

Bureau's Attachments to Written Recommendation of June 23, 2017

Attachment 1	Selected written testimony from February 1, 2017 Public Hearing on L.D. 56 before the Joint Standing Committee on Environment and Natural Resources	pp. 1-6
Attachment 2	Table and chart depicting OUI convictions for Maine residents from 2006 through 2016	pp. 7
Attachment 3	Table and chart depicting the quantity of spirits containers sold in Maine	pp. 8
Attachment 4	Tables depicting the quantity and dollar amount of sales of various size spirits containers in Maine 2007-2017	pp. 9
Attachment 5	Graph depicting quantity of spirits containers (50 ml and all other) sold and liquor OUIs 2007-2016	pp. 10
Attachment 6	Graphs comparing 50 ml spirit sales of convenience stores and supermarkets	pp. 11
Attachment 7	Summary of 50 ml Spirits Business submitted by Board to Commission on June 13, 2017	pp. 12-13

Attachment 1



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: (207) 287-4469

Anne-Marie Mastraccio

23 Lebanon Street
Sanford, ME 04073
Residence: (207) 324-8692
Cell Phone: (207) 432-1453
AnneMarie.Mastraccio@legislature.maine.gov

TESTIMONY OF REP. ANNE-MARIE MASTRACCIO INTRODUCING LD 56, AN ACT TO INCLUDE 50 MILLILITER AND SMALLER LIQUOR BOTTLES IN THE LAWS GOVERNING RETURNABLE CONTAINERS

Good afternoon, Senator Saviello, Representative Tucker and members of the Environment and Natural Resources Committee. I'm pleased to introduce LD 56, An Act To Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers. This bill would include 50 milliliter and smaller wine or spirits bottles in Maine's bottle deposit program.

I have proposed this bill because many communities have seen a noticeable increase over the last few years in nip and other small bottles along the roadways all over Maine. Maine's bottle deposit program has been instrumental in reducing discarded waste from beverage containers since its implementation in 1978. Mainers return 90% of beverage containers with a bottle deposit and, in 2010 alone, the bottle bill was responsible more than 750 million bottles being recycled instead of littering our streets and parks and choking our streams and shores. I hope that the inclusion of so-called "nip" bottles will mirror the success of the overall program. It may be that nips will continue to be tossed out the window even with this legislation, but more will be removed from the streets than are being picked up now.

Additionally, I would welcome a discussion and potentially an amendment to this bill to address the DEP policy to exempt small volume energy drinks, such as Five Hour Energy from this program. These energy drinks are 2 fluid ounces or 59ml. Like nips, these small plastic bottles are showing up on our roadways in an increasing amount. These products are not supplements and should be included in Maine's bottle deposit program.

Thank you for your time and consideration.

Attachment 1



Betty A. Austin

41 Woodland Drive
Skowhegan, ME 04976
Cell: (207) 431-4287

Betty.Austin@legislature.maine.gov

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: (207) 287-4469

February 1, 2017

Testimony of Rep. Betty Austin

Before the Joint Standing Committee on Environment and Natural Resources In Support of L.D. 56, An Act to Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers

Good morning, Senator Saviello, Representative Tucker and distinguished members of the Joint Standing Committee on Environment and Natural Resources. I am Representative Betty Austin and I represent House District 107, which is Skowhegan and part of East Madison. I am here today to testify as a cosponsor in support of **L.D. 56, An Act to Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers.**

Keeping our sidewalks, streets and roads clear of debris is important to my district as we work to encourage visitors to our town and to our state.

I support this bill because I have had several constituents who walk, run or bike through the town of Skowhegan ask me if there was something we could do about these small liquor bottles. This problem is not unique to my district. I have had conversations with friends and colleagues from across Maine who are hearing similar concerns.

Having a deposit on these small bottles would encourage people to recycle them after use or for others to pick them up and return them. There is no incentive for people to do so right now.

Thank you for your consideration. I would be happy to answer any questions you have for me.



Attachment 1

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002

(207) 287-1440

TTY: (207) 287-4469

Susan M. Austin

136 Yarmouth Road

Gray, ME 04039

Residence: (207) 657-4100

Business: (207) 657-4100

Sue.Austin@legislature.maine.gov

Testimony on L.D. 56,
*"An Act To Include 50 Milliliter and Smaller Liquor
Bottles in the Laws Governing Returnable
Containers"*

Presented by
Representative Susan M. W. Austin
District 67

Environment and Natural Resources Committee
Wednesday, February 1, 2017

Good morning, Senator Saviello, Representative Tucker, and distinguished members of the Joint Standing Committee on Environment and Natural Resources:

I am State Representative Sue Austin, and I proudly represent District 67, which includes portions of Casco, Gray, and Raymond, as well as all of Frye Island. It is an honor to appear before you to testify in support of L.D. 56, *"An Act To Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers."*

By design, the conception of the "Bottle Bill" was to address environmental concerns, hoping to encourage the return of bottles and cans in order to reduce litter along our byways. During my previous tenure in the Legislature, I worked on portions of the law when it was under the jurisdiction of the Business, Research, and Economic Development Committee. Not finding it a particularly easy law in which to have oversight, I find my support of L.D. 56 personally surprising. Nonetheless, I care about it enough to introduce a related measure.

