

MINNESOTA



37% RECYCLING RATE

WITHOUT FIBER AND FLEXIBLE PLASTICS (FFP)

RANKING

RECYCLING RANK **2021** **#11**

RECYCLING RANK **2018** **#7**

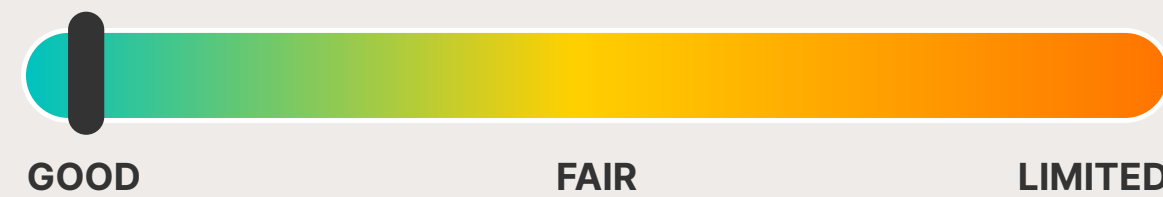
-4

POPULATION
5,711,471

CENSUS SUB REGION
WEST NORTH CENTRAL

RECYCLING REFUND STATE
NO

DATA QUALITY

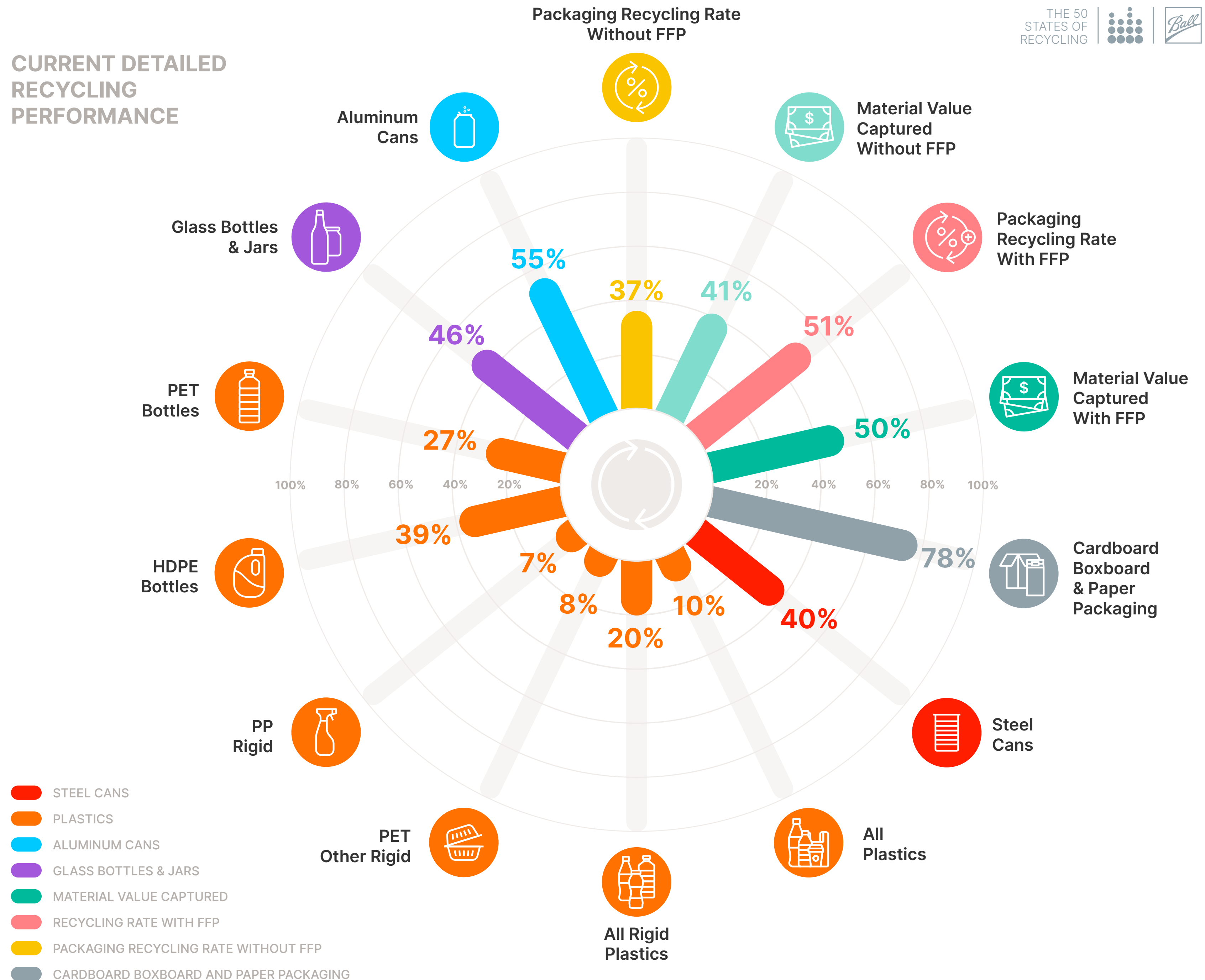


OVERVIEW

The 2014 Minnesota Legislature increased the recycling goal for the seven-county metro area from 50% to 75% of the MSW they generate by 2030. A 2016 law (§115A.151) requires commercial businesses to recycle at least three material types. The Minnesota Pollution Control Agency (MPCA) supports local efforts and provides information on recycling, composting and solid waste management for the state, including managing reporting requirements. MPCA helps businesses develop uses for recycled materials by offering technical, financial, and marketing assistance.



CURRENT DETAILED RECYCLING PERFORMANCE





Scott Cassel
Chief Executive Officer/Founder

Board of Directors

Abby Boudouris – **President**
OR Dept. of Environmental Quality

Tom Metzner – **Vice President**
CT Dept. of Energy and Environmental Protection

Jennifer Semrau – **Treasurer**
WI Dept. of Natural Resources

Mallory Anderson - **Clerk**
Hennepin County, MN

Racheal Ajayi
MO Dept. of Natural Resources

Mallory Anderson
Hennepin County, MN

Darla Arians
CO Dept. of Public Health and Environment

Jennifer Heaton-Jones
Housatonic Resources Recovery Authority, CT

Jennifer Holliday
Chittenden Solid Waste District, VT

Patrick Riley
OK Dept. of Environmental Quality

Mia Roethlein
VT Dept. of Environmental Conservation

Joe Rotella
RI Resource Recovery Corporation

Christina Seibert
Solid Waste Agency of Northern Cook County, IL

Honorary Director

Walter Willis
Solid Waste Agency of Lake County, IL

Scott Klag
Formerly Metro, OR

February 27, 2024

Committee Chair Rep. Zack Stephenson
Vice Chair Rep. Carlie Kotyza-Witthuhn
House Commerce Finance and Policy Committee
Room 10
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

RE: Support for HF 3577DE1, Packaging Waste and Cost Reduction Act

Dear Chair Stephenson, Vice Chair Kotyza-Witthuhn, and Committee members:

Thank you for the opportunity to submit testimony in support of **HF 3577DE1** to create an Extended Producer Responsibility (EPR) program for packaging materials and paper products in Minnesota that will support resource conservation through waste reduction, reuse, recycling, and sustainability.

