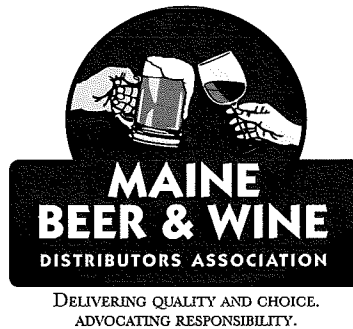


March 28, 2023



LD 134 An Act to Increase the Handling Fee for Beverage Containers Reimbursed to Dealers and Redemption Centers

AMENDED: An Act to Support Maine's Bottle Bill by Stabilizing Redemption Center Handling Fees and Reducing Processing Time

LD 972 – Resolve, Directing the Department of Environmental Protection to Evaluate Strategies for Improving the Returnable Beverage Container Laws

Good Morning, Senator Brenner, Rep. Gramlich and distinguished members of the Environment and Natural Resources committee. I am Cheryl Timberlake, a resident of Mt. Vernon. I'm here today on behalf of the Maine Beer Wine Distributors (MBWD) and the Maine Beer Wine Commingling Group, LLC (MBWCG); family owned and operated local beverage companies who are the front lines of the bottle redemption since the inception of the law. You have heard from one of our members and other industry stakeholders explaining the economics and logistics of the system.

APPRECIATION

The bottle redemption program is complicated; it involves many stakeholders and economic challenges. We appreciate the sponsors bringing forward these bills and the opportunity to engage with the committee and interested parties to drive costs out of the system and keep our state beautiful.

MBWD is in SUPPORT of legislation that will reduce bottle bill costs for ALL its stakeholders (including redemption centers AND Maine beverage consumers).

MBWD believes this can be achieved by cooperating with other beverage distributors and redemption centers to MODERNIZE and SIMPLIFY the system for sorting and collecting recyclable beverage containers.

OPPOSITION

MBWD opposes LD 134 as the amended. The increased handling fee coupled with the automatic biannual escalator tied to the Consumer Price Index (CPI) will not address the system flaws, it only adds costs.

The Emergency Preamble and summary state that there is a need to stabilize the redemption program that is overwhelmed by volume of containers. The redemption center business model is based on volume of containers – handling fee paid per unit container redeemed.

While there is no doubt there is a labor shortage and wages and operating costs are increasing during this time of inflation, all businesses are impacted, as well as the consumer. Increasing the handling fee does not address the "stability" of the program.

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The sorting of containers varies by redemption center business model, hand sorting versus use of reverse vending machines. The proposed amendment would permit the use of data sampling, relieving the RVM's of the requirement to count every container.

MBWD opposes the provision to waive the requirement that individual beverage containers be scanned. First, we are unclear on the purpose and intent of this provision. The bottle bill program is built on beverage container counts. Fees are compensated for the volume of containers sorted by the licensed entities.

Second, how will the Department determine what is meant by "for good cause"?

Third, why is there a one-year duration?

Bottle bill is based on accuracy, transparency – per container, per count, per label validation. MBWCG has concerns with fraud and the impact of out of state containers; containers with no UPC or UPC not registered with DEP. The UPC validation is vital to ensure the unit belongs in our system. For example; Yuengling is a beer that is very popular but not sold in Maine therefore there is no IOD and no deposit. How does the scanned sampling system ensure accuracy of these out of state units?

Trust and confidence in system and the ability to track and record accurate data is imperative!

However, MBWCG recognizes that the definition for RVMs should be updated to reflect current the "Bag Drop Program". Section 3 of the amendment is a direct conflict with this as bag drop requires each container to be counted.

MBWD appreciates your time and will be here to work with the committee on these issues.