During the early stages of preparing my proposed legislation, I found that four other House colleagues had come

Over, please

District 67 portions of Gray, Raymond, Casco, and all of Frye Island

Printed on recycled paper

Attachment 1

to a similar decision as I did. Never did I think I would have that many people agree with me on anything, much less a tiny little plastic bottle.

A good deal of my "workout routine" is accomplished by walking a two-mile jaunt on the closest road to me. In the winter, I walk from my house to the Village and back, while during the summer, I walk past the Maine Wildlife Park around Crystal Lake. I have been doing this for 20 years. For what reason that I cannot determine, over the last two years, it has become blatantly obvious that there are a tremendous number of nips on the roadside. At first, I thought that they had a deposit on them; however, I was quickly corrected. This intensified my attention to what looked like an increasing amount of nips and small red caps on the roads' shoulders, in the ditches, on the edge of culverts, and on people's front lawns. It appeared to me that the bottles were going to stay there until our seasons changed and a snow plow truck propelled them even further afoot from being collected.

My attention to details and locations soon lead me to think that these nips were being consumed by drivers, and once emptied, were being tossed out to dispense with any hard evidence of their behavior while either driving or riding in a vehicle. By this time, I had become compulsive to get all of them picked up and off the road. As such, I offer "Specimen A" as evidence to corroborate that behavior. I knew that at least I could put them in a plastic bag, get them home, and then to the very popular Gray's transfer station, lovingly referred to as "The Dump", for recycling in the plastic bin. That may be the behavior of those who enjoy a nip at home or at the cottage, but when driving, I tend to think the "out the window" toss is the most preferred form of disposal.

Self-diagnosing myself with a bit of a fetish to get them into a bag and off the roadside, I realized that the diehard bottle collectors most likely would not want to be bothered with the trouble of grabbing them, containing them, carrying them, and disposing of them into recycling facilities. This is why they were keeping me company and being constant visuals on my walks. Disciplined bottle pickers are on the hunt for as many refundable bottles/cans as they can carry in one swipe. Accordingly, I am certain you have seen some folks who ride their bikes as they perform this public service, which gives them a five-cent tip for their efforts!!

Attachment 1

Hence, I have arrived at my destination today to ask you to consider adding these little nips to the deposit seal bearing returnable container's list.

In your consideration of this bill, I might suggest that you give a cursory thought to a bit of switch and bait (horse trading) by giving thought to stopping deposits on big juice, milk, and Poland Spring water containers, and add nips, which are small and much more apt to appear along public ways. Those large containers are most often enjoyed and emptied within the framework of a home or camp. They are seldom being consumed while driving down the road and hurled out a driver's window. The ones I happen upon out on the road are those that were headed to the dump in large garbage bags that disengaged from the back of a pickup truck (unnoticed of course) and upon hitting the pavement where purged from the bag onto the road to be either run over or blown to the side.

Prior to deciding to work on this issue, I conducted my own study of bottles, cans, and nips. I started collecting and counting what I brought home from my workout. I kept track of it by date for a year at both my home and our cottage. In bottles/cans, I brought in \$36.10. Had the nips had a deposit, I probably would have garnered another \$40 to \$50. It is possible, however, that I would not have had to pick them up at all, because someone else would have taken them to redeem before I came along. That's not too bad for a novice redeemer who only does the one same street four times a week!!

In closing, I wish to share that had I not routinely exercised, I would never have realized the extent of how much, in finite detail, garbage there is on the side of our roads. It requires an up close and personal slow moving relationship to really take it all in. It is absolutely disgusting what behavior has led some to feel so free and uninhibited to use our great outdoors as their grand size waste can and garbage disposal!! YUK!! I say "let's nip littering"!!

Attachment 1



Senator Shenna Bellows
3 State House Station
Augusta, ME 04333-0003
Office (207) 287-1515
Cell (207) 776-5404

Shenna.Bellows@legislature.maine.gov

February 1, 2017

Senator Tom Saviello, Chair
Representative Ralph Tucker, Chair
Members of the Committee on Environment and Natural Resources

Testimony in Support of LD 56 “An Act To Include 50 Milliliter and Smaller Liquor Bottles in the Laws Governing Returnable Containers”

Dear Senator Saviello, Representative Tucker and Distinguished Members of the Environmental & Natural Resources Committee,

My name is State Senator Shenna Bellows, representing Senate District 14, and I live in Manchester.