The Product Stewardship Institute (PSI) is a national policy expert and consulting nonprofit that pioneered product stewardship in the United States along with a coalition of hundreds of state and local government officials, including those in Minnesota. Since 2000, PSI's policy models have helped to develop producer responsibility policies for many of the 136 EPR laws enacted for 18 industry sectors in 33 states. PSI is pleased to have had the opportunity to assist in the development of HF 3577DE1 and is impressed with how those basic elements are being adapted and crafted to fit the needs and concerns of Minnesota stakeholders.

HF 3577DE1 will provide crucial funding from producers to **relieve municipalities of the financial burdens** they currently face in operating recycling programs, **create local jobs, and stimulate local industries** such as MRFs and material processors. Various waste haulers have indicated they view EPR as a beneficial business opportunity as they fight to win EPR contracts in Canada and soon in the U.S. once programs are up and running. Despite the argument that packaging EPR will significantly raise consumer prices, HF3577DE1 will not raise consumer prices, as proven by various studies analyzing packaging EPR programs across the world, including a 2022 Columbia University study on packaging EPR in Canada.

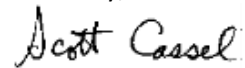
The bill does an exemplary job of establishing clear roles and responsibilities for program participants related to stewardship plans, reporting requirements, public education, and enforcement. The bill also incorporates emerging best practices for packaging EPR regarding needs assessments, definitions, waste reduction, reuse, responsible end markets, performance measures and targets, and the role of the Advisory Council.

How the bill incorporates waste reduction and reuse into the fabric of the EPR program is especially commendable, as both elements are woven into the needs assessment (including investments needed), program plans, educational efforts, and performance targets. The bill is also notable for addressing environmental justice concerns, reduction of toxics in packaging, and the need for health and safety protections, including a living wage, for workers in this industry.

Packaging EPR has been successfully implemented throughout Europe and Asia for over 35 years, and in five Canadian provinces for over 15 years. Four states – Colorado, Oregon, California, and Maine – have passed EPR for packaging laws.

I urge you to **support HF 3577DE1** for the financial and environmental health of Minnesota's economy. If you have any questions, please feel free to contact me at (617) 513-3954, or Scott@ProductStewardship.US.

Sincerely,

A handwritten signature in black ink that reads "Scott Cassel". The signature is written in a cursive, slightly slanted style.

Scott Cassel
Chief Executive Officer/Founder



180 5th St. E. Ste. 260
St. Paul, MN 55101

651-293-1283
NFIB.com/MN
Twitter: @NFIB_MN

February 28, 2024

House File 3577 (Jordan), House File 3578 (Bahner)

Dear Chair Stephenson and House Commerce Committee Members,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB Minnesota appreciates the opportunity to comment on HF 3577 and HF 3578, which will, in different ways, impact small business competitiveness.

HF 3577 (Jordan): NFIB shares the concerns of other producer organizations that this proposal includes unreachable timelines and goals. The proposal also introduces layers of bureaucracy in the manufacturing process at a time when small businesses are already struggling under the weight of state mandates passed last year and finding it hard to compete with larger businesses.

Respectfully, we encourage the committee to modify the definition of “producer” (*line 5.12*) from a monetary threshold to “is a small business concern as defined in the Small Business Act, United States Code, title 15, section 632(a).” This is the definition of small business used in Minnesota Pollution Control Agency programs aimed at reducing the burden on small manufacturers (*see, e.g., Minn. Stat. 116.96*) and elsewhere in Minnesota law.

HF 3578 (Bahner): Lawmakers on both sides of the aisle frequently bemoan the rising cost of health coverage, then seek to remove health care cost control tools used by small employers. This has contributed to a 47% decline in the number of people with small group coverage – the market that serves small employers and employees – from 2007 to 2021. *MDH Health Economics Program; Health Plan Financial and Statistical Report (2007-2021)*.

Since 1991, health insurance costs have been the top problem for small businesses in NFIB’s *Small Business Problems & Priorities*. Further restricting cost control tools for many of the most expensive procedures and prescription drugs, as this proposal does, will only worsen this trend for small employers.

Moreover, this proposal will allow certain healthcare systems to bypass the cost containment process if they have “an authorization rate in the 70th percentile or greater.” This means providers who get it wrong three or four times out of ten will receive less vetting for expensive services and drugs. If small businesses get it wrong 30% or 40% of the time, they don’t get special treatment. They go out of business.

Health care coverage is a critical employment recruitment and retention tool. Higher health care costs are detrimental to small business competitiveness and survival.

We urge the committee to focus on solutions that help patients get access to the most cost-effective care without further harming small employer health coverage affordability.



John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org

Testimony in OPPOSITION
to
H.F. 3577
in the
Minnesota Commerce, Finance, and Policy Committee

February 28, 2024

Dear Chair Stephenson, Vice-Chair Kotyza-Witthuhn, and Members of the Commerce, Finance, and Policy Committee,

The Flexible Packaging Association (FPA) is **opposed to the current MN HF3577**, which would establish an Extended Producer Responsibility program in the State of Minnesota but stands ready to strongly support an amended version.

I. Background on FPA & Flexible Packaging

I am John Richard, Director of Government Relations at FPA, which represents flexible packaging manufacturers and suppliers to the industry in the U.S. Flexible packaging represents \$42.9 billion in annual sales; is the second largest, and fastest-growing segment of the packaging industry; and employs approximately 85,000 workers in the United States. Flexible packaging is produced from paper, plastic, film, aluminum foil, or any combination of these materials, and includes bags, pouches, labels, liners, wraps, rollstock, and other flexible products.

These are products that you and I use every day—including hermetically sealed food and beverage products such as cereal, bread, frozen meals, infant formula, and juice, as well as sterile health and beauty items and pharmaceuticals, such as aspirin, shampoo, feminine hygiene products, and disinfecting wipes. Even packaging for pet food uses flexible packaging to deliver fresh and healthy meals to a variety of animals. Flexible packaging is also used for medical device packaging to ensure that the products packaged, like diagnostic tests, IV solutions and sets, syringes, catheters, intubation tubes, isolation gowns, and other personal protective equipment maintain their sterility and efficacy at the time of use. Trash and medical waste receptacles use can liners to manage business, institutional, medical, and household waste. Carry-out and take-out food containers and e-commerce delivery, which became increasingly important during the pandemic, are also heavily supported by the flexible packaging industry.

