



## Comments Regarding Packaging Product Stewardship Municipal Reimbursement

By

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January 2023

Thank you for the opportunity to provide input regarding the development of the municipal reimbursement process for the proposed Product Stewardship for Packaging program. I have always felt that the informal stakeholder approach is very productive and I appreciate the Department for undertaking this effort.

### General

I thought I would just take a few minutes to describe the AWS program, with a particular focus on some unique characteristics that *might* pose a challenge for determining cost and reimbursement

- AWS is a not-for-profit corporation that is owned by the municipalities of Fort Fairfield, Limestone, Caribou, and Presque Isle. It is organized under an Interlocal Agreement amongst those communities. More specifically, AWS is organized under: Title 30 MRSA; Chapter 203, and Title 13 MRSA; Chapter 81.
- The AWS integrated operation includes two (2) small landfills and a regional recycling program
- In addition to the Owner communities, AWS provides disposal services to greater than 40 other communities in Aroostook County through various municipal and private contracts
- A regional recycling drop-off service is provided to 16 communities with a total of 20 drop off locations for recyclables. This is a subset of the larger disposal service area. Some towns and facilities, operate their own recycling program, but use AWS for disposal only.
- Recycling collection is via drop-off at igloo locations, which are available 24/7/365

- Materials collected are: #2 HDPE containers, tin cans, magazines, and newspaper. OCC collection is also available at just 6 of the 20 igloo locations.
- A specialized truck with a crane makes “milk runs” to collect materials from igloos. The truck has 2 compartments to collect multiple materials at the same time. Typically, clear and colored HDPE is mixed in one compartment; and magazines and newspaper is mixed in the other. Tin cans are collected on a separate run.
- Most collected materials are transported back to our recycling center for processing/baling; and then are subsequently marketed through the MRRRA.

AWS does not charge for the recycling service. It is offered at no cost to most municipalities that utilize our disposal service (distance-dependent). All costs of AWS operations (recycling, landfill, etc.) that are not otherwise covered by fees (universal wastes for example), are built into the tipping fees for the landfill. In other words, the landfills subsidize the recycling program.

### **Responses to specific Questions posed by the Department**

Question: *Are there any instances of municipal cooperation not addressed by the language above?*

If I understand it correctly, an organization such as AWS may receive reimbursement on behalf of the individual municipalities to which we provide the recycling service (and for which AWS does not charge). If that is true, I believe our circumstance is addressed. However, it should be confirmed that the statutes under which AWS is organized define the appropriate type of entity

Question: *How can the amount of material in marketed commodities ultimately recycled be determined?*

I believe this information can be obtained by downstream audits by the SO. It is a very legitimate question because processors of recyclable material may be extracting certain materials downstream from the municipal baling facility and disposing of the remainder. Mixed plastics is a good example.

Questions:

*When reporting municipal costs for recycling, what costs might be overlooked?*

Administrative costs (booking and tracking loads, scale attendants, etc.) - these likely would be relatively minor.

Revenue sharing or other financial incentives for the public to recycle. For example, AWS returns 50% of any revenue received from the sale of OCC delivered to us by commercial sources (commercial haulers, retail stores, etc.). We record this as a cost in our budget and believe it should be reimbursable.

*At what time of year should annual reports be submitted?*

The February/March time frame would likely work best for us. That is the time of the year that we are typically producing other annual reports as well.

*To what extent are time studies needed/appropriate to better allocate costs...?*

I think initially such studies are going to be very necessary and should be a primary task for the SO. Consistent terminology and methodology of determining costs will be essential to establish credibility and fairness for all parties. After the initial assessments are complete, that effort should drop significantly. This ties directly to the question of how the SO could best assist municipalities; which I believe initially will be very front-loaded towards this very task. "Fill-in-the-blanks" type reporting format would be most helpful as the program progresses, or simply a certification statement that confirms there were no substantive changes since the previous year.

*Question: What characteristics might be considered when defining groups of municipalities as similar for the purpose of ensuring reimbursement equity?*

- Demographics (population, population density)
- Level of service (drop-off, curbside, transfer station, sorting, baling, etc.)

I can envision a matrix of characteristics that would guide this effort.

*Question (regarding process for determining on an annual basis what municipalities are similar): When should this process occur?* Frankly, I'm not sure this needs to be done annually unless major changes to programs occurs. It is likely that demographics and program components will remain essentially the same from year to year. It would be incumbent upon municipalities to report any major changes.

*Question: Are there any issues relating to municipal reimbursements that require clarification and have not already been addressed?*

This is a bit tough because you "don't know what you don't know." I will say at this point I think there are still many more questions than answers. Everybody is trying to wrap their heads around this program and so I hope (and anticipate) that the collaborative approach can continue. As formats and proposals are drafted, it would be helpful to share those proposals with municipalities to received feedback.

## **Parting thoughts**

Flexibility. I realize that the rules must be crafted in accordance with the statute approved by the Legislature, but with such a long lead time for implementation, I would encourage the Department (and subsequently the BEP) to identify any necessary changes in statute to make

the program work. When the bill was debated, much was not known regarding how the implementation would work. I realize this may open a can of worms, but certainly if there are any changes that are universally agreed upon, it would be wise to address them up front.

Again, thank you for the opportunity to provide input. I hope it is useful.

I am looking forward to the continuing dialogue.