



June 5, 2023

Commissioner Loyzim,

The Natural Resources Council of Maine (NRCM) is committed to ensuring the success of Maine's Extended Producer Responsibility (EPR) for Packaging program established in MRS Title 38 §2146. Thank you for the opportunity to participate in this fourth of five Department rulemaking topic areas regarding education and investments.

NRCM believes that all targeted education activities and investments made through this producer-funded system should be:

- Aligned with the program goals established during rulemaking;
- Designed to meet needs identified within the required needs assessment; and
- Prioritized to reduce taxpayer funding needed to reach the program goals and the system's identified needs.

Our comments will address things to consider when identifying eligible investment opportunities, as well as the role of the Stewardship Organization (SO) and the Department in determining the conditions in which projects will receive investments through the EPR system.

Process for Development and Submittal of Investment Proposals by the Stewardship Organization for Department Review

The process in which stakeholders propose investments for recycling and reuse infrastructure should include qualitative and quantitative data, provided by the stakeholders with the support of the SO as needed, that demonstrates how the investments will align with program goals and achieve desired outcomes. For example, if a regional cooperative submits a proposal to acquire a baling system and on-site storage containers to increase the efficiency of transporting materials to an end-market, the regional cooperative should also prepare a comprehensive summary of how these investments would achieve economies of scale, the reduced mileage of hauling sorted materials, or address how these investments would advance components of the established program goals.

To help provide stakeholders with a consistent means of collecting input regarding investments, the call for proposals should be regularly scheduled, and the process for proposals should be uniform. Outreach and informational discussions could coincide with the annual process of reviewing readily recyclable materials to ensure diverse stakeholder participation. The Stewardship Organization should utilize findings from the annual report to identify areas in which funding may be needed for projects that improve statewide recycling rates, accessibility/convenience of municipal recycling programs, and create efficiencies in the collection, processing, and management of packaging materials.

To maintain consistency with existing measures of soliciting proposals for investment from stakeholders, this process could be designed similarly to the process in which the Department currently selects projects within the Waste Diversion Grants program. Proposals should be

evaluated using an objective scoring model that evaluates a diverse range of impact areas, formatted around how each request addresses the program goals and needs identified in the needs assessment.

Transparency should be required within the process regarding the annual budget and priorities for investments, based on available funds and areas of need identified in the needs assessment and subsequent annual reports. The evaluation criteria should be made available to applicants, and the SO should provide technical assistance to municipal applicants and answer questions from potential applicants. After the window for accepting proposals has closed, potential projects should be reviewed by the SO. The SO may also allow for the establishment of an Advisory Committee for additional support in reviewing requests from a diverse, impartial stakeholder group comprising of municipalities, waste processors, producers, and others.

Once projects have been selected by the Stewardship Organization and approved by the Department, funded projects should be announced with a press release and published on the SO and Department websites to demonstrate which projects ranked positively in the selection process to help guide future proposals from stakeholders. For proposals that are not granted, the SO should be responsible for communicating with the applicants to inform them why their project was not selected for funding. This feedback may be used to improve the proposal in future RFPs, should an applicant wish to revise their proposal and resubmit the project later.

Priority Groups for Funding

Because the EPR for Packaging law was established primarily as a means of reducing the financial and environmental burden shouldered by Maine taxpayers to manage packaging material, it is critically important that these funds are allocated to Maine municipalities as a first priority to help them reduce their overall costs through investments in processing equipment, storage, and means of transportation for packaging materials. This should also apply to Maine's municipal transfer stations, regional processing facilities, public schools and buildings, and other entities that rely on taxpayer funding to operate.

To ensure equitable access to recycling throughout the state, the SO must also have targets that ensure the disbursement of funding for recycling infrastructure in rural and economically disadvantaged communities. This may include funding opportunities for municipalities not currently providing for the collection of all readily recyclable materials due to financial or logistical barriers.