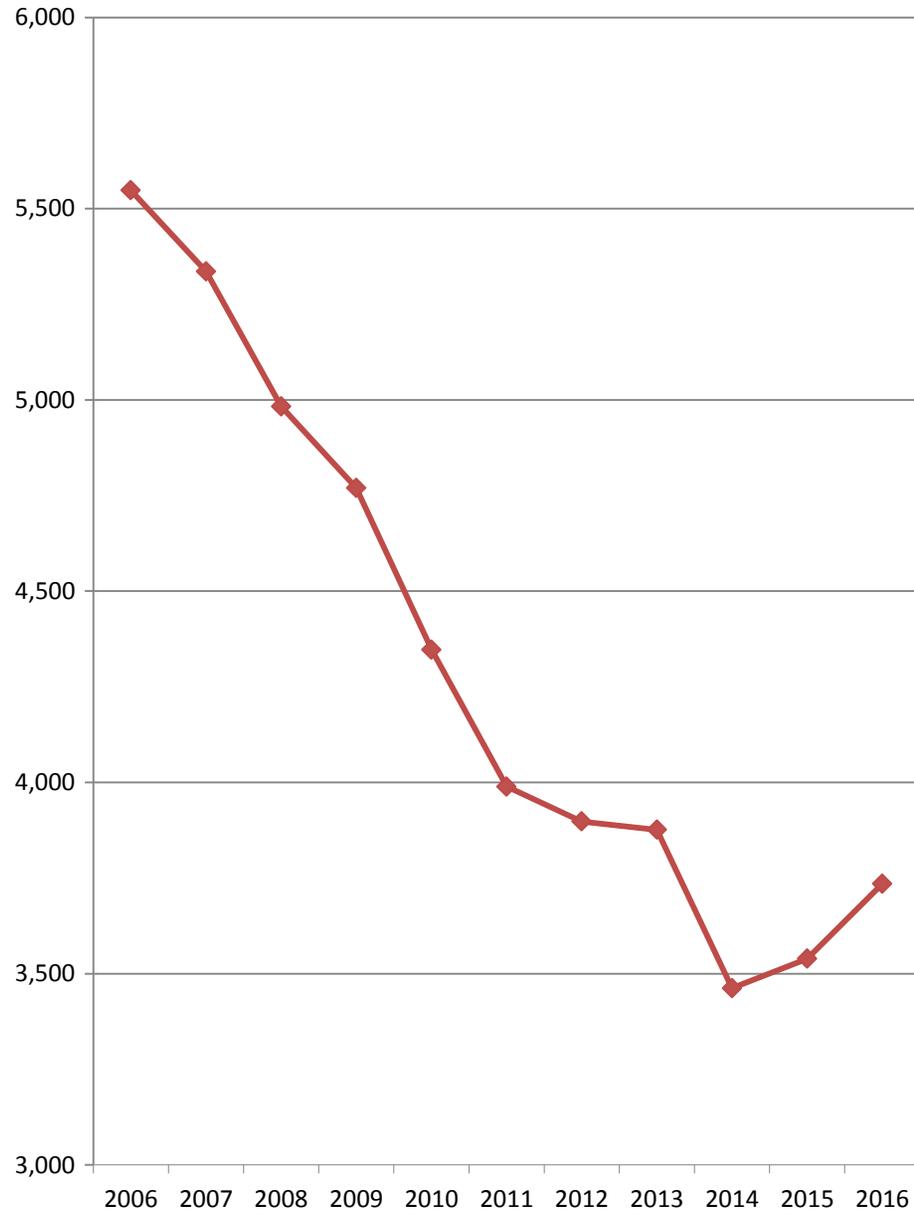
In addition to serving here in the legislature, I am a longtime member of the Manchester Conservation Commission. Each year we organize a roadside cleanup in our town, and I am here to tell you that miniature liquor bottles or “nips” are a real problem. I support LD 56, and I urge you to pass a deposit on these bottles for three primary reasons:

- It will help keep our roadsides clean.
- It’s good for the environment to create a market-based incentive to reduce litter and to increase recycling.
- It will save the taxpayers money by diverting these bottles out of our solid waste stream and into recycling.

Our roadside cleanup is already scheduled for this April. I encourage you to come and see for yourselves what a problem this is. The solution is simple, and Maine has been a model for the rest of the country. I hope you will join me in supporting LD 56. Thank you for your consideration.

