

Environment and Natural Resources Committee

Testimony of Shelby Wright, Eastern Region Manager of Engagement, Casella

May 10, 2021

Senator Brenner, Representative Tucker, and esteemed members of the Joint Standing Committee on Environment and Natural Resources, my name is Shelby Wright and I am the Eastern Region Manager of Engagement for Casella.

Thank you for the opportunity to address:

LD 1471 “An Act To Establish a Stewardship Program for Packaging”

LD 1541 “An Act To Support and Improve Municipal Recycling Programs and Save Taxpayer Money”

At Casella, we take our commitment to sustainable practices to our core. Our mission is to protect the environment, strengthen our local communities, and grow our business by creating value from society’s waste streams. As the handler of almost 2/3 of Maine’s waste, we see firsthand the increase in excessive packaging and non-recyclable materials as they flood our regional waste and recycling facilities.

We need a change, but changes in resource recovery models must be collaborative, data driven, and non-biased to be equitable to all. Maine’s waste and recycling industry, and particularly Casella because of the scope of our resource solution services, will be operationally affected by changes in management policy, program structure and governance.

As such, Casella is neither for/nor against the two packaging EPR bills as presented in public hearing on May 10, 2021 recognizing that there are practical and impractical elements to both.

As the concept of EPR for packaging has become more accepted in mainstream society, Casella has closely monitored program development and implementation throughout the country. We have worked diligently to develop a set of Guiding Principles that we believe to be strong elements of a successful Extended Producer Responsibility (EPR) program. Below we have used them to purposefully analyze both LD 1471 and LD 1541:

1. Does program provide strong representation from haulers and MRF operators?

LD 1471 – Yes. Outlines a very specific and robust stakeholder governance and input structure including a planning Committee with binding input & Advisory Program Committee with non-binding input inclusive of waste haulers, handlers and municipalities.

LD 1541 – No. Only provides for DEP rulemaking to solicit stakeholder input on how an EPR for packaging program would work in Maine.

2. Does it strengthen markets for recycled commodities?

LD 1471 – Maybe, but not guaranteed. Requires that the SRO/PRO and its extensive stakeholder governance, develop a more robust definition of “recyclable” that could lead to standards of sustainable packaging being established as the program progresses.

LD1541 – Maybe, but not guaranteed. Producer payment calculation is supposed to encourage use of post-consumer recycled material.

3. *Does it encourage producers to design for recycling/reuse?*

LD 1471- Yes. Requires that producers create a set of goals to improve recycling and environmental performance of packaging.

LD 1541- Maybe, but not guaranteed. Producer payment calculation could encourage use of post-consumer recyclable material in packaging.

4. *Does it require phase-out of forever chemicals like PFAS?*

LD 1471- Yes. Requires that producers create a set of goals to improve recycling and environmental performance of packaging.

LD 1541- Maybe, but not guaranteed. Toxicity is defined and producer payment calculation could encourage a reduction of toxicity in packaging material.

5. *Does it support education to reduce contamination?*

LD 1471- Yes. Included in the Stewardship Plan.

LD 1541- Yes. Part of the fund must go to education and infrastructure (Subsection 11) and requires a biannual RFP selected by DEP. Businesses can apply for this money.

6. *Does it enhance and support existing infrastructure rather than competing against it?*

LD 1471-Yes. Infrastructure improvement funding would be budgeted following needs assessment and allocated efficiently through grants or contracts.

LD 1541 - No. Offers no support protections for existing infrastructure while indirectly penalizing private infrastructure. Further, would fund a municipality's entire solid waste program, including landfilling, without mandating plans for the development of alternate disposal options for that municipality.

7. *Does it fairly direct funding to subscription communities and private facilities?*

LD 1471- Yes. Creates a dedicated budget for operational recycling funding and funding to improve recycling that is equitable and balanced.

LD 1541-No. Reimbursements flow to participating municipalities. Definition includes refuse disposal districts and regional associations but it's unclear how subscription communities would qualify as a "Participating Municipality." Municipally owned processing facilities or quasi-municipal entities may receive reimbursement payments, but private facilities would be ineligible.

8. *Does it preserve MRF operators' ability and authority to protect employee safety and run an effective operation by excluding acceptance of hard-to-process and low-value material when necessary?*

LD 1471- Unclear. but the "Recycling Recovery and Best Practices" to be set in Stewardship Plan provides a better approach for improved recycling in the future.

LD 1541- Unclear. Will the "readily-recyclable" approach confuse consumers to the extent that they may believe all packaging is "readily recyclable" because of existence of program.

9. *Does recycling definition clearly and properly acknowledge that waste-to-energy incineration is not a form of recycling?*

LD 1471- Yes. The bill uses the recycling definition in section 1771, subsection 7, which specifically excludes incineration or energy recovery via combustion.

