TOMRA
COLLECTION SOLUTIONS

April 22, 2025

Senator Denise Tepler, Senate Chair
Representative Victoria Doudera, House Chair
Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333

Testifying NEITHER FOR NOR AGAINST LD1721 "An Act to Amend the Laws Governing Commingling of Beverage Containers"

**Chair Tepler, Chair Doudera, and members of the Environment and Natural Resources Committee:**
My name is Mike Noel, and I am a Director of Public Affairs at TOMRA. TOMRA is known for pioneering a range of technology and services for recycling and reuse systems, helping to reduce virgin resource extraction. We have over 50 years' experience operating in more than 40 jurisdictions with container Deposit Return Systems (or "bottle bills"), including all ten U.S. states with deposit laws. We support Maine's bottle bill system today by providing container pickup services, reverse vending solutions, commodity brokerage, and helping hundreds of beverage companies reach compliance by managing beverage container commingling program. In addition, by law, we operate our own 'commingling group' where we help over 350 beverage companies to manage their deposit law compliance responsibilities.

Thank you for the opportunity to submit testimony on LD1721 "An Act to Amend the Laws Governing Commingling of Beverage Containers." The legislation is primarily a 'clean up bill' after LD1909 was passed in 2023 that redesigned how the back end of the 'bottle bill' works.

**The bigger picture: Maine is in the middle of reducing the cost of its 'bottle bill' and redemption technology is critical to that effort**
This legislation fits within the context of system stakeholders trying to implement the requirements of the LD1909 from 2023. That effort was spurred, in part, by the closing of many redemption centers across Maine which disrupted the public's easy access to recycle and get their deposit money back – and the long-term viability of independent redemption center businesses. The legislature issued emergency legislation to increase the amount that beverage companies pay to redemption centers and stores for collecting, sorting and storing deposit contaienrs (known as the "handling fee"). Maine now has the highest handling fee in the country at 6 cents per redeemed container. In return for this increased expense on the beverage industry, the legislature crafted more holistic changes to the mechanics of the bottle bill to create cost savings so future handling fee increases would not be necessary for the foreseeable future. This included reducing the time redemption centers are required to spend manually sorting containers – and to incentivize the use of reverse vending sorting technology through a DEP grant fund. This makes sense. If a state were to create a new deposit system from scratch at no point would they recommend that most of the containers be sorted and counted by hand.

**LD1721 enables plastic collected in the program to be recycled**
The bill clarifies that beverage companies can require redemption locations to sort HDPE plastic separately from PET plastic (Section 3 – commingling of like materials). That is critical because HDPE plastic and PET plastic have different melting points. PET plastic is typically used for most beverage containers including common water bottles. HDPE plastic is far less common but has a high value, has a different polymer composition, and can be purchased by entirely different buyers than PET buyers. Recyclers cannot recycle PET and HDPE at the same time. We fully support this change, and it is necessary in order for our commingling group to be approved by DEP. Alternatively we would be forced to tell redemption centers to mix PET and HDPE together which risks the HDPE containers not being recycled at all when they arrive at a PET reclamation buyer's facility.

**Requiring sorting by color is an unnecessary cost for redemption centers and stores**

However, the bill goes on to also allow beverage companies to *require* redemption centers to sort containers not just by material type, but by COLOR. It is not necessary to manually sort containers by color at the point of redemption. Modern processors and manufactures have this type of color sortation equipment already. Requiring containers to be sorted by color would just be placing the *cost* of sortation on redemption center small businesses. As long as containers are separated by material type it is recycled through Maine's deposit law. Color separation does not make a different here in terms of recyclability. This has significant impacts when considering that automated redemption technology is designed to minimize the sorts and space required for storing containers at redemption centers and on transport trucks. Reverse vending technology does this by compacting redeemed containers. This allows the system to send one truck instead of three to pickup the same number of containers, resulting in less trucks on the road, less fossil fuel consumed, less transportation cost to beverage industry and less greenhouse gas emissions. RVMs separate containers by material type but not by color. Requiring material to be sorted by color would minimize a redemption center's ability to optimize its costs and, in some cases, remain open to the public, as many find it difficult to find consistent staff support. This would elevate the needs of one stakeholder (beverage companies), above redemption centers and stores who take on the responsibility of collecting and storing beverage containers. Beverage companies should be allowed to require sorts based on material type (aluminum, other metal, glass, PET plastic, and HDPE plastic) but not by color (Amber-green glass, clear glass, amber glass, colored PET, clear PET, colored HDPE, clear HDPE).

**Redemption locations should not have to pay a fee if they use redemption technology**

Finally, the bill proposes language that if a redemption center or store uses a Reverse Vending Machine and that machine reduces the recycling value of the container – that store or redemption center needs to pay a fee. On second thought, this puts technology at a serious disadvantage in the system – and it runs counter to that cost efficiency effort I described earlier. For that reason, we would recommend keeping the law the same and not having stores pay a fee for choosing to use technology to process their deposit containers (deleting the additional phrase on lines 13 – 15).

**RVMs dramatically reduce to cost of picking up containers and redemption itself**

As a point of clarification about the relevance of "transport" and "system cost savings" in material recycling value - at the moment Maine law under section 3016 allows a beverage company to refuse to pickup and pay handling fees on a container if it has been processed by a Reverse Vending Machine in a way that reduces the container's "recycling value" below "current market value". That is a harsh penalty for the dozens of redemption centers and stores that have invested in Reverse Vending technology today across Maine and the applicants for DEP's reverse vending Technology grant fund. RVMs bring a myriad of benefits and cost savings to deposit systems. Due to this, modern systems seek to channel as many containers as possible through reverse vending technology. Norway and Sweden both automate more than 80% of their deposit containers in this way. Michigan is in a similar range. Maine automates approximately 14% (or perhaps 40% if you count CLYNK's bag drop program). RVMs:

a) reduce the cost of redemption for the store or redemption center (and the beverage company who is responsible for funding redemption operations through a handling fee) by automating container acceptance,
b) reduce the cost of container storage as the machines compact containers,
c) reduce the cost of container transport due to container compaction, and
e) reduce the cost of bottle bill administration by automatically generating accounting reports.

At every step of the process, this is a cheaper and more accurate endeavor than manually counting and sorting containers. I mention this, because when beverage companies seek an interest in lowering or maintaining the statutorily defined handling fee, RVMs are a key tool to keep the cost of the system down. And when beverage companies are tasked with picking up containers from a redemption location, they need to send multiple trucks to pick up manually sorted containers because they are uncompacted. If a redemption location utilizes RVMs, the beverage company can send one truck to pickup the same amount of material resulting in far less transportation costs. The bill simply proposes to factor in this major cost to beverage companies when calculating the value of a container picked up and processed in the program. A container has a certain market value, but it needs to get to a processor before it can be consolidated and sold. This would account for the dramatic cost savings that RVMs provide when calculating the value of such a container. And it would properly value service that stores and redemption centers provide to the system when they utilize Reverse Vending technology.

Thank you again for your time. I would be happy to answer any questions you may have.

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 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

With an installed base of approximately 83,000 systems in over 40 markets, TOMRA Collection is the world's leading provider of reverse vending and clearinghouse solutions. Every year TOMRA facilitates the collection of more than 45 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

TOMRA Sorting creates sensor-based technologies for sorting and process analysis within the recycling, food, mining, and other industries. TOMRA Recycling is a global leader in its field and has pioneered the automation of waste sorting for recycling. Its flexible sorting systems perform an extensive range of sorting tasks including separating plastics by polymer type for recycling. Currently TOMRA Recycling has an installed base of 5,900+ units across more than 40 markets.