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**Testimony of Representative Nicole Grohoski  
In Support of LD 1541, *An Act To Support and Improve Municipal  
Recycling Programs and Save Taxpayer Money***

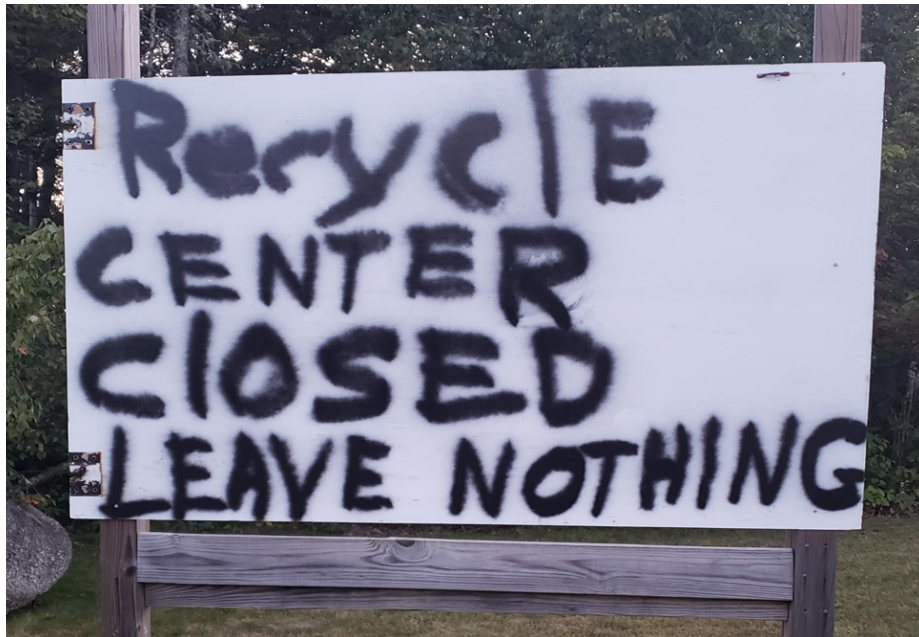
**Before the Committee on Environment and Natural Resources  
10 May 2021**

Hello Senator Brenner, Representative Tucker and honorable members of the Committee on Environment and Natural Resources. I am Nicole Grohoski, and I represent the communities of Ellsworth and Trenton in the Maine House. I appreciate the opportunity to speak in support of LD 1541, *An Act To Support and Improve Municipal Recycling Programs and Save Taxpayer Money*.

When you and I go to the store or order something online, we're buying the item for what it is, not because we want its packaging. Once we've opened up the box or used up the container contents, we're left with waste to dispose of. Sometimes the packaging is labeled with the familiar chasing arrows recycling symbol, other times it is an amalgamation of materials destined for the trash can. Great news if it's labeled as recyclable... if you live in a community with a functional recycling program that accepts that item. If it's trash, it gets incinerated and/or landfilled. Who pays for either option? The taxpayers. That's right, the producers of packaging bear no financial burden for the disposal of the trash they create and instead, that cost is socialized amongst us, the taxpayers.

This system isn't fair and it isn't working. The Maine Department of Environmental Protection (DEP) estimates that Maine taxpayers are paying at least \$16 million per year to manage packaging materials, which account for 30-40% of our waste stream. We're able to divert, at best, 36% of our waste stream to recycling, far below our statutory goal of 50% set in the 1980s. The cost of recycling has gone up, due in part to China's rejection of our waste, so that DEP now estimates it to be 67% more expensive on average to recycle an item in Maine than to incinerate or landfill it. That increased price is unfortunately just too much for most municipalities to bear, despite the fact that there are social and environmental costs to continually producing virgin

materials and piling trash into our landfills, that aren't factored in. Many municipalities have had to curtail or completely close their recycling programs, especially in our more rural areas.



Sign at the Trenton transfer station. Trenton's recycling and trash is now going directly to landfill along with that of 114 other municipalities, while the Coastal Resources of Maine facility (aka, Fiberight) is shuttered and Penobscot Energy Recovery Company (PERC) is diverting non-contracted waste due to facility repairs.

How can we fix this broken system and set Maine on the path to spending our money wisely and achieving better outcomes? We need look no further than the "extended producer responsibility" or EPR for Packaging program that this bill proposes. EPR programs are tried and true and have a long history in Maine -- think of our bottle bill and programs that collect electronic waste, paint, and items that contain mercury. Globally, big corporations participate in EPR for Packaging programs which are in effect in more than 40 countries and five Canadian provinces, in some cases, for more than 30 years.

EPR for Packaging programs take what economists call externalities -- in this case, costs associated with disposing of an item that are not reflected in the item's price -- and internalize them into the cost of the item. If there is a small increase to the cost of a product as a result of this program, it will be borne by the consumer choosing to buy that product, rather than socialized between all property taxpayers in a municipality. EPR for Packaging as proposed in LD 1541 creates a market mechanism to support municipal recycling programs as well as incentives for producers to make better packaging over time. Quite simply, it puts the cost back on the cost causers.