Attachment 2

Maine Resident Liquor* OUI Convictions 2006-2016



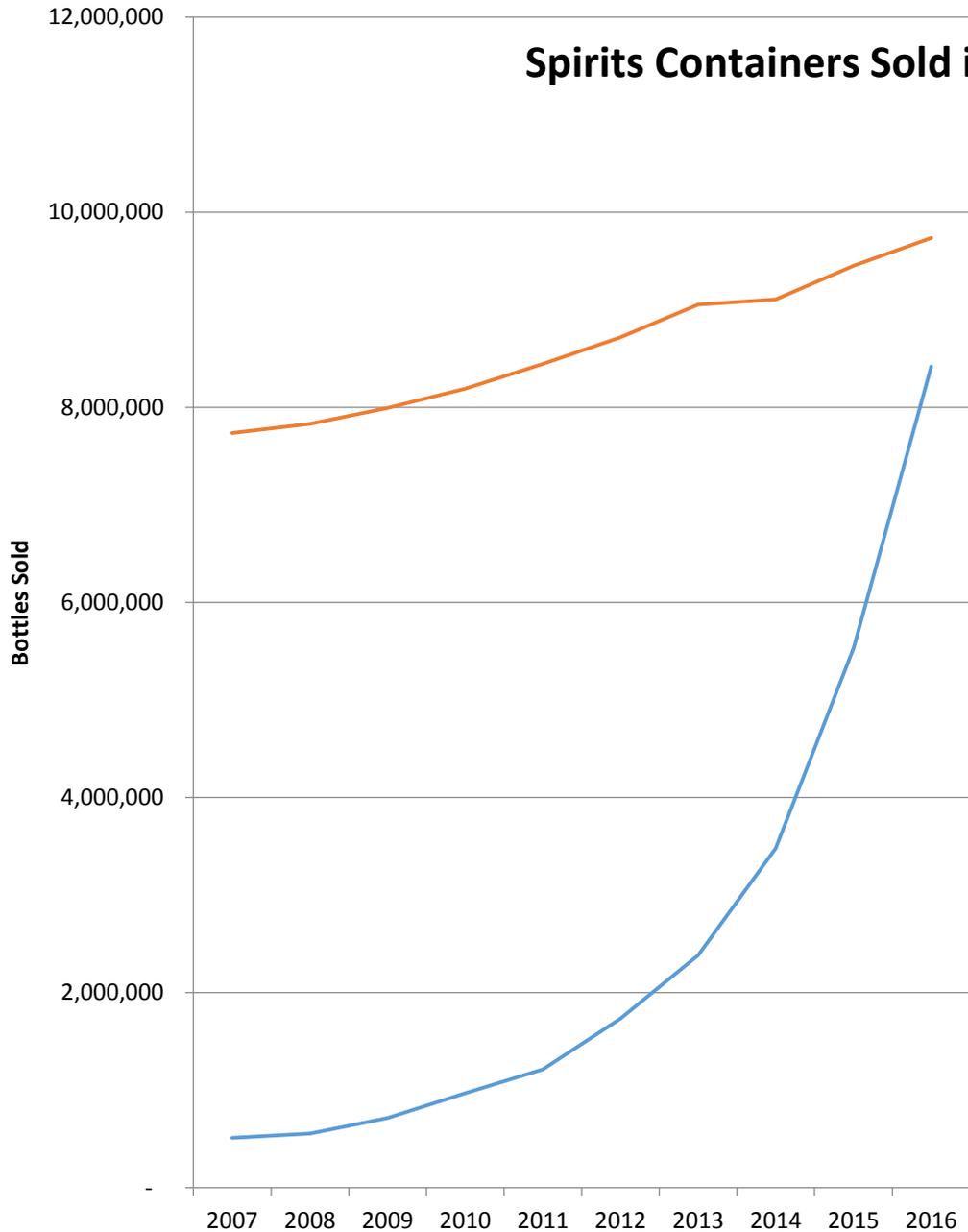
Year	Maine Residents		
	Liquor OUI Convictions	Total Traffic Convictions	Liq. OUI as % of Tot. of Traffic Convictions
2006	5,548	122,325	4.50%
2007	5,336	117,543	4.50%
2008	4,983	114,627	4.40%
2009	4,770	113,683	4.20%
2010	4,347	106,212	4.10%
2011	3,989	85,205	4.70%
2012	3,898	82,530	4.70%
2013	3,876	84,564	4.60%
2014	3,462	84,165	4.10%
2015	3,539	79,250	4.50%
2016	3,735	73,832	5.10%

Data in this table is taken from the Maine Bureau of Motor Vehicles "Traffic Offense Statistics" published online at <http://www.maine.gov/sos/bmv/stats/index.html>

*Liquor includes alcohol of all types

Attachment 3

Spirits Containers Sold in Maine 2007-2016



	50 ML Spirit Bottles Sold	50 ML Spirit Bottle % Growth	All Other Spirit Bottles Sold	All Other Spirit Bottle Sold % Growth
2007	511,331		7,734,727	
2008	557,248	8.98%	7,831,315	1.25%
2009	715,182	28.34%	7,992,913	2.06%
2010	970,311	35.67%	8,190,371	2.47%
2011	1,215,159	25.23%	8,444,195	3.10%
2012	1,733,864	42.69%	8,718,353	3.25%
2013	2,382,303	37.40%	9,051,548	3.82%
2014	3,479,895	46.07%	9,105,554	0.60%
2015	5,534,059	59.03%	9,449,311	3.78%
2016	8,420,669	52.16%	9,737,058	3.05%

— 50 ML Spirits Bottles Sold
— All Other Spirits Bottles Sold

The information in this table and graph is derived from data maintained by the Bureau of Alcoholic Beverages and Lottery Operations in accordance with its role as administrator of the State's monopoly of the spirits business.