Producers, private material processors, and private waste haulers can choose to make investments in their own processes that cut costs, increase efficiency, and create long-term savings. For example, producers can make materials easier and more efficient to recycle or assist in the establishment of new end markets for that would transition their packaging materials from non-readily recyclable to readily recyclable, resulting in reduced eco-modulated fees. Similarly, recyclers in the private sector can invest in infrastructure that would allow them to increase tonnage or improve value and quality of materials, which results in increased revenue from tipping fees. Private waste haulers can also realize direct savings because of their investments. However, these investments do not necessarily directly result in cost savings to municipalities or

individual consumers; so, we believe that funding for these activities should be lower priority for the education and investment money created by the EPR program.

The SO should consider funding investments within the private sector only if a business can demonstrate how such investments will directly result in an increased state recycling rate and/or a decreased cost to Maine taxpayers through reduced tipping fees, transportation and hauling fees, processing costs, or other similar municipal expenditures for recycling, reuse, and other means of managing packaging waste. Alternatively, the SO could consider implementing a revolving loan program in which the private sector can receive funds to support these investments, with the funds returned to the program for future investments.

Priority Projects for Funding

- Increased access to and participation in recycling in all 16 counties
- Development and support of end markets resulting in more readily recyclable materials
- Upward progress made toward the statewide recycling rate, and lower per-capita disposal rates, to [help the state meet its goals](#)
- Reduced recycling contamination (this could be a higher priority if contamination is posing challenges to other priorities such as access to end markets)
- Greater efficiency in the collection, transportation, processing, and other processes in which municipalities manage materials
- Investment in activities that lead to more source reduction and reuse of packaging materials, ideally there would be a program goal with a specific percentage target for reduction and reuse of packaging.

Funding for Education

While many of the expenses related to education should be included in the costs reimbursed to municipalities, there will need to be some funds set aside for both statewide and targeted municipal education each year based on information collected for the annual report completed by the SO. For example, if the SO identifies a participating municipality that is experiencing recycling rates below 10 percent, they may choose to propose an educational campaign in that community to encourage participation in the program with the use of investment funds. Or in the case of reduced quality of recycling, the SO could select several municipalities for a curbside education program to inspect recycling and offer real-time feedback in municipalities with elevated levels of curbside contamination.

In addition to targeted municipal education, the SO should develop statewide educational resources for Maine municipalities and their residents. Similar to resources created and published online through [Massachusetts Department of Environmental Protection](#) and [the Recycling Partnership](#), the SO would benefit from creating a toolkit for all municipalities to use in the education of readily recyclable materials, and the SO could also allow for these materials to be customized by municipalities to include any additional materials being recycled locally. Allowing for the generation of statewide resources also creates an opportunity for increased accessibility with translated and image-based educational materials

Process for Department Review of Investment Proposals from the Stewardship Organization

The number of applications submitted to the Department for final approval should be contingent on the amount of funds available based on the annual budget. NRCM does not recommend setting an arbitrary minimum or maximum number of applications, but rather supports the objective analysis of each proposal and moving forward those applications that help achieve the overall goals of the program, identified in rule, and address the needs highlighted in the assessment completed by the SO.

We believe that the process of reviewing proposals by the Department should be consistent with the process in which the proposals are submitted to the SO. For example, if proposals are submitted once annually to the SO, the Department should also review proposals on an annual basis. If the proposals are submitted to the SO for review twice annually, the Department should review proposals twice annually.

Assessing Program Performance to Inform Future Investments

A thorough summary of projects supported through this fund should be included in the annual reporting completed by the SO with quantitative and qualitative data that demonstrates how the program is achieving, and to what extent, its program goals. As the program matures and the goals of the program are achieved, we suspect there will be less need to allocate funding for education and investment. Until then, we encourage the Department to direct the SO to allocate as much funding as is needed to reach the goals set in rulemaking and identified in the needs assessment.

Thank you for the opportunity to provide comments on this important aspect of Maine's EPR for Packaging program. We look forward to providing comments to the Department on the remaining topic areas.

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