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DELIVERING QUALITY AND CHOICE
ADVOCATING RESPONSIBILITY

Good morning, Senator Brenner, Rep Gramlich and members of the Committee on Environment and Natural Resources I'm Cheryl Timberlake, a resident of Mount Vernon On behalf of Maine's Beer Wine Distributors, I would like to offer testimony in support of LD 1910 and opposing LD 1909

The Association is comprised of the family owned and operated businesses who distribute beer and wine as well as other non-alcoholic beverages to all the retail licenses in the state As exclusive distributors for beer and wine products, the businesses are obligated by law to initiate the deposit on their containers, to collect the empties from retailers and licensed redemption centers, and to further handle the returnable containers at their respective warehouses

Let me begin by thanking both sponsors, Rep Crockett and Rep Hepler for their work on these bills MBWD appreciates the exchange of ideas While we were unable to reach consensus on all the policies presented in 1909, MBWD supports the reform measure to create efficiencies with the reduction of sorts by requiring all beverage initiators to be part of a commingling group This proposal will reduce the complexity and the cost of the system

In addition to the sorting reform, LD 1909 has an extensive list of additional programs and fees that will drive up the costs of the bottle bill program MBWD opposes all these fee increases, especially the removal of the unclaimed deposit from commingling groups

As Distributors, we recognize that we play a pivotal role in ensuring the deposit law works It is imperative for this Committee to appreciate the financial resources that the Distributors invest in terms of labor, transportation, and warehouse space toward the success of Maine's Bottle Deposit Law The program is complex and costly for all parties, especially beverage entities, and the unclaimed deposits provide some financial relief

The unclaimed deposits issue has a long history Let's start with the premise for the program

Title 38 Chapter 33, 3101 states "It is the intent of the Legislature to create incentives for the manufacturers, distributors, dealers and consumers of beverage containers to reuse or recycle beverage containers thereby removing the blight on the landscape caused by the disposal of these containers on the highways and lands of the State and reducing the increasing costs of litter collection and municipal solid waste disposal"

In the 45 years of existence of the "Bottle Bill" law there have been nearly 50 bills proposed to modify the program Major changes to the system are highlighted in the attachment to my testimony, they include regulatory oversight change from DOA to DEP and the collection of unclaimed deposits

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On the timeline sheet, you will see that in 1991, 50% of the unclaimed deposits went to the state, with the remainder to the distributor who could apply to the state for reimbursement of up to 50% for over redemption. In 1995 this provision was repealed as too many out of state manufacturers were receiving checks for over redemption at the expense of the in-state distributors.

In 2003 a new unclaimed provision was established as an **incentive** for the commingling groups. The State directed local distributors to form Commingling groups and statutorily directed the unclaimed to those groups as an offset for the cost to establish them and to run the bottle bill.

The implementation of commingling in 2004 was a substantive and successful change to the Bottle Bill that worked to create efficiencies and drive out cost. It's 2023, time to expand on this concept as defined in LD 1910.

A path forward to stabilize and modernize Maine's Bottle Bill must include a more efficient system. In our view, that does not mean new definitions or pilot projects that are not focused on streamlining the system and controlling costs.

As displayed in the second attachment to my testimony, of the 10 bottle bill states, Maine continues to have the highest handling fees, previously at 4.5 and now at 5.5 cents with the recent increase. Maine also has the most comprehensive and expensive system in the country.

While efficiency through cooperation has helped the beverage industry in Oregon, the costs of operating an integrated statewide system are significant. To note, in Oregon there are no redemption centers or handling fees, and Oregon Beverage Recycling Cooperative (OBRC) uses all the unredeemed deposits to fund the co-op operations.

In MA, the deposit system establishes a level of efficiency for transportation as the distributors are picking up empties from retailers to whom they sold beverages, and the redemption centers deliver the redeemed containers they collect to the distributor facilities.

Today approximately 85% of all containers sold in Maine are items that are being managed by a commingling group. These groups take the unclaimed resources and invest them in operating the system. LD 1910 embraces these operations and the expansion of the processes to all beverages.

Thank you for the consideration of our testimony and I would be happy to answer any questions.