Attachment 4

	YTD 2017* \$	YTD 2017* Bottles Sold	2016 \$	2016 Bottles Sold	2015 \$	2015 Bottles Sold
50ML	\$ 5,015,709	5,001,947	\$ 8,783,374	8,420,669	\$ 6,134,233	5,534,059
100ML	\$ 30,122	10,249	\$ 61,482	19,715	\$ 49,485	16,048
200ML	\$ 303,880	63,327	\$ 594,428	119,135	\$ 478,072	92,897
250ML	\$ 2,250	258	\$ 10,238	1,188	\$ 15,423	1,836
375ML	\$ 3,362,043	455,473	\$ 7,577,621	1,008,866	\$ 7,186,506	960,513
750ML	\$ 28,017,207	1,827,467	\$ 67,184,520	4,376,882	\$ 64,296,223	4,232,503
1L	\$ 7,902,353	527,500	\$ 17,793,521	1,201,444	\$ 17,661,524	1,209,175
1.75L	\$ 25,512,007	1,286,715	\$ 59,124,291	3,009,828	\$ 58,155,640	2,936,339
TOTAL	\$ 70,145,571	9,172,934	\$ 161,129,474	18,157,727	\$ 153,977,105	14,983,370

	2014 \$	2014 Bottles Sold	2013 \$	2013 Bottles Sold	2012 \$	2012 Bottles Sold
50ML	\$ 4,143,610	3,479,895	\$ 3,098,109	2,382,303	\$ 2,419,897	1,733,864
100ML	\$ 49,520	16,167	\$ 54,261	18,435	\$ 54,648	18,497
200ML	\$ 452,760	88,385	\$ 472,152	107,436	\$ 421,254	85,036
250ML	\$ 21,377	2,538	\$ 25,796	2,994	\$ 8,708	963
375ML	\$ 6,752,842	914,866	\$ 6,631,175	902,808	\$ 6,499,541	906,427
750ML	\$ 59,544,939	4,000,748	\$ 57,683,315	3,914,910	\$ 52,843,975	3,651,948
1L	\$ 17,966,230	1,232,734	\$ 18,336,942	1,277,101	\$ 18,655,201	1,309,272
1.75L	\$ 56,377,869	2,850,116	\$ 56,386,813	2,827,864	\$ 54,163,324	2,746,210
TOTAL	\$ 145,309,148	12,585,449	\$ 142,688,563	11,433,851	\$ 135,066,548	10,452,217

	2011 \$	2011 Bottles Sold	2010 \$	2010 Bottles Sold	2009 \$	2009 Bottles Sold
50ML	\$ 1,790,658	1,215,159	\$ 1,452,061	970,311	\$ 1,100,428.78	715,182
100ML	\$ 43,650	15,386	\$ 39,266	14,224	\$ 41,509.88	16,150
200ML	\$ 352,991	73,693	\$ 302,858	65,875	\$ 258,296.70	55,031
250ML						
375ML	\$ 6,128,192	872,604	\$ 5,956,818	861,240	\$ 5,790,351.67	838,694
750ML	\$ 49,198,513	3,417,229	\$ 46,146,910	3,245,328	\$ 44,435,702.06	3,125,049
1L	\$ 18,658,926	1,323,718	\$ 19,142,048	1,376,523	\$ 19,564,843.18	1,410,755
1.75L	\$ 53,373,085	2,741,565	\$ 51,106,106	2,627,181	\$ 49,638,639.50	2,547,234
TOTAL	\$ 129,546,015	9,659,354	\$ 124,146,068	9,160,682	\$ 120,829,771.77	8,708,095

	2008 \$	2008 Bottles Sold	2007 \$	2007 Bottles Sold
50ML	\$ 862,372	557,248	\$ 695,035	511,331
100ML	\$ 38,708	16,546	\$ 36,766	14,810
200ML	\$ 234,637	50,367	\$ 201,779	44,247
250ML				
375ML	\$ 5,413,708	803,777	\$ 5,026,007	775,004
750ML	\$ 43,354,257	3,074,121	\$ 42,615,545	3,089,615
1L	\$ 19,382,251	1,427,071	\$ 18,728,523	1,423,920
1.75L	\$ 47,678,152	2,459,433	\$ 45,346,915	2,387,131
TOTAL	\$ 116,964,085	8,388,563	\$ 112,650,571	8,246,058

Notes:

