

May 10, 2021

Senator Stacy Brenner, Senate Chair
Representative Ralph Tucker, House Chair
Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333

Testifying in SUPPORT of LD 1541 *'An Act To Support and Improve Municipal Recycling Programs and Save Taxpayer Money'* and in OPPOSITION to LD1471 *'An Act to Create a Stewardship Program for Packaging'*

Chairwoman Brenner, Chairman Tucker, members of the Environment and Natural Resources Committee:

With respect to the bills before you today, TOMRA supports LD 1541 'An Act to Support and Improve Municipal Recycling Programs and Save Taxpayer Money'. LD 1541 would bring Maine's recycling model in line with current global best practices, incentivize a circular economy here in the state, and provide relief to taxpayers.

Introduction to TOMRA

In Maine, TOMRA provides collection technology in the form of Reverse Vending Machines (RVMs) to retailers and redemption centers to incentivize recycling in the deposit program (also known as the "bottle bill"). We provide can and bottle pick-up and processing services on behalf of beverage distributors including operating a processing facility in Portland, ME (also known as Returnable Services Inc.). In addition, we develop the optical sorting technology Material Recycling Facilities (MRFs) use to improve the quality of recyclables that the public collects in Maine. In Albany NY, we jointly own UltrPET, a regional PET plastic reclaiming facility. Our operations span 80 markets around the world, many of which have had EPR for packaging systems in place alongside container deposit programs for decades.

LD 1541 would not only stop Maine's declining recycling performance but improve it over time

TOMRA is testifying in support in part, because we were concerned when we saw that several Maine municipalities either stopped or reduced recycling services after the global commodity markets made recycling far more expensive than it was in the past. When the cost to recycle packaging is 67% more expensive than disposal as DEP estimates it to be, and the cost is born by taxpayers, that is a recipe for more landfills and more wasted resources.¹

Performance targets are critical to reduce waste

An EPR program without performance targets would place the emphasis solely on municipal reimbursement rather than "reduce, reuse and recycle". If the legislature seeks to improve Maine's recycling performance and reach the state's 50% recycling rate goal, it is critical to incorporate performance targets as LD 1541 does (Section 13). Without a requirement to improve performance, operators are likely to prefer the lowest cost options of disposal or "downcycling" despite the negative environmental impacts.

LD 1541 ensures Maine actually recycles material rather than simply collecting it

The European Union which has had various EPR programs for packaging for decades has recently undergone a reform of EPR based on the learnings from their experience so far. One critical upgrade they made was to ensure

¹ Source: [Maine Department of Environmental Protection's Maine Solid Waste Generation and Disposal Capacity Report for Calendar Years 2018 & 2019](#)

EPR programs measured recycling correctly. Often, resource management systems measure how much material is *collected* for recycling rather than the amount that is actually recycled into a new product. This is mistake given there is often substantial losses in the collection and processing stages, meaning recycling figures are inflated. LD 1541 addresses this by using the current best practice to define recycling accurately and by the material type (Section 13, A (5)). This will empower Maine with better data on recycling performance and create more of the high value material that manufacturers demand.

LD 1541 includes several measures that will help spur a circular economy in Maine

Beyond accurate recycling targets, two other measures will create a market for better managing Maine’s waste. The bill requires recycled content targets to be set, which provides a minimum amount of recycled material in packaging where appropriate. This ensures new packaging will use less water and energy and emit less carbon in the extraction and production phases, while creating a market for recycled material. LD 1541 also enables the stewardship organization to provide grants for infrastructure and education which will help improve recycling and support green jobs.

