



Innovative Products For **Home. Work. Life.**

June 28, 2021

Honorable Janet T. Mills
Governor State of Maine
1 State House Station
Augusta, ME 04333

RE: LD 1541 – Request for Veto

Dear Governor Mills:

On behalf of the Household & Commercial Products Association (HCPA), I respectfully request your veto of LD 1541 related to establishing an extended producer responsibility (EPR) program in Maine.

HCPA is the premier trade association representing the interests of companies engaged in the manufacture, formulation, distribution and sale of more than \$180 billion annually in the U.S. of familiar consumer products that help household and institutional customers create cleaner and healthier environments. **Specific to Maine, HCPA member presence consist of operations in Somerset, Rockland, Auburn and Medway totally 2,390 direct jobs, averaging \$34 million in earning, and \$501 million in commercial output annually.**

Products HCPA represents include disinfectants that kill germs in homes, hospitals and restaurants; air fresheners, room deodorizers, and candles that eliminate odors; pest management products for home, lawn and garden, and pets; cleaning products and polishes for use throughout the home and institutions; products used to protect and improve the performance and appearance of automobiles; aerosol products and a host of other products used every day.

As an industry we have made serious efforts and commitments to reduce plastics in our environment and contribute to the movement on a policy level. For example, HCPA is a member of the Recycling Leadership Council (RLC) where we joined other consumer facing industry partners and NGOs in a call for action to address plastics in our landfills and the environment. The RLC is striving for circular supply chains that cycle materials through the economy and recently released a Blueprint for America's Recycling System. Many companies are leading the way on plastic waste reduction and responding to consumers' desire for environmentally friendly products. Other manufactures have joined together with organizations like the Alliance to End Plastic Waste with real investments in reducing plastics in our landfills.

HCPA and its members are committed to advancing stewardship efforts, and while we support sensible legislation to improve recycling rates and divert recyclable materials away from the waste

streams, we believe LD 1541 will fall far short of actually improving recycling in the State. It instead simply shifts the cost of the current municipally run recycling system to producers of goods and creates a hidden tax on packaged goods bought by consumers. The following key issues should be considered and warrant a veto of LD 1541:

- **LD 1541 Creates a ‘Packaging Tax’ on Consumers.** A York University study¹ of LD 1541 shows that, direct economic impacts to producers of goods from LD 1541 range from \$99.6 million to \$134.15 million dollars annually. This cost will very likely be passed on to consumers in Maine, **who will pay 3.91% (5.27%) on the low end, to 5.57% (7.51%) on the high end.** Stated alternatively, this translates into an additional \$31.94 to \$43.74 per month in grocery costs for the average family of four in Maine (or \$41.05 to \$58.96 per month if producers are required to pay for disposal costs).
- **LD 1541 Meets Criteria for New Laws Requiring Major Substantive Rules.** Specifically, LD 1541 would “(1) Require the exercise of significant agency discretion or interpretation in drafting; or (2) Because of their subject matter or anticipated impact, are reasonably expected to result in a significant increase in the cost of doing business...”²
- **LD 1541 Creates a Significant Government/DEP Burden.** LD 1541 program would leave DEP responsible for 5-separate rulemakings on rates and fees that will be paid from the producers to the stewardship organization and to municipalities. This would result in non-market based rates being set and fewer incentives for improved recycling infrastructure in Maine.
- **LD 1541 Inconsistent with Other EPR Programs.** LD 1541 differs significantly from the structure of existing EPR programs in Canada and Europe both in its organization and operation. Other EPR programs integrate stakeholders through a stewardship organization that creates collaborative rates and solutions that incorporate real-world data and information. This system is consistent with the principle that packaging producers have the responsibility and ability to help create solutions for recycling. Additionally, LD 1541 divorces producers from key decisions about rates and fees and forces them into becoming “price-takers” for rates set via rule.

For these reasons, HCPA respectfully requests your veto of LD 1541. HCPA will continue to be a partner in finding workable solutions to ensure our communities can be productive stewards of the environment and we appreciate your leadership on this issue. Should you have any questions please do not hesitate to contact HCPA staff at mkopa@theHCPA.org.

Sincerely,

Michelle L. Kopa

Michelle López Kopa

Director, State Government Relations & Public Policy - Eastern Region

¹ <https://wastewiki.info.yorku.ca/files/2021/06/Maine-State-EPR-Modeling-Draft-Final.pdf?x63676>

² Title 5 M.R.S.A. Chapter 375, §8071, 2B.