Thus, FPA and its members are particularly interested in solving the plastic pollution issue and increasing the recycling of solid waste from packaging. Unfortunately, we do not believe HF3577 as written will provide Minnesotans with a durable, effective EPR program.

Flexible packaging is in a unique situation as it is one of the most environmentally sustainable packaging types from a water and energy consumption, product-to-package ratio, transportation efficiency, food waste, and greenhouse gas emissions reduction standpoint, but circularity options are limited. There is no single solution that can be applied to all communities when it comes to the best way to collect, sort, and process flexible packaging waste. Viability is influenced by existing equipment and infrastructure; material collection methods and rates; volume and mix; and demand for the recovered material. Single-material flexible packaging, which is approximately half of the flexible packaging waste generated, can be mechanically recycled through store drop-off programs, however, end markets are scarce. The other half can be used to generate new feedstock, whether through pyrolysis, gasification, or fuel blending.

Developing end-of-life solutions for flexible packaging is a work in progress, and FPA is partnering with manufacturers, recyclers, retailers, waste management companies, brand owners, and other organizations to continue making strides toward total packaging recovery. Some examples include The Recycling Partnership (TRP); the Materials Recovery for the Future (MRFF) project; the Hefty® ReNew® Program; and the Consortium for Waste Circularity. All of these programs seek to increase the collection and recycling of flexible packaging. Increasing the recycled content of new products will not only create markets for the products, but will also serve as a policy driver for the creation of a new collection, sortation, and processing infrastructure for the valuable materials that make up flexible packaging.

It is FPA's position that a suite of options is needed to address the lack of infrastructure for non-readily recyclable packaging materials and promotion and support of market development for recycled products is an important lever to build that infrastructure. FPA also supports well-crafted EPR that can be used to promote this needed shift in recycling in the U.S. In fact, FPA worked with the Product Stewardship Institute (PSI) and jointly drafted a set of principles to guide EPR for flexible packaging (<https://www.flexpack.org/end-of-packaging-life>). The dialogue looked at the problems and opportunities for EPR to address the needs of the flexible packaging industry to reach full circularity.

It is with this background that FPA provides this testimony to improve the Minnesota extended producer responsibility bill in order to support a well-crafted EPR program. This would provide Minnesota with the necessary elements to improve collection and infrastructure investment and development of advanced recycling systems, allowing for the collection and recycling of a broader array of today's packaging materials—including flexible packaging—and quality sorting and markets for currently difficult-to-recycle materials.

II. Statewide Goals Must Flow from Needs Assessment & Material-Neutral Metrics

The authors of HF3577 required that the needs assessment inform the performance targets of Minnesota's EPR program to generate a suite of policy options to achieve a circular economy. In order to appropriately judge progress towards circularity, the bill correctly uses the information that will be provided by a needs assessment as a baseline. Unfortunately, HF3577 subsequently requires the Commissioner of the Pollution Control Agency to override the organic performance targets to achieve arbitrary goals outlined in legislation. While the Minnesota Pollution Control Agency's SCORE report for 2022 showcased the highest recycling rate ever in Minnesota at 45.2%, the goal of 75% for covered materials by 2038 is far too ambitious based on historical data.¹ FPA and its members request the bill be amended to allow the needs assessment to inform and determine any overall statewide goals in order to prevent the most recyclable materials in the bin from being properly recycled.

In addition to allowing the needs assessment to drive data-based policy decisions, it is vitally important to have an unbiased set of metrics to compare packaging materials to. HF3577 directs the producer responsibility organization to develop a stewardship plan that, among other metrics, develops source reduction targets. Unfortunately, the criteria for these targets specifically excludes applications when a non-plastic material is to be replaced by a plastic material – even in cases where the plastic material outperforms its competitors on every environmental metric. FPA requests that Minnesota's EPR program be data-driven and use an unbiased set of metrics to evaluate all materials in the recycling stream.

Finally, the needs assessment for Minnesota's EPR program can be improved by considering several nuances related to flexible packaging. The Recycling Association of Minnesota has utilized a grant from Scott County to develop a list of locations where plastic films can be collected for recycling.²

¹ Minnesota Pollution Control Agency, "Select Committee on Recycling and the Environment Report," (St. Paul: MPCA, 2023).

² Recycling Association of Minnesota, "SNAG Those Bags! Plastic Bag and Film Recycling," (St. Paul: RAM, 2024).

Any statewide needs assessment should expand this inventory and consider innovative collection methods when determining recycling access for Minnesotans. Facilities should also be evaluated for investments in up-to-date advanced recycling technologies so producers can properly target investments toward any existing gaps in existing infrastructure.

III. Necessary Exemptions for Critical Goods

While FPA supports extended producer responsibility to drive circularity and improve environmental outcomes, there are several critical products that must be exempted from EPR programs. The Sterilization Packaging Manufacturers' Council develops rigorous medical device packaging specifications that adhere to ASTM International standards to ensure the integrity of flexible barrier materials. If these types of packaging were forced into the recycling system or if they were subject to recycled content requirements, Minnesotans would not be guaranteed access to life-saving healthcare. FPA and its members request an amendment to the bill that provides an exemption for medical device packaging from the EPR program. This exemption should also apply to animal biologics for many of the same reasons. FPA and its members also urge consideration of exemptions for other critical goods like infant formula, medical food, and packaging regulated by the Federal Insecticide, Fungicide, and Rodenticide Act.

IV. Reasonable Costs to Producers

As stated above, FPA and its members support well-crafted EPR that can be used to promote this needed shift in recycling in the United States. While FPA's members are wholly committed to addressing plastic pollution, asking producers to pay for Minnesota's recycling system for covered materials in full with no maximum payment threshold threatens the long-term success of the EPR program. It is likely also to lead to unintended policy consequences within the waste supply chain.

VII. Conclusion & Next Steps

For these reasons, FPA opposes the current HF3577 but stands ready to support a future version that creates a strong foundation for a meaningful EPR program for packaging. FPA and its members wish to note that the authors of this bill have gotten a lot right, from antitrust protections for the PRO, to the producer definition, to the targeting of producer investment in packaging infrastructure. We look forward to working with you to provide the necessary investment in new infrastructure and markets for all packaging, including flexible packaging. In advance, thank you for your consideration. If we can provide further information or answer any questions, please do not hesitate to contact me at (443) 534-3771 or jrichard@flexpack.org.