EPR for Packaging builds off the successful model of Maine’s Returnable Beverage Container Law (“bottle bill”)

The concept of Extended Producer Responsibility is not new to Maine. Maine has one of the highest recycling rates in the country thanks in part to operating one of the most successful EPR programs for can and bottle recycling, the Returnable Beverage Container Law (or “bottle bill” as it is more commonly known). This law, implemented in 1978, has producers finance the collection and recycling of beverage cans and bottles. Broadly, LD 1541 extends the same concept to all other forms of packaging. However, in recognition that Maine’s deposit program is already successful in terms of achieving high recycling rates, LD 1541 exempts deposit-bearing beverage containers, which is a principle TOMRA supports.²

LD 1541 is a thoughtful bill built off DEP’s preferred EPR model that has undergone extensive stakeholder input

LD 1541 is a product of the resolve bill passed by the legislature in 2019 that asked DEP to develop an EPR bill. DEP then developed such a bill, LD 2104, which is very similar to LD 1541 and was voted majority ought-to-pass by this Committee in the 129th Legislature but did not receive a full vote due to the COVID-19 shutdown. Over that time, stakeholders have had extensive opportunities to review and comment on its contents. Some examples of the bill’s thoughtfulness include exemptions for small producers, capping fees for low volume producers and allowing municipalities to opt-in rather than making participation mandatory.

The ‘other EPR bill’, LD 1471, is flawed in multiple ways making it more of a distraction than a useful proposal

While LD1471 would indeed create a stewardship organization for packaging as it’s name implies, there are at least three major flaws:

- **Regulated parties set their own performance targets** - Best practices in public policy suggest it would be wise for the state to set performance targets rather than the stakeholders responsible for financing achievement of said targets.
- **“Recycling rate” is defined more like the amount of material *sold*** – the “recycling rate” definition refers to the percent of material that is sold and discarded in the state, not recovered, and used as an input into a new product, which presents obvious challenges for a recycling program.

² Maine’s current recycling rate is around 36% (NRCM) whereas the collection rate for recycling of deposit cans and bottles in Maine is estimated to be 84% (Bottlebill.org).

- **The program allows extensive exemptions** – Taxpayers would have to pay for the following products rather than industry under LD 1471: medical devices, cases, trays and shrink wrap for multi-pack beverages, child-resistant packaging, and over-the-counter drugs. Also, producers pass their costs onto the stewardship organization entirely if they achieve an 80% or greater recycling rate (meaning sold and discarded rate), meaning other businesses would need to cover those costs on their behalf.

Conclusion

In closing, today local recycling programs are closing and not reaching their full potential in Maine due to challenging commodity values and lack of enforceable performance targets. LD 1541 would address both gaps head on, build on learnings from countries that have already implemented EPR for packaging, and make Maine a national leader in seizing the potential of a circular economy. TOMRA appreciates the Committee’s work on this topic and encourages you to vote ‘Ought to Pass’ on LD 1541.

Thank you,

Mike Noel,
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ABOUT TOMRA

TOMRA was founded on an innovation in 1972 that began with the design, manufacturing, and sale of reverse vending machines (RVMs) for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling, and mining industries.

TOMRA COLLECTION SOLUTIONS

With an installed base of approximately 83,000 systems in over 60 markets, TOMRA Reverse Vending is the world's leading provider of reverse vending and clearinghouse solutions. Every year TOMRA facilitates the collection of more than 40 billion empty cans and bottles and provides retailers and other customers with an effective and efficient way of collecting, sorting, and processing these containers.

TOMRA's material recovery business includes the pick-up, transportation, and processing of used beverage containers in North America, as well as the subsequent brokerage of the processed material to recyclers. The revenue stream in this business area is derived from fees received from bottlers based on the volume of containers processed. Currently, TOMRA Material Recovery processes over 340,000 metric tons of containers annually.

TOMRA SORTING SOLUTIONS

TOMRA Sorting Solutions creates sensor-based technologies for sorting and process analysis within the recycling, mining, food, and other industries. TOMRA Recycling is a global leader in its field and has pioneered the automation of waste sorting. Its flexible sorting systems perform an extensive range of sorting tasks including separating plastics by polymer type for recycling. Currently TOMRA Sorting Recycling has an installed base of close to 5,960 units across more than 40 markets.