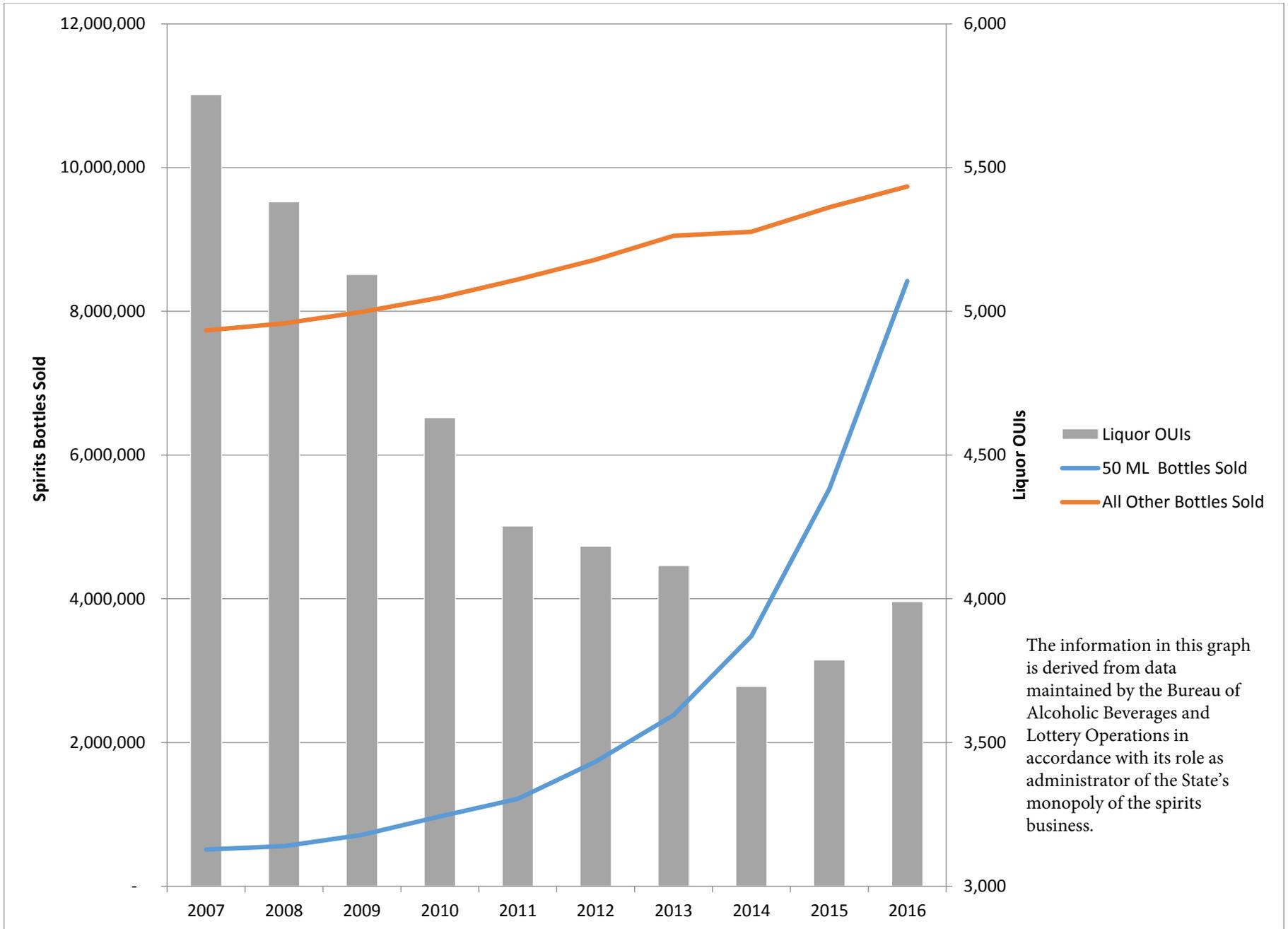
Data run in calendar years

YTD 2017* = 1/1/17 - 6/16/17

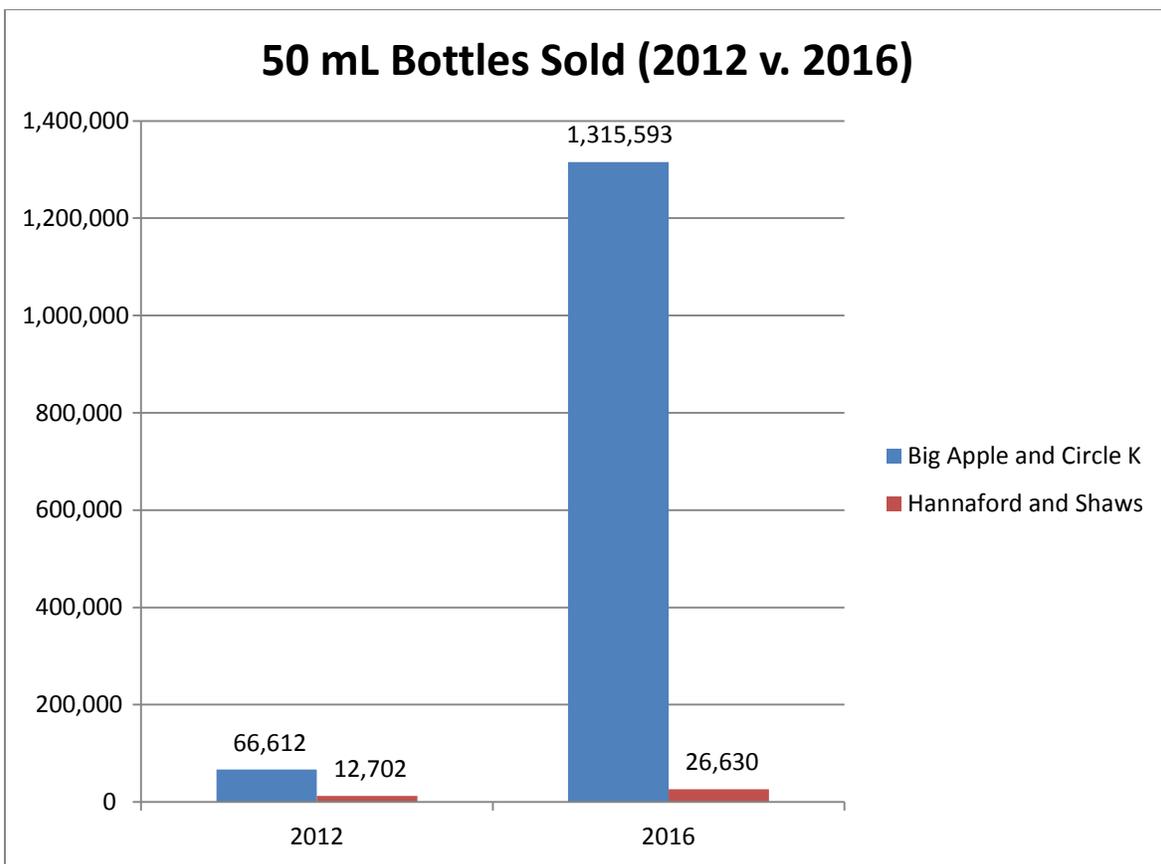
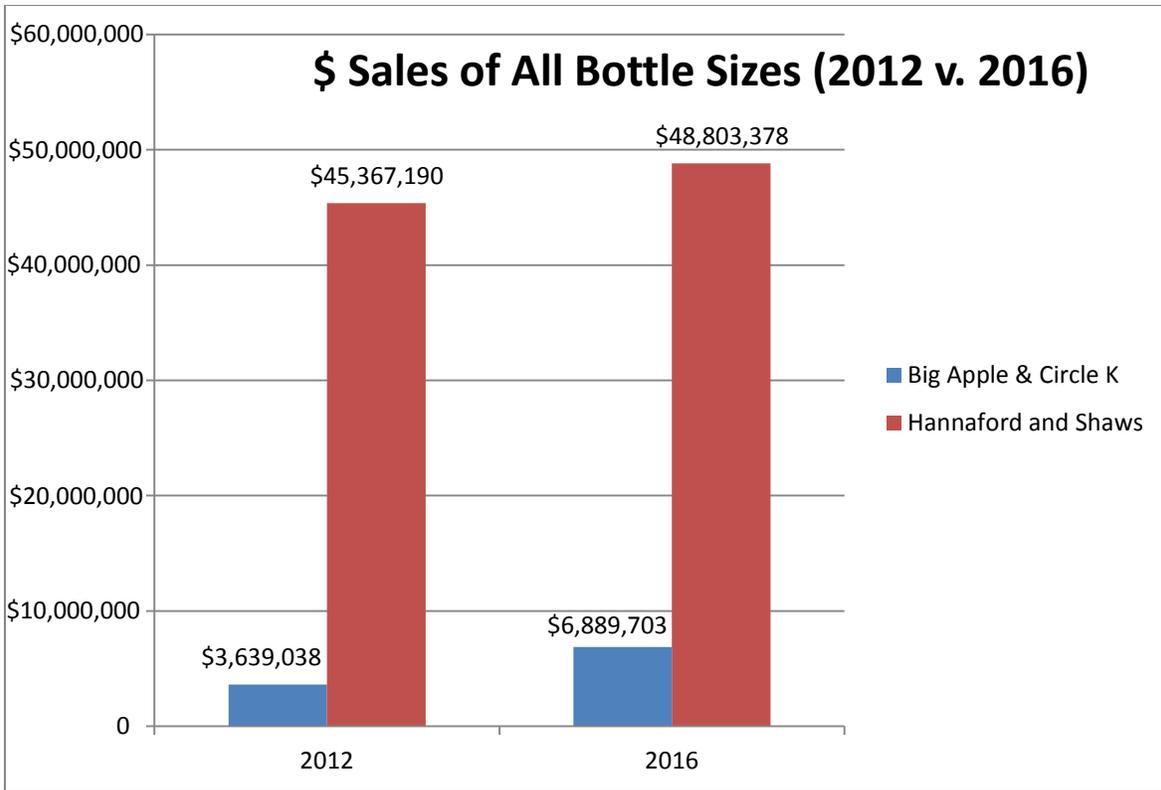
The information in this table is derived from data maintained by the Bureau of Alcoholic Beverages and Lottery Operations in accordance with its role as administrator of the State's monopoly of the spirits business.