LD 1541- Maybe. Incineration is not considered recycling but is nevertheless potentially allowed at DEP's discretion under #8 Alternative Collection Programs, which could provide 5-year loopholes for packaging to be incinerated.

10. *Does it allow for consumers and municipalities to continue to bear some of the cost of recycling, ensuring that they don't artificially perceive the valuable recycling service to be "free"? Does it allow for charges or rejected bins when recycling is contaminated?*

LD 1471- Unclear. The bill contains no reference to or requirement for valuable recycling services to be "free" for customers.

LD 1541 - Unclear. The alternative collection program section references "year-round, convenient, free, statewide collection opportunities". Requirements from participating municipalities doesn't reference services being provided for free.

After careful analysis of our core questions and how the proposed EPR models for packaging could affect our recycling and solid waste management practices on a statewide scale, we urge more collaboration with stakeholders before moving to implement any EPR program for packaging.

At the end of the day, Casella will continue to advocate for programs that support and enhance existing solid waste and recycling infrastructure, support market development, encourage more recycling, hold producers accountable for designing and introducing more recyclable packaging with recycled content into the market, and stabilize resource recovery program costs at the local level.

Casella is a willing participant and resource in this process and is eager to help sculpt a program that will move Maine forward to our statewide recycling goals with equality and fairness to all Maine communities.

I'm happy to answer any questions.
Thank you and I look forward to the work session.

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Casella Policy Position Summary

Extended Producer Responsibility (EPR) for Consumer Packaging

Overview

Extended Producer Responsibility (EPR) is a public policy approach that requires producers to take responsibility for the end-of-life management (recycling or disposal) of their products or packaging. The idea is to shift some financial and/or management responsibility from the public sector back to the private producers and to incentivize producers to design their products and packaging for recyclability.

As municipal recycling costs have increased due to commodity market declines, state and federal interest in EPR has grown as a possible supplementary or alternative way to pay for waste and recycling programs.

Casella's Role and Outlook

For decades, Casella has invested in the Northeast's recycling infrastructure, including single stream collection, processing, and sorting systems, which serve thousands of municipalities and businesses and recover hundreds of thousands of tons per year of recyclable materials. Despite recent market challenges, this infrastructure remains the most efficient and effective way to recover basic recyclables – cardboard, paper, and plastic, metal, and glass containers – from households and businesses.

More recent Casella investments have focused on improving sortation and increasing outbound quality to meet new market specifications. Future infrastructure investment opportunities that would advance recycling in the northeast include regional processing capacity for MRF glass and recycled fiber, and new collection systems for materials – such as film plastic and flexible pouches – which are problematic in single stream recycling programs, yet increasingly prevalent on store shelves.

Policy Position

- The goal of EPR for packaging is to reduce waste and recycling costs for municipalities while incentivizing producers to design their products and packaging for recycling. **Casella shares these goals.**
- Not all versions of EPR will be successful in achieving these goals. EPR is a broad concept and the details matter. To be successful, an EPR program must:
 - 1) **Strengthen markets for recycled commodities**, through recycled content mandates, state procurement requirements, or other means.
 - 2) **Encourage producers to design for recycling and reuse.** Previous EPR programs have not effectively advanced design for recycling and reuse. New EPR proposals should directly address this and describe how they will measure and achieve success.
 - 3) **Require producers to phase out problematic chemicals** (e.g., per- and polyfluoroalkyl substances) which evolving science reveals may pose public health or environmental risks during the consumer and post-consumer phases of use.
 - 4) **Support effective recycling education to reduce contamination.** Our analysis of municipal recycling costs has shown that *reducing contamination to 5% or less would reduce the cost of*

EPR must be designed to enhance and supplement existing infrastructure, not to compete against it.

recycling by up to 30%. It is a near-term solution that can immediately reduce costs *and* enhance recycling outcomes. In addition to investing in recycling infrastructure, EPR programs should invest in effective forms of recycling education, such as the MA Recycling IQ Kit program.

- Other considerations:
 - EPR programs that include the establishment of a stewardship organization (or similar) should ensure that recyclables collectors and processors will be well represented.
 - EPR programs that include any distribution of funds should ensure that communities without municipal collection contracts (i.e., those with a subscription service model) have fair access to EPR funds.

The Bottom Line

Single stream curbside recycling remains the most efficient and effective way to recover basic recyclables from consumers. EPR has the potential to improve recycling by funding new infrastructure and encouraging design for recycling and reuse, but EPR must be carefully designed to enhance and supplement existing infrastructure, rather than compete against it.

Note: Casella's policy position summaries are intended to clarify our outlook and stance on various topics, based on our current best understanding of factors such as customer values, environmental impacts, technologies, markets, and more. As these factors change, our positions may evolve as needed to align with new conditions.



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