The experience of neighboring Quebec shows us the potential of EPR for Packaging. A presentation to this committee by Eco Enterprises Quebec in January of 2020 identified that the province has a 63% recovery rate with more than 99% of its 8.4 million residents able to access curbside recycling. Quebec's secret to success? A fifteen year old mandatory extended producer responsibility for packaging program, which has created the right market signals and stability to offer improved recycling options for residents and businesses. And how about the annual per capita costs associated with this program? The same as ours in Maine, about \$13 per person, but Quebec has nearly double the materials recovery rate. Residents of British Columbia are paying less than us per capita and achieving 74.5% recovery.

Research into these phenomenal outcomes, seen not just in Canada but globally, prompted our Maine DEP to identify the need for an EPR for Packaging program in its [January 2019 Annual Product Stewardship Report](#). Following that recommendation, the Legislature unanimously supported LD 1431, *Resolve, To Support Municipal Recycling Program*, which directed the Department of Environmental Protection to draft legislation to establish a new product stewardship program for packaging.

In my opinion, staff at the Maine Department of Environmental Protection (DEP) did a phenomenal job writing and refining the legislation it presented to this committee last year, as LD 2104. They went above and beyond the Resolve's requirements and held four stakeholder meetings in 2019. They reviewed the policies of other jurisdictions that use extended producer responsibility for packaging and met with people who manage these programs elsewhere in the world. That bill went through additional public scrutiny in the hearing and work session process, and was supported by a majority of this committee before the Legislature adjourned.

This bill is a continuation of the multi-year, stakeholder process to establish an EPR for Packaging program that is right for Maine. Improvements in LD 1541 include: additional protections and cost certainty for our small Maine businesses, more clear descriptions of the intended environmental outcomes that we want to achieve with the program, and a new section that describes how investments in education and infrastructure will be available to not only support existing municipal and regional recycling programs, but improve them as well.

There is no question that municipalities are struggling with the costs and complexities of the shifting waste management landscape and that they would like to support recycling programs. That is why the municipal governments of the two communities I represent, Ellsworth and Trenton, have joined municipalities representing over 300,000 Maine residents in approving resolutions in support of the state's work toward establishing an EPR for Packaging program. It is why the Maine Municipal Association is supportive of EPR for Packaging. I hope that you will evaluate and then support LD 1541 to provide much needed support for our recycling efforts in Maine.

Many of the people who will speak in opposition to LD 1541 represent multinational corporations that do business in jurisdictions, like Quebec, that have the same policy framework you are considering. Some of them will outright oppose any change from the failing status quo. Others will suggest options that allow them to control the program and define its outcomes. Neither of these proposals should be acceptable to taxpayers or those they elect to represent them.

Some will say that more education is the solution to this problem. Sure, I can tell people that recycling is critical to using our resources responsibly, keeping plastic out of our ocean, and reducing our greenhouse gas emissions, but what happens when they go to the Ellsworth recycling center, for example, and find that most of the items with recycling symbols are not accepted? I can tell you what happens - those items go into the trash to be burned and often myself, the Ellsworth City Councilors, or our public works staff get an email or a call. Two years after Ellsworth curtailed its program, I am still hearing from constituents who are habitually washing out their containers only to turn around and throw them away with a guilty feeling. Others are sending their rejected items home with their adult children visiting from Massachusetts!

In 2018, China stopped accepting plastic recycling from the U.S. and other developed countries, leaving us with no plan and a limited domestic market to accept these items. Its national policy forced us to recognize yet another issue with our system at that time -- that we were shipping recyclables around the world to a place with low environmental and labor standards. I believe that we can properly manage our waste stream right here in the U.S., creating domestic jobs, spurring innovation, and protecting our environment. When all Maine municipalities can afford to offer robust recycling programs and education about them, more recyclable materials will be collected. More available materials, combined with corporate commitments to produce recycled content packaging, will send the right supply-demand signal to those wishing to enter the material recycling market, possibly right here in Maine. This would be my preference over creating or expanding landfills, like is currently being considered in Norridgewock.

Returning committee members might recall in my previous testimony that I shared information about Walmart's commitment to plastic waste reduction through its private brand program, "with an emphasis on increasing recyclability and making it easier for customers to recycle." For example, they:

- Seek to achieve 100 percent recyclable, reusable or industrially compostable packaging for its private brand packaging by 2025;
- Target at least 20 percent post-consumer recycled content in private brand packaging by 2025;
- Reduce private brand plastic packaging when possible, optimizing the use to meet the need.<sup>1</sup>

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<sup>1</sup><https://news.walmart.com/2019/02/26/walmart-announces-new-plastic-packaging-waste-reduction-commitments>

Walmart's initiative is mirrored by other producers and addresses both supply and demand, but if there is no one to collect the 100% recyclable materials and no one to turn them back into post-consumer recycled content, then the initiative will be ineffective. That's why we need an EPR for Packaging program in Maine and elsewhere in the U.S. -- without them, we'll continue to set great goals and fail to achieve them.

Now is the time to restructure our waste management system to work better for Maine people, our municipalities, and our environment. We cannot afford to wait any longer as our recycling programs fail and our municipal taxpayers bear the rising costs of managing this waste. Thank you and I would be happy to answer any questions.