Respectfully,

A handwritten signature in black ink that reads "John J. Richard". The signature is written in a cursive style with a prominent initial "J".

John J. Richard
Director, Government Affairs
Flexible Packaging Association



The power of packaging in balance.™

AMERIPEN
American Institute for Packaging and the Environment

Testimony in Opposition
House File 3577
Packaging Waste and Cost Reduction Act

Minnesota House Commerce Finance and Policy Committee
February 28, 2024

Chairman Stephenson, Vice Chair Kotyza-Witthuhn and members of the Minnesota House Commerce Finance and Policy Committee. AMERIPEN appreciates the opportunity to present testimony on H.F. 3577, the Packaging Waste and Cost Reduction Act (Jordan). AMERIPEN greatly appreciates the extensive work that has gone into H.F. 3577, and the balanced approach it takes to address a very complex issue. However, due to prescriptive performance rates and other important factors, we must oppose H.F. 3577 as currently drafted in the DE1 amendment.

AMERIPEN supports packaging extended producer responsibility (EPR) legislation that represents shared responsibility for packaging recovery and recycling where the entire recycling system is improved. We believe that additional changes are necessary to H.F. 3577 to create a balanced approach to packaging EPR for Minnesota. We welcome the opportunity to continue to work with the Committee, Representative Jordan, and stakeholders in Minnesota to address packaging producer responsibility in a way that will improve recovery and recycling in the State and move its systems forward.

AMERIPEN is a trade association dedicated to improving packaging and the environment. We are the only material-inclusive packaging association in the United States representing the entire packaging supply chain. This includes materials suppliers, packaging producers, consumer packaged goods companies, retailers, and end-of-life materials managers. Our membership also includes a robust array of industry, material, and product-specific trade associations who are essential to the AMERIPEN fabric. We focus on science and data to define and support our public policy positions, and our advocacy and policy engagement is based on rigorous research rooted in our commitment to achieve sustainable packaging policies. We have several major, brand name, member companies headquartered in Minnesota, many who have a presence in the state, and more many who import packaging materials and products into the state. The packaging industry in Minnesota supports more than 40,000 jobs and accounts for more than \$12.2 billion in total economic output.

Packaging plays a vital role in Minnesota, ensuring the quality of consumer goods as they are manufactured, shipped, stored, and consumed, protecting the health and safety of Minnesotans who consume, use and handle those products. Packaging has value and none of it belongs in landfills, roadsides, or waterways. We need to recover it to be recycled and reused, and no one knows better how to do that than the AMERIPEN members who design, supply, produce, distribute, collect, and process it. They are driving innovation, designing packaging for better environmental performance to boost recycling and evolve the recycling infrastructure.

Positive Elements: AMERIPEN has been engaged in dialogues regarding packaging producer responsibility in Minnesota for more than two years and we recognize that progress has been made in H.F. 3577 to balance various interests and protect the State's already robust recycling system. AMERIPEN appreciates that H.F. 3577 grants producers the ability to choose a producer responsibility organization (PRO), for compliance, that represents their interests and that will implement producer responsibilities under the law. We also appreciate that the current draft balances requirements on the PRO and recycling service providers in a way that does not place the entire burden of the law on the PRO. AMERIPEN also appreciates that there is some flexibility built into the current draft that allows for adjustments if feasibility issues arise around implementation and maintenance of the packaging EPR program.

Key Concerns: Despite these positive aspects of H.F. 3577, several overarching concerns remain with the current draft of the bill that will prevent it from being an effective solution to truly improve the State's recovery and recycling systems. These concerns include:

- 1. Performance Rates:** AMERIPEN has strong concerns that the Statewide Goals in Section 12, Subdivision 7, are not based on real-world analysis of the recovery and recycling systems in Minnesota and could prove to be unachievable. While we appreciate that the lead-time on these goals have been increased, we remain concerned that they are overly optimistic for all materials. We are also concerned that only the Minnesota Pollution Control Agency (MPCA) Commissioner can initiate the process for adjusting these goals, and only after review by the Producer Responsibility Advisory Board created in H.F. 3577. AMERIPEN believes that statewide goals should only be developed after the needs assessment, also required under the bill, is completed and that the PRO should propose reasonable goals in their first producer stewardship plan. Additionally, we believe that the PRO should be able to request that goals be adjusted due to unforeseen challenges or changes in the marketplace, instead of the MPCA Commissioner having to initiate such a process.
- 2. Reusable Packaging:** AMERIPEN understands the desire of this policy to encourage reusable packaging to reduce packaging materials going to landfill. However, the performance rates (as noted above) are incredibly aggressive for reusable packaging, and the application of the lowest fee to these products only once creates unjustified subsidies and drivers for this type of packaging. Additionally, Section 15 in H.F. 3577 stipulates that the PRO will be paying for continual cleaning and infrastructure costs under this program, yet producers of this type of packaging only will pay a fee once into the system for that packaging. This is not equitable and will cause other types of packaging to subsidize the true cost reusable packaging. Finally, the definition of reuse does not fully encompass at-home refill systems that are likely to prove to be the most feasible options for reuse in the short-term.
- 3. Recyclable Determination:** AMERIPEN appreciates that H.F. 3577 creates a process for determining what covered materials are considered "recyclable" and creates a uniform requirement for these materials across the State. However, we believe that a 3-year review cycle for this process is not frequent enough to evaluate changes in the marketplace and create improvements needed to meet performance goals. Additionally, AMERIPEN believes that the PRO should have the ability to petition the Commissioner to evaluate materials that are able to achieve "recyclable" status, perhaps with Advisory Board review.
- 4. Timeframes:** AMERIPEN is concerned that PRO registration and compliance must begin a mere 10.5-months from now, on January 1, 2025, if H.F. 3577 is enacted. While a PRO has been formed and approved for compliance with packaging EPR laws in other states, this timeframe for developing a registration application and ensuring producer participation is unreasonably fast and will create an immense burden on current PRO efforts. AMERIPEN asserts that registration of the packaging PRO in Minnesota should not occur until January 1, 2026, to allow for greater alignment and regulatory scoping to occur.
- 5. "Producer" Definition:** We appreciate that the current draft attempts to clearly define who is a responsible "producer" and appreciate that the Senate SF 3561, A-8 amendment would properly

structure this definition and we hope that this amendment is also adopted in the House. We believe that this additional language is needed to ensure that the brand owner is and should be the ultimate primary entity that has responsibility for compliance with producer responsibilities, as they have the power to make packaging decisions and the data available to comply with the law.

