January 13, 2026

Joint Committee on Environment and Natural Resources
100 State House Station
Cross Building, Room 216
Augusta, ME 04333

Re: LD 1870, "An Act to Establish a Climate Superfund Cost Recovery Program to Impose Penalties on Climate Polluters"

Dear Senator Tepler, Representative Doudera, and Members of the Committee:

We, the under signers, on behalf of small and large businesses across Maine's business community and the thousands of Mainers they employ and serve, write to express our strong opposition to LD 1870, "An Act to Establish a Climate Superfund Cost Recovery Program to Impose Penalties on Climate Polluters."

At the outset, we want to acknowledge and commend the Joint Committee on Environment and Natural Resources for carrying this bill over into the 2026 session. That decision appropriately reflects the magnitude of the policy, economic, and legal questions raised by this proposal and the need for careful deliberation. We appreciate the Committee's recognition of the impacts of this sweeping legislation and the potential consequences for Maine consumers, employers, and communities.

LD 1870 would establish a discriminatory and retroactive fee structure that singles out one segment of the economy – the fossil fuel industry – for activities that are not only legal, but necessary. We should be extremely deliberative before deciding to retroactively punish companies with punitive fees for producing fuels that have heated and cooled Maine homes, powered businesses, and transported workers for decades, and will continue to be relied upon well into the future. These fuels were not only demanded by individuals and businesses, but by federal, state, and local governments as well.

The State of Maine itself has played a direct and affirmative role in the demand for, distribution of, and reliance upon these products. For generations, state policy has recognized petroleum and natural gas as essential to public health, safety, and economic stability. Today, approximately half of Maine households rely on petroleum products as their primary source of home heating – the highest share of any state in the nation. Transportation and home heating fuel consumption together contribute to Maine having the highest per capita petroleum use among the New England states. From 2000 to 2022 alone, Maine residents consumed more than 37 billion gallons of petroleum products, 1.5 trillion cubic feet of natural gas, and 3.66 million tons of coal.

This reliance did not occur in a vacuum. The state has approved and regulated the siting and operation of approximately 13 petroleum storage facilities, one liquefied natural gas facility, seven natural gas–fired power plants, five petroleum-fired power plants, and nearly 1,800 miles

of natural gas pipeline. Maine is also home to nearly 700 retail gasoline stations fueling more than 14.5 million vehicle miles traveled in 2022, while state and local governments maintain and repair approximately 46,800 lane miles of public roads using tens of thousands of tons of asphalt derived from processed crude oil. These investments reflect deliberate public policy choices made over decades to ensure energy reliability and affordability for Maine people.

Against this backdrop, imposing a retroactive fee through LD 1870 would retroactively impose fees on the very goods the state has long deemed critical and necessary. Such an approach is not only unfair but inconsistent with prior legislative actions. Maine lawmakers have previously declared by statute that "the distribution and retail sale of motor fuels at reasonable prices and in adequate supply throughout the State vitally affects the public health, welfare and safety," and that the transportation of natural gas within the state affects the public interest. Oil and natural gas infrastructure have also been formally designated as critical assets. Moreover, both state and federal governments approved and supported the operation of the federal Northeast Gasoline Supply Reserve and the Northeast Home Heating Oil Reserve to protect consumers from supply disruptions – approximately 200,000 barrels of which were located in South Portland. LD 1870 runs in direct contrast to these long-standing policy determinations.

The bill also poses serious cost concerns for Maine households. Analysis of similar climate superfund proposals in other states—including California, New Jersey, and Massachusetts—suggests such legislation can significantly increase the cost of living, affecting heating, cooling, transportation, and housing costs, with estimated impacts exceeding $1,000 per household annually. In a state with lower-than-average incomes and long, energy-intensive winters, these impacts would fall hardest on low- and moderate-income families, many of whom have limited or no access to alternative fuel options. Policies that increase near-term energy and transportation costs risk exacerbating, rather than alleviating, economic hardship.

Beyond its economic consequences, LD 1870 sends a concerning message to Maine's business community. It signals that companies providing legal, essential products at the direction of market demand and consistent with state policy can later be subjected to enormous retroactive penalties. This uncertainty undermines confidence, discourages investment, and weakens Maine's competitiveness – without delivering meaningful or measurable climate benefits. Good public policy should provide clarity and predictability; this legislation does the opposite by introducing open-ended, retroactive liability that departs from established regulatory frameworks and creates uncertainty across multiple sectors of the economy.

Finally, LD 1870 presents unresolved legal and fiscal risks. The constitutionality of similar climate superfund laws enacted in New York and Vermont is currently being litigated, with opponents asserting violations of due process and equal protection and arguing that such laws are preempted by federal authority. Given these unresolved legal questions, it would be imprudent for Maine to move forward at this time. As the Commissioner of the Department of Environmental Protection noted during the bill's public hearing, the state is already resource and

revenue constrained, and this proposal could further strain limited administrative and financial capacity – particularly if Maine is drawn into protracted litigation.

For these reasons, we respectfully urge the Committee to put Maine consumers, workers, and employers first and to determine that LD 1870 ought not to pass. We remain committed to working with the Legislature on balanced, practical approaches that advance environmental goals without unfairly burdening Maine families or undermining the state's economic foundation.

Respectfully submitted,

Associated Builders and Contractors of Maine

Belfast Area Chamber of Commerce

HospitalityMaine

Kennebec Valley Chamber of Commerce

Maine Automobile Dealers Association

Maine Bankers Association

Maine Better Transportation Association

Maine Campground Owners Association

Maine Energy Marketers Association

Maine Farmers Coalition

Maine Forest Products Council

Maine Jobs Council

Maine Motor Transport Association

Maine State Chamber of Commerce

Maine Tourism Association

Manufacturers Association of Maine

Mid-Maine Chamber of Commerce

National Federation of Independent Businesses

Piscataquis Chamber of Commerce

Portland Regional Chamber of Commerce

Professional Logging Contractors

Retail Association of Maine

SkiMaine Association