Attachment 5

Spirits Bottles Sold 2007-2016 with Liquor OUI Convictions 2007-2016



Attachment 6



The information in these graphs is derived from data maintained by the Bureau of Alcoholic Beverages and Lottery Operations in accordance with its role as administrator of the State's monopoly of the spirits business.

Attachment 7

Summary of 50ML Business Sales reported from 5/29/16 through 5/27/17 Prepared by BABLO and Pine State Spirits

52 Week Sales (5/29/16-5/27/17) for 50ml Bottles*

- Case Sales – 84,864 - 51% increase over previous 52 week period
- Bottle Sales – 9,838,471 – 52% increase over previous 52 week period
- Dollar Sales - \$10,088,636 – 44% increase over previous year 52 week period
- State Gross Profit - \$4,070,663- 44% increase over previous year 52 week period
- Breakdown of Bottle Retail Prices
 - \$.99 = 197 SKUs
 - \$1.00 to \$1.99 = 91 SKUs
 - \$2.00 to \$2.99 = 52 SKUs
 - \$3.00 and higher = 64 SKUs
- 35 suppliers provided the 404 SKUs referenced on this report

*These sales are based on 404 SKUs which were active codes at the time of this report. 71 of which are no longer listed in Maine.

Percent of Total Spirits Business

	% of Total Cases	% of Total Dollars	% of Total Gross Profit
50ML	7.37%	6.10%	6.63%
100ML	0.04%	0.04%	0.05%
200ML	0.26%	0.39%	0.42%
250ML	0.01%	0.01%	0.01%
375ML	4.00%	4.62%	5.15%
750ML	34.90%	41.52%	42.56%
1L	9.11%	10.83%	10.43%
1.75L	44.30%	36.49%	34.76%
TOTAL	100.00%	100.00%	100.00%

Top Five 50MLs

	Description	Total Cases	% of Total Cases		Description	Total Dollars	% of Total Dollars
1	Fireball Cinnamon Whisky	34,923.20	41.2%	1	Fireball Cinnamon Whisky	\$3,604,075.10	35.7%
2	Dr. McGillicuddy's Menthol	7,130.27	8.4%	2	Dr. McGillicuddy's Menthol	\$735,887.05	7.3%
3	Pinnacle Vodka	3,218.88	3.8%	3	Pinnacle Vodka	\$332,187.04	3.3%
4	Black Velvet	2,407.99	2.8%	4	Absolut Vodka	\$328,000.44	3.3%
5	Pinnacle Whipped Vodka	2,041.35	2.4%	5	Black Velvet	\$248,504.74	2.5%

Top 5 SKUs represent 58.6% of total case sales.

Top 5 SKUs represent 52.1% of total dollar sales.

Summary of 50ML Business
Sales reported from 5/29/16 through 5/27/17
Prepared by BABLO and Pine State Spirits

Estimated Cost to Implement and Maintain Redemption on 50mls

There is a cost associated with the implementation of bottle deposit on 50ml bottles. Bottle deposit for all other sizes was included in the current contract with Pine State Spirits. The costs estimated below represent the additional funds required to implement and maintain the process. Maine is the only state to require bottle redemption on the 50ml bottle. Because 50ml bottles are most often packaged in a “sleeve”, equipment is necessary for Pine State to repackage bottles after placing the redemption sticker on each bottle. The Legislature did not appropriate any funds for this process, so the cost will be funded by BABLO. The figures below are estimated, based on a proportional increase in the sales of 50ml bottles in Maine. This fiscal impact assumes that BABLO, through Pine State, will be required to sticker all 50ml bottles.

FY18 Cost –Implementation Preparation	
Equipment Cost	\$ 580,000
Additional staffing at Pine State	\$ 80,000
Warehouse alterations	\$ 100,000
Total	\$ 760,000
FY19 Cost (1/1/19 to 6/30/19- 1/2 year)	
Handling cost at Redemption	\$ 539,148
Additional staffing at Pine State	\$ 84,000
Fraudulent Redemption costs	\$ 205,706
Equipment Maintenance	\$ 50,000
Total	\$ 878,854
FY20 Cost (7/1/19-6/30/20)	
Handling cost at Redemption	\$ 1,477,266
Additional staffing at Pine State	\$ 88,200
Equipment Maintenance	\$ 50,000
Total	\$ 1,615,466