6. **Toxic Chemicals Benchmarking:** AMERIPEN appreciates that the current draft does not stipulate expansive and undefined toxics reduction language, which would be difficult for a PRO to calculate and measure. Within Section 8, we appreciate that the PRO is tasked with an information sharing duty in this regard. However, we recommend that the Commissioner also have a role in informing the PRO of chemical issues of concern and any new laws prohibiting toxic substances. Additionally, we would like to seek clarity for the use of language regarding “all laws prohibiting toxic substances in covered products” – we are concerned that this language is open-ended and could lead to extensive time researching the world for chemical restrictions, which is not typically a PRO’s purview.
7. **Bottle Deposit Return System:** AMERIPEN appreciates that Section 21 creates the ability for a future bottle deposit return system in Minnesota to interact with a packaging EPR program. AMERIPEN requests that if at such time a bottle deposit return system is created, there be an appropriate transition period away from the packaging EPR program to avoid major shocks to the State’s recycling systems from the sudden subtraction of some covered materials from curbside recycling programs.
8. **Infrastructure Investments:** AMERIPEN believes that infrastructure investments should be made through the procurement of services, through the competitive bidding process described in the bill. However, prescriptive infrastructure plans, as envisioned by the current draft of H.F. 3577, should be more adaptable and based on estimates of capital investments provided in the PRO plan. Infrastructure investments must be flexible and able to react to market conditions, as opposed to a dollar figure locked in stone at the time of a plan submission.
9. **Compostable Products:** We appreciate the specific consideration of compostable packaging within the draft legislation but encourage the sponsor to explore that further, including in collaboration with the AMERIPEN members and the Biodegradable Products Institute (BPI). It is very important within any EPR program to recognize the unique attributes of and recovery methods for compostable packaging that are often distinctly different than recyclable materials.

In conclusion, AMERIPEN again appreciates the significant work that has gone into H.F. 3577 and the forward progress that has been made. While we cannot support the bill at this time, we look forward to working with Representative Jordan, the Committee, and other critical stakeholders to address the aforementioned issues and continue to improve this legislation. AMERIPEN looks forward to working towards policy solutions, including packaging producer responsibility, that are results based, effective and efficient, and equitable and fair – and that will improve packaging recovery and recycling in Minnesota.

Please feel free to Dan Felton, Executive Director of AMERIPEN at: danf@ameripen.org, or Andy Hackman at: ahackman@serlinhaley.com for any questions or for stakeholder discussions on this important issue

February 27, 2024

Dear Chair Stephenson and members of the Commerce, Finance, and Policy Committee:

On behalf of the Association of Plastics Recyclers, I am **submitting testimony in support of HF3577, Packaging Waste and Cost Reduction Act. This bill is our top priority across the U.S. because it is a proven, effective solution to increase plastics recycling and support domestic manufacturing.**

[The Association of Plastic Recyclers \(APR\)](#) is a US-based non-profit and the only North American organization focused exclusively on improving the recycling of plastics. APR members are the entirety of the plastics recycling industry from design to collection to recovery to remanufacturing. Plastics recycling is what APR does every day. APR understands the challenges facing the industry and the solutions needed to scale recycling effectively as a key solution to reduce plastic pollution and waste and move toward a more sustainable, circular economy.

Under our policy and advocacy initiatives, the APR works with U.S. states and stakeholders to adopt and implement producer-funding recycling policies as a critical solution to improve plastics recycling. **This bill will increase recycling rates and reduce plastic waste; reduce greenhouse gas emissions; spur more sustainable packaging design; and achieve all these milestones through an industry-driven solution without government spending.**

WE NEED TO COLLECT MORE PLASTICS FOR RECYCLING

The US could [recycle nearly 50% more plastic bottles today](#) using our existing recycling capacity if there was stronger participation and improved access to recycling programs. Many plastics recyclers are not running at full capacity because **we are not collecting enough bottles, milk jugs, and other common plastics for recycling from households and businesses.** A 2024 national recycling report found [Minnesota only recycles 20% of its PET bottles and only 26% of its HDPE bottles](#), despite 100% of these bottles being recyclable. This is why APR is supporting and actively engaging in Extended Producer Responsibility (EPR) policies in US states like HF3577.

EPR for packaging and printed paper is the [only proven policy to provide sufficient, ongoing, and dedicated funding to increase recycling](#). By providing sustained, consistent, and adequate

funding for recycling, Minnesota can improve the convenience of recycling, provide stronger and more regular education and outreach to improve participation in recycling, and drive investments in new collection programs, sorting infrastructure, and more regional markets to support a circular economy and reduce plastic waste.

MINNESOTA'S RECYCLING SYSTEM NEEDS IMPROVEMENT

All states will see improvements in recycling rates under EPR programs, even states like Minnesota that have relatively strong existing programs. Three of the four states that have already adopted EPR for packaging—Maine, Oregon, and California—are also some of the top recycling programs in the country. [Data from across the US shows there is substantial room to improve recycling, both in the number of households participating in recycling and the amount of recyclables collected from households.](#) A 2024 national recycling report found Minnesota [buries or burns over 685 million tons of recyclable materials](#) each year from households. Improvements are needed and now is the time to transform the system through this bill.

This bill will drive needed investments in infrastructure and education to improve recycling in Minnesota without passing those costs along to local governments or consumers. Even maintaining Minnesota's current recycling system will require continual investment, and EPR for packaging is the most effective solution to shift the funding toward brand companies and off taxpayers and local governments' budgets.

ECONOMIC BENEFITS AND BUSINESS OPPORTUNITIES IN MINNESOTA

Recycling has many proven environmental benefits, but it is first and foremost a business. This bill will grow plastics recycling businesses in Minnesota and the upper Midwest instead of expanding landfills. It is a vote for green jobs and clean, circular economy.

This bill is also a huge business opportunity for the existing service providers in MN, not a threat. There is a large need for more services, new and renovated infrastructure, innovative collection and processing systems, and more to reach these goals. The existing recycling providers are in the best position to deliver these new and expanded services because they have the existing infrastructure, partnerships, and experience to best serve the state. There are several provisions in the language to build and improve upon the existing infrastructure and investments, while driving competition and higher performance standards.

PLASTICS RECYCLING PROTECTS OUR ENVIRONMENT

Plastics recycling has numerous environmental benefits and is a critical solution to reducing plastic pollution and waste. The use of recycled PET and HDPE plastics instead of virgin plastics

[reduces energy use by 75 to 88% and reduces GHG emissions by 70%](#). Recycling plastics also reduces air and water pollution compared to virgin production. Greater plastics recycling will move Minnesota closer to its climate goals. In addition, more recycling will result in millions of tons of materials kept out of landfills and incinerators, which will reduce the harm these facilities pose to the environment and local communities.

