

Senator Brenner, Representative Tucker and members of the Joint Standing Committee on Environment and Natural Resources. My name is Greg Dugal and I am here today representing Hospitality Maine in opposition to LD 1541, An Act to Support and Improve Municipal Recycling Programs and Save Taxpayers Money.

Though we are appreciative of the fact that the authors of this version of the bill have worked to help reduce the confusion of the definition of a producer and which companies would be responsible for reporting to the DEP, there are still some issues that we have with this bill.

The retail exclusion for storefronts and producer exemptions goes a long way to assist the smaller restaurants, food producers and retail establishments that were front and center in last session's bill and will truly lighten their load moving forward on what has been a very trying year for small forward-facing retail businesses due to the pandemic.

Having said that, areas that we think could be modified to further assist the small business community would be the size of the small producer exemption. The average size restaurant in Maine grosses a million dollars, (net \$30,000 to \$50,000) add another million for the food product line and you are close to exceeding the threshold, perhaps \$2.5 or \$3 million in sales would be more appropriate for the exemption.

Our supply chain is critical to us and we work with and hold everyone in that chain to the highest regard. Maine's foodservice distributor community will be affected most by having to discern who has and has not paid the producer fee. The fees that are assessed by the producer will increase the cost of food and other foodservice products at a time when costs are already rising precariously by another 4 to 6%.

We realize that some action most probably will occur with these two bills but would respectfully add that maybe there is a need for a stakeholder process that includes everyone at the table including producers and distributors and that more analysis of Senator Dill's LD 1471 for some element of compromise is the next appropriate action. It just seems that rushing this process towards the end of the long session when you have the short session available to review it all, is not the best course of action at this time.

HospitalityMaine also has concerns about the inclusion of the responsibility of franchisors in lieu of their franchisees in the definition section. Franchisees hire their own employees and pay their own taxes, expenses and fees, not the franchisor. This could very easily end up in litigation as many of the larger franchisors have been involved in the joint employer review at NLRB where they have been deemed to be separate entities and not joint employers.

It is with these thoughts in mind that we encourage the committee to consider carrying over LD's 1471 and 1541 to have time to truly review this sizable change to the supply chain for all food retailers and their suppliers. Thank you for your time and consideration of this request.

Gregory Dugal  
HospitalityMaine

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