABLO at a cost of ten dollars per label. Wineries are subject to rules and regulations promulgated by BABLO and are subject to their all of enforcement remedies. Additionally, Maine is one of two states that requires wineries to comply with the state's bottle bill. Our wineries, therefore, are required to register with the Maine Department of

Environmental Protection (DEP) and to again register all of our labels with DEP at an additional one-dollar cost per label. We are subject to all of the licensing requirements imposed by the bottle bill and all of the enforcement requirements imposed by the law. The cost of doing business in Maine for our wineries is already significantly higher than it is most other states.

LD 1467 would add yet another layer of registration, reporting and compliance, a rather significant regulatory burden for a rather insignificant amount of PET plastic wine product sold in the state. We fear that this additional mandate may force wine manufacturers out of the Maine market if they are unable to meet the requirements of this legislation.

For these reasons, Wine Institute would ask that the committee exempt 187ml wine bottles from this post-consumer recycling mandate. If that is not possible, then an alternative would be to exempt wine manufacturers who shipped less than 200,000kg of PET plastic containers into Maine during the previous calendar year.

Thank you for your thoughtful consideration.

Respectfully,

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