THIS POLICY IS BUILT UPON PROVEN SUCCESS WORLDWIDE

Today and every day of the year, in five provinces in Canada and over 20 European countries, more than 3,000 companies participate in EPR programs. Most of those companies are the same companies that sell the same products on our shelves in the US., companies such as Coca-Cola and Pepsi, Keurig and Kelloggs, Clorox and Colgate, and many, many others. **We know EPR policies work, and we know they are one of the most effective solutions to increase the amount of plastics collected for recycling and ensure more recycled materials are used in new plastic packaging.**

EPR DOES NOT DRIVE UP CONSUMER COSTS

EPR for packaging has been in place in parts of Europe and Canada for over two decades, and **there is no data to show that Producer Responsibility programs lead to a noticeable increase in consumer prices based on actual program experience.** [There is no discernable difference in the price of consumer goods](#) in locations that have EPR for packaging programs compared to those that do not.

Under EPR for packaging regulations in Canada, brand companies pay fractions of a penny per product. These costs are spread throughout the supply chain and the company portfolio, and do not result in perceptible changes in consumer prices. Data from three Canadian provinces show the [EPR program is less than 1% of the total price of the average cost of goods in those regions](#). There are numerous factors that influence product prices far greater than compliance costs such as EPR, including labor, transportation, retailer agreements, raw material supplies, and inflation.

[A 2023 Columbia University study](#) reinforced the findings that EPR for packaging is not a major driver of consumer costs. The study concluded that packaging is never more than 2% of the total cost of a product and that there is never a case where brand companies pass 100% of an added compliance cost to consumers. This demonstrates that opposition to this bill related to cost recovery is vastly overstating the potential cost increases by using inaccurate assumptions.

In addition, cost modeling in Washington state for a similar EPR for packaging program [showed EPR for packaging would provide substantial economic benefits](#). WA households could save \$60-300 per year by no longer having to pay for recycling services. Recycling programs would become more efficient to operate as more materials are collected, lowering the net costs per ton of managing recyclable materials. Overall, the system could contribute over \$200 million to Washington's economy through direct, indirect, and induced jobs.

RECYCLED CONTENT STANDARDS ARE NEEDED FOR STRONGER RECYCLING

The APR was the first plastics-related organization to publicly support mandatory recycled content legislation in 2006, and we continue to champion these policies. Using post-consumer resin (PCR) content in plastic packaging is [one of the most effective ways to reduce the environmental impact of the packaging](#). This bill will also help build and stabilize end markets for recycled plastics. This stronger market demand helps recyclers to invest in the needed infrastructure to grow plastics recycling. This, in turn, can support the expansion and stability of community recycling programs.

The APR supports both EPR for packaging and strong recycled content requirements as necessary solutions. Both supply and demand policies are needed to improve plastics recycling; it's a both-and, not either-or.

MOVING FORWARD

The bill is the right policy for Minnesota right now and is based on proven programs working in dozens of countries around the world each and every day. This is a good bill and while it will never be a perfect bill, we should not let perfection get in the way of progress. Most importantly, this is a solid framework, and we can improve it as we go. We will not succeed if we do not start moving forward, and the bill outlines a reasonable, phased approach to implementation with appropriate feedback and input along the way to develop the best program for Minnesota.

I urge you to move this bill forward and continue to work with stakeholders on further refinements to make it a model for the entire country. Thank you for your vision, leadership, and commitment. APR staff are available at your convenience to discuss these comments. Please contact Kate Bailey, Chief Policy Officer, at katebailey@plasticsrecycling.org.

Sincerely,



Kate Bailey

Chief Policy Officer, Association of Plastic Recyclers (APR)

February 28, 2024

Representative Zack Stephenson
Chair of the Committee on Commerce Finance and Policy

Re: HF 3577 — Jordan: Establishing the Packaging Waste and Cost Reduction Act

House Commerce Finance and Policy Committee members,

The City of Minneapolis is well-known for our high participation and low contamination in our residential recycling and organics recycling programs. Even so, our 2022 Capture Rate Study found it is not feasible for Minneapolis to meet the City, County or the State's recycling and composting goals without systematic changes and infrastructure improvements.

Our customers, Minneapolis residents (and all residents and businesses in the State), have always had to cover the cost for recycling, composting and disposal of packaging and have had no say in how products are manufactured. It's time that manufacturers and producers be held accountable for the packaging they make and the infrastructure needed to manage packaging at its end of life. We encourage you to support the Packaging Waste and Cost Reduction Act which will do just that.

Passage of this bill will not only reduce taxpayer money spent to manage the end of life of these products; it will set requirements for manufacturers to reduce and redesign their packaging so eventually it is all reusable, recyclable, or compostable. Additionally, passage of this bill will help cover education and outreach costs, and expand access to reuse, recycling and composting programs around the State.

These systematic changes and financial support - packaging redesign, increased access to reuse, recycling and organics recycling programs and increased education - are necessary to reduce greenhouse gas emissions to help meet City, County and State waste and climate goals.

Please continue to support waste reduction, reuse, recycling, and organics recycling programs and all residents of Minnesota by passing the Packaging Waste and Cost Reduction Act.

Sincerely,



David A. Herberholz, Director
Minneapolis Solid Waste & Recycling



Healthcare Distribution Alliance

HEALTH DELIVERED

February 28, 2024

Honorable Zack Stephenson, Chair
Commerce, Finance, and Policy Committee
449 State Office Building
St. Paul, MN 55155

Rep. Sydney Jordan
553 State Office Building
St. Paul, MN 55155

Re: HF 3577 - Packaging Waste and Cost Reduction Act

Chair Stephenson, Rep. Jordan, and Members of the Committee,

The Healthcare Distribution Alliance (HDA) appreciates the opportunity to submit these comments suggesting exemption language within HF 3577.

HDA serves as the national trade association representing primary pharmaceutical wholesale distributors, who serve as the essential link between 1,500 pharmaceutical manufacturers and 330,000 healthcare providers across the nation, including over 3,400 entities situated across Minnesota. HDA's dedicated members tirelessly work to securely distribute nearly 10 million healthcare products daily, ensuring pharmacies, hospitals, and healthcare facilities are adequately supplied with the medications and products required for patient care.

HDA and the nation's healthcare distributors recognize the industry's responsibility to reduce its carbon emissions — and view protecting our planet as an extension of our commitment to the health and safety of communities across America. However, the pharmaceutical supply chain is unlike any other and must be regulated precisely to ensure a resilient supply chain. Packaging of pharmaceutical products differs from other consumer products in that it is often dictated by federal rules and regulations. The federal government has implemented robust packaging protocols to ensure that medications are protected from adulteration, communicate vital information on labels and packaging, and instruct how the product must be stored to withstand temperature changes during transportation, shipping, and storage.

