



May 17, 2021

Senator Stacy Brenner  
Representative Ralph Tucker  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

To the Joint Standing Committee on Environment and Natural Resources:

On behalf of the Maine Beverage Association, I appreciate the opportunity to provide this letter with regard to LD 1471 and LD 1541 related to extended producer responsibility (EPR) for packaging.

#### *Background*

The beverage industry supports EPR as a means of funding recycling collection programs that are effective, efficient, and convenient for consumers. Our containers are 100% recyclable. We want them all back so they can be made into new bottles and cans – as they were designed to be. Additionally, our containers are made almost exclusively of aluminum and PET (#1) plastic. Despite accounting for a very small share of recyclables, those materials are the highest value components in the recycling system.

Our containers are exempt from LD 1471 and LD 1541 because they are already subject to the deposit return system. We do, however, have other packaging in the market that would be subject to EPR and, more importantly, our companies have experience with EPR programs around the world. We bring significant experience with these systems and a set of principles that we believe are essential to meet the goals of an EPR system: to provide environmental and economic benefits and promote a circular economy.

#### *Principles and Collaboration*

Our principles for EPR programs (attached to this letter) are designed to produce measurable and accountable environmental outcomes, to deliver service conveniently to consumers, to be financially and socially sustainable, and to close the loop by ensuring that recovered materials can be made into new packages. We want to ensure that EPR is a vehicle for change and improvement – raising collection, recycling, and reuse rates – and not just a transfer of responsibility for funding to producers.

This means that producers must have the ability to improve systems and drive change - not simply write checks to support a system that is underperforming. Successful EPR programs are fully financed and managed by obligated industry. Government, by contrast, establishes the EPR program through enabling legislation, and sets the scope of the program and its goals to assure a level playing field among producers. Government also oversees the Producer Responsibility Organizations (PRO) to ensure goals are being met.

Our industry, through the Maine Beverage Association and the American Beverage Association, has a strong interest in being a participant in the formulation of EPR programs, as has been the case in other jurisdictions. While neither bill before your committee fully aligns with our principles, we want to offer our expertise to efforts to craft a successful EPR program for packaging and printed paper in Maine and look forward to working with the Committee and other stakeholders to achieve that.

### *Opposition to LD 1541*

We want to express our particular concerns with LD 1541 as a vehicle for implementing EPR for packaging. The scope and design of the bill are not conducive to successful outcomes – this is not best-practices EPR and will not ultimately serve as a model for the way to approach this important policy in the US. Work in which our industry has been engaged in New York and Washington State to develop legislation for EPR for packaging and printed paper offers a far more sustainable, effective, and efficient program design.

Many stakeholders including those in our industry are engaged in productive discussions with environmental groups, legislators, and our supply chains to develop best-in-class EPR programs for US packaging and printed paper. We strongly urge the Committee to tap into that expertise and follow that model of engagement to develop legislation that multiple stakeholders can stand behind and support, rather than rush through a model that will not benefit recycling, circularity, convenience, or the environment.

We believe that many elements of LD 1541 would be ineffective or even counter-productive in bringing about the changes needed to enhance the circular economy in Maine and the region. The bill is based on to framework legislation adopted more than ten years ago that is suited far better for the management of special wastes like paint and electronics than for ordinary household recyclables. The concerns we have with LD 1541 cover a wide range of topics, but for illustration we have only listed some of them here:

- The scope of the program covers packaging only, when recycling programs also manage printed paper as well. Attempting to cover part of a comprehensive system's costs creates complication, confusion, and inefficiency, and as a result fewer recyclables will be collected and processed.
- The program covers disposal costs of packaging, which provides no incentive for recycling program improvements. Municipalities receive payment regardless of whether materials are recycled or disposed, creating a negative incentive for municipalities and residents to recycle more and recycle better.

- Packaging litter is also included by the EPR program under LD 1541, again causing confusion and inefficiency in dealing with a complex problem that involves far more than just packaging. Litter needs a separate solution and a different approach that may still involve producer responsibility, just not through this recovery system.
- The entire system is based on a cost-reimbursement model for municipalities rather than a model designed to improve and enhance recycling. The reimbursement model turns the producer organization into an ATM rather than an agent that can drive greater engagement, enhanced investment, better recovery, better recycling, and reuse of recovered materials.
- The legislation places an enormous burden on DEP to use rulemaking to establish reimbursement levels and to manage many aspects of the program that are better managed through the producer organization with oversight by the state agency, as is done in best-practices jurisdictions.

### *Summary*

In summary, we are not prepared to support LD 1471 at this time, because it does not fully align with the principles our industry supports around EPR legislation. We must, however, oppose LD 1541 as it would establish a program that would be unlikely to produce environmental benefits or improvements in recycling for Maine residents, while relying on an overly bureaucratic structure for the program that will diminish accountability, flexibility, and efficiency of the program. LD 1541 is not a model designed for success.

Please let me know if you need any further information.

Sincerely,



Newell Augur  
Executive Director