



Statement of Nestlé Waters North America

TO: Committee on Environment and Natural Resources

RE: LD 102: An Act To Improve the Manufacturing of Plastic Bottles and Bottle Caps
Work Session Date: January 17, 2020

ARROWHEAD

To Chairman Carson, Chairman Tucker and members of the Environment and Natural Resources Committee:

DEER PARK

ICE MOUNTAIN

My name is Charlie Broll and I am the General Counsel of Nestlé Waters North America, the parent company of Poland Spring.

Ozarka

Poland Spring

Zephyrhills

We are committed to keeping plastic out of landfills and the environment—a responsibility shared by everyone who makes or drinks packaged beverages. We are collaborating with stakeholders to create solutions to one of the world’s most pressing environmental issues. Here in Maine, we work with a variety of partners, including the University of Maine and the Gulf of Maine Research Institute, of which I am a board member.



Last year, we told this Committee that while we supported the goals of LD 102, we had concerns about its approach, but that we were committed to finding a constructive solution.



Since that time, we have worked collaboratively with the sponsor and stakeholders on what we believe is an ambitious, but workable amendment that takes a significant step forward in making the circular economy real in Maine.



Like other beverage manufacturers, we have made commitments to increase the use of recycled content throughout our portfolio. This includes a goal of converting our Poland Spring PET containers to 100 percent recycled content by 2022.



To achieve this, there needs to be a robust and stable regional supply of food-grade recycled content. We are encouraged by the announcements of recent infrastructure investments in the region to increase supply, but more investment in collection and processing is needed.



Historically, beverage manufacturers have purchased food-grade recycled content through short-term supply contracts or on the spot market. Price volatility between virgin content and recycled content has made long-term supply contracting difficult. Without long-term supply contracts, recycled content suppliers are often unwilling to make the necessary investments in machinery, equipment, and collection to increase supply.¹

¹ http://www.closedlooppartners.com/wp-content/uploads/2017/11/CLP-RPET-Report_Public-FINAL2.pdf

To help stimulate the global market, Nestlé announced yesterday its commitment to source up to 2 million metric tons of food-grade recycled plastics and allocate more than CHF 1.5 billion to pay a premium for these materials between now and 2025.²

In addition, too many recovered beverage containers are being down-cycled and used in non-food contact applications versus being made back into beverage containers. While giving a plastic beverage container another life in products such as carpets and textiles ensures one more use, it does not represent the highest and best use of food-grade recycled material. Latest available information from NAPCOR reveals that out of the approximate 1.5 billion pounds of rPET used by U.S. end markets annually, only 425 million pounds were put back into food and beverage applications.³ As a result, over 1 billion pounds of food-grade rPET is currently diverted to non-food contact applications, disrupting a truly circular economy.

We believe a reasonable recycled content standard beginning in 2025 for plastic beverage containers sold in Maine will solidify demand thereby stimulating the necessary further collection and investments to increase regional supply. This is a similar dynamic that existed when Maine first considered establishing a renewable portfolio standard. Establishing a recycled content standard will also re-align end market use so that more food-grade recycled content is recycled back into food-grade applications.

LD 102's amended 2025 and 2030 recycled content targets are achievable, the measurement of compliance is straightforward, and the necessary guardrails exist to relax or suspend the standard if market conditions warrant.

We are proud to have a demonstrated track record of sustainable innovation and product stewardship and appreciate the opportunity to share our thoughts on this issue. We look forward to working with this Committee to promote the greater use of recycled content.

Charles Broll
Executive Vice President & General Counsel
Nestlé Waters North America

² <https://www.nestle.com/sites/default/files/2020-01/pr-nestle-food-grade-recycled-plastics-launch-fund-packaging-innovation-en.pdf>

³ <https://napcor.com/reports-resources/>