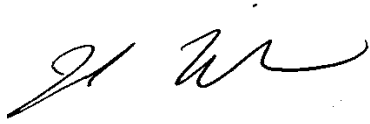
Accordingly, HDA encourages that the bill be amended to incorporate the following exemption language which more accurately reflects the unique nature of the pharmaceutical supply chain and bring the proposed legislation into better alignment with federal laws and with the precedent being set in other states, such as in Colorado and Maryland.

Packaging material does not include:

(c) Any material that is used in the packaging of a product that is regulated as a drug, medical device or dietary supplement by the U.S. Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 321 et seq., sec. 3.2(e) of 21 U.S. Code of Federal Regulations or the Dietary Supplement Health and Education Act

In summary, HDA respectfully urges the Committee to amend HB 3577 to appropriately reflect the unique and critical nature of the pharmaceutical supply chain by incorporating exemption language for the packaging of FDA- regulated drugs. Thank you again for your consideration, and please contact me for any further discussion at jwildermuth@hda.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Wildermuth', with a stylized flourish at the end.

Jordan Wildermuth
Director, State Government Affairs



american cleaning institute®

Wednesday, February 28, 2024

Chairman Zack Stephenson
House Commerce Finance and Policy Committee
Minnesota State House
10 State Office Building
St. Paul, MN 55155

Re: Testimony from the American Cleaning Institute on HF 3577 – OPPOSED

Thank you for the opportunity to provide testimony on HF 3577 which is being heard before your committee. The American Cleaning Institute (ACI) – the trade association representing the entire supply chain for the detergent and cleaning product industry – has a vested interest in ensuring packaging, such as that being affected by this legislative proposal, is responsibly managed throughout its entire lifecycle. This is exemplified through our industry goal to eliminate all cleaning product packaging waste by 2040. Our members are making great strides in this effort by reducing our packaging usage and incorporating more recycled content into the package that gets introduced into the market.

ACI members have been involved in developing and implementing extended producer responsibility programs for packaging around the globe and, more recently, here in the United States. We have learned from experience what makes a program successful and support efforts that are well-targeted toward reducing waste and conserving resources. The complexity of this legislative proposal requires careful review and consultation with the many different entities that play a role in solid waste management. We will continue to review this proposal and share our perspective with policymakers in St. Paul. At this time, we cannot support this legislation but are highlighting areas of concern that we hope, with responsible amendments, can lead to support from the cleaning products industry.

Advanced Recycling –Processing materials through molecular conversion, or advanced recycling, is a safe and effective complement to mechanical recycling that increases the amount of recycled material supply in the market. As our member companies, as well as many other entities around the world, shift to more environmentally friendly packaging with increased recycled content packaging, advanced recycling will be needed to meet the demand placed by these programs. A [2021 study](#) from the American Institute for Packaging and the Environment (AMERIPEN) shows that demand for recycled content outweighs the current capacity to produce this material. Without new infrastructure to produce virgin-like recycled content, consumer packaged goods companies will have a difficult time meeting their goals. ACI recommends removing the exclusion of advanced recycling technologies in Subd. 6(c)(2).

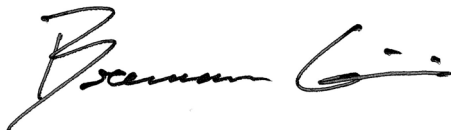
Reduction & Recycling Rate Requirement – ACI members are committed to eliminating all cleaning product packaging waste by 2040, a goal that many companies have been working towards for years already. Cleaning product manufacturers are constantly concentrating their

products into compacted formats that require less packaging. The cleaning product industry has no intention of slowing down on these efforts and supports EPR designed with goals. However, stipulating concrete dates and percentages without sufficient data and input is not a reasonable strategy for success. We recommend leaving performance requirement setting to the PRO, to be submitted to the Commissioner, after sufficient data is acquired through the state-wide needs assessment required by this bill, rather than stipulating arbitrary goals in statute. Further, ACI recommends that in addition to any source reduction goal established, there be a retroactive clause of the ten years prior to enactment to recognize the work that the cleaning product industry has been doing for years to reduce waste.

Covered Obligations – Section 12, Subdivision 3, (7) requires all costs for services provided by municipalities or private entities for collection, recovery, recycling and processing of packaging materials to be covered by the producers. We recognize that producers need to bear more responsibility in the collection of the packaging they introduce to the market. However, without shared responsibility among all stakeholders in the waste management system (e.g., consumers, collection services, municipalities, etc.) there may not be an incentive for improvement to the recycling system. Therefore, the producer responsibility organization (PRO) should not be required to reimburse all costs, particularly those associated with collection, but should develop a formula for reimbursing reasonable costs.

We would like to reiterate that ACI members support efforts to reduce packaging waste. We hope the Legislature will take more time to contemplate ACI input on this bill. ACI looks forward to being a priority stakeholder in the development of such legislation and providing necessary input regarding the performance of our products and packaging to achieve desired policy goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Brennan Georgianni". The signature is fluid and cursive, with a large initial "B" and a stylized "G".

Brennan Georgianni
Senior Director, State Government Affairs
BGeorgianni@cleaninginstitute.org



February 27, 2024

Subject: HF 3577 Packaging Waste and Cost Reduction Act

Dear Chair Stephenson and Commerce Finance & Policy Committee Members:

As the City of Saint Paul's manager of recycling and solid waste programs, I am writing to express our support for HF 3577 Packaging Waste and Cost Reduction Act.

This bill, if passed as currently written, would have many benefits for the City of Saint Paul, its residents, and the State of Minnesota. These proposed benefits will:

- Save local government and residents money by shifting the cost to producers and offering reimbursement for City source reduction, reuse, recycling, and composting programs. The City of Saint Paul recycling program anticipates approximately 10 million dollars reimbursement annually for collection and education services if the proposed bill is passed.
- Simplify recycling by creating a single baseline list of recyclable materials statewide to reduce confusion and contamination.
- Increase recycling throughout the state by requiring that the Producer Responsibility Organization (PRO) work with existing haulers and recycling facilities to ensure recycling services are as conveniently available to all Minnesotans as trash collection.
- Require producers to pay for and manage the packaging they sell and transition to sustainable packaging that prevents waste, establishes reuse systems, makes sure the items are recyclable/compostable and that communities have those services available, reducing citizens' burden.

Please vote in favor of HF 3577. Thank you for the great work you are doing to protect the environment in Minnesota.

Sincerely,

Sarah Haas





February 26, 2024

Representative Stephenson
Chair, House Commerce, Finance and Policy

RE: H.F. 3577 – Jordan: Packaging Waste and Cost Reduction Act

I am writing today to support H.F. 3577, authored by Representative Jordan.

Despite increasing public pressure, global plastic production is expected to double in the next 20 years. In the metro alone, the amount of waste generated is projected to grow by 19% over the next two decades. In the past 10 years, Bloomington has invested significant time and financial resources to reduce the amount of material managed as garbage, including organizing our residential solid waste collection program, implementing residential curbside organics recycling, and offering convenient curbside opportunities for residents to recycle and donate bulky items. With these major efforts, our 2022 annual residential recycling rate was 38% - consistent with the overall Hennepin County rate of 41%. Unfortunately, this is far short of the 75% recycling rate by 2030 goal held by the State.

The existing waste management system is severely stressed. The ongoing discussion regarding the potential closure of the Hennepin Energy Recovery Center (HERC) is one example of the extreme challenges we face and the absolute need to reduce the amount of refuse we generate. It is understood that this challenge will require a range of actions including extended producer responsibility regulations like the Packaging Waste and Cost Reduction Act. The Packaging Waste and Cost Reduction Act will help curb that waste and save taxpayer dollars. It will:

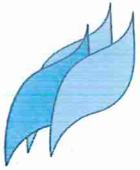
- Simplify recycling by creating a single baseline list of recyclable materials statewide to reduce confusion and contamination.
- Create an incentive for producers to reduce waste and stop using materials that are hard to recycle.
- Decrease climate impacts of manufacturing and disposal of waste.
- Provide funding to operate robust source reduction, reuse, recycling, and composting operations across the State.

As with all legislation of this magnitude, its success will hinge on the details of how monies are collected and distributed and the specific requirements of involved parties. It's important to the City to ensure any service agreements for reimbursements cover the full costs of providing robust recycling services for our residents. The City of Bloomington is looking forward to participating as such details are developed.

Thank you for considering H.F. 3577. The City of Bloomington supports passage of this bill as an important tool for the region and the state to achieve statutory recycling, waste diversion, and climate protection goals.

Sincerely,

Tim Busse
Mayor, City of Bloomington



MINNESOTA NEWSPAPER ASSOCIATION

February 27, 2024

Re: HF 3577 (Packaging Waste and Cost Reduction Act)

Dear Chair Stephenson and Members of the Commerce Finance and Policy Committee:

I write as executive director of the Minnesota Newspaper Association (MNA), to express our concerns about HF 3577. MNA represents the more than 250 newspapers throughout the state, from the smallest to the largest, as well as magazines that will be impacted by this bill.

Imposing on newspapers and magazines the regulatory obligations and associated expense of compliance with the program created in HF 3577 would have a severely negative impact on them, even though newspapers and magazines are not principal contributors to the waste problem in Minnesota. Including them in the bill would yield minimal environmental benefits at a very high cost of compliance for Minnesota's newspapers. Unfortunately, Minnesota's newspapers were unaware this proposal was under development until the bill was introduced last week. Neither MNA nor our members have been part of any stakeholder discussions, despite so clearly being impacted by these regulations.

For more than 30 years, both newspapers and magazines have encouraged their readers to recycle. Newspapers are recycled at a rate of more than 64 percent, higher than any other product, and magazines have a similar success rate while recycling 100 percent of leftover retail product. Newspapers and magazines are environmentally friendly as well. Newspapers use soy-based non-toxic inks, so newsprint is fully compostable and biodegrades in a matter of months. Magazines use linseed-oil-based non-toxic inks and soluble adhesives that do not contaminate or disrupt the recycling process and are similarly 100 percent biodegradable within months. Both newspapers and magazines can be recycled multiple times before the fibers become too short and weak to be reused.

According to the Environmental Protection Agency, newspapers comprise only 1.7 percent of municipal solid waste and magazines comprise 0.3 percent. Furthermore, the newspaper category also includes directories and other forms of printed paper, so the percentage of actual discarded newspapers is even lower.

It is also a fact that newspaper and magazine print volumes are declining, as their readers increasingly move to digital. Thus, there is likely to be diminished print demand and a reduced number of newspapers and magazines entering the waste stream system in the future.

It also bears noting that the function performed by newspapers is very different from that of most other products in the waste stream. Newspapers provide vital news and information to residents of the state, frequently addressing environmental issues. Given the current degree of disruption in the newspaper business and the stress on newspaper budgets, the kinds of additional expenses imposed by HF 3577 would literally deprive residents of news and information: newsroom budgets would be reduced, and in many cases home delivery of printed newspapers would be unsustainably expensive.

We appreciate your consideration of our concerns as you discuss this proposal.

Sincerely,

Lisa Hills

Executive Director, Minnesota Newspaper Association



FOODSERVICE PACKAGING
INSTITUTE®

 P.O. Box 726
Falls Church, VA 22046

 tel (703) 592-9889
fax (703) 592-9864

 email fpi@fpi.org
web www.fpi.org

February 27, 2024

Dear House Commerce Finance and Policy Committee Members,

Thank you for the opportunity to provide written testimony concerning *HF 3577 – Packaging Waste and Cost Reduction Act* (HF 3577-1), which we respectfully oppose.

Founded in 1933, the Foodservice Packaging Institute (FPI) is the leading authority on foodservice packaging in North America. FPI supports the responsible use of all foodservice packaging, while advocating an open and fair marketplace for all materials. Our core members include raw material and machinery suppliers as well as packaging manufacturers, which represent approximately 90 percent of the industry. Additionally, a number of distributors and purchasers of foodservice packaging are part of FPI's affiliate membership.

The foodservice packaging industry is committed to reducing the impact of its products on the environment and is dedicated to increasing their recovery. FPI has several special interest groups that bring together the supply chain to develop and promote economically viable and sustainable recovery solutions for foodservice packaging. These special interest groups include the Paper Recovery Alliance, Plastic Recovery Group, Paper Cup Alliance and Foam Recycling Coalition. More information on these groups and their efforts can be found [here](#).

As part of our commitment to increasing the recovery of foodservice packaging, we are supportive of policy approaches that advance this effort through systems such as recycling and composting. With respect to producer responsibility programs, it is our position that programs should be based on the principles of shared responsibility, fairness and system effectiveness and efficiency. With these principles in mind, please find detailed below our main concerns and recommendations with respect to HF 3577-1.

Packaging Definition

We acknowledge the desire to leverage established definitions of packaging and food packaging for the purposes of HF 3577-1. However, we suggest that additional considerations are necessary for producer responsibility programs. From our perspective, it is essential to include language specifying that covered materials as it relates to packaging and food packaging pertains exclusively to consumer packaging intended for the residential sector. This distinction is crucial for clearly delineating the scope of covered materials under the program.

Statewide goals

Establishing performance targets