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May 21, 2021

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

Senator Brenner, Representative Tucker and Members of the Environment and Natural Resources Committee, I am the Executive Director for the Maine Beer Wine Distributors Association (MBWDA).

The Association is comprised of the family owned and operated businesses who distribute beer, wine and other non-alcoholic beverages to all retail licensees in the state. As exclusive distributors for many of these products, the businesses are obligated by law, as required by 38 M.R.S. §3103 (2) and (4) to be the Initiator of Deposit (IOD) for all beer, wine and other products.

MBWDA initiate the deposit on these beverages, collect the empties from retailers and licensed redemption centers and further handle the returnable containers at their respective warehouses.

**The new amendment to LD 1467 presents a challenge for MBWDA as the IOD.**

**Alcohol is regulated under a three-tier system of compliance. The supplier/manufacturer does not have direct sales access to retailers. The system operates through independent distributors. Under the bottle bill program, the distributors assume the duties of IOD compliance for the manufacturing tier.**

**The Distributors do not have any ability to verify the recycled plastic content requirements as specified in the amendment. The original bill focused on the manufacturer as the entity in the supply chain with control for how their businesses decisions on container type and specifics.**

We express concerns that the alcohol industry unique marketplace system may not be well understood.

While we appreciate the good intentions of the bill, we have serious issues with our ability to satisfy the plastic reporting requirements as we are not the manufacturers.

**In addition, we must call your attention to the significant penalty provisions in the amendment that would, in our view, mean that all alcohol products in a distributorship could be removed from sale in Maine for non-compliance.**

#### **6. Penalties and Removal of Products from Sale.**

A. Civil violation. A violation of this section is subject to enforcement pursuant to section 347-A and civil monetary penalties pursuant to section 349. Each provision of this section violated constitutes a separate violation that continues until the violation is resolved.

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B. If an initiator of deposit fails to comply with subsection 4 within 60 days of the deadline set forth in subsection 4, the department may require the removal of all products of that initiator of deposit from sale. Upon determination by the department that a product is required to be removed, the department may provide written notification to dealers, distributors or manufacturers that the product must be removed and may no longer be offered for sale or distributed within the State. Failure to remove the products from sale within 3 calendar days of being provided written notice is a violation of this section. Offering to sell, distributing or transporting a product to a dealer after receiving a notice of removal from sale is a violation of this section.

The MBWD will be happy to work with the committee, the analyst and other industry stakeholders to assess how to achieve the stated goals for plastic beverage containers for the alcohol products, beer and wine.

Thank you,

A handwritten signature in cursive script, appearing to read "Cheryl", is written over the typed name. The signature is fluid and somewhat stylized, with a large initial 'C' and a long, sweeping tail that extends to the right.

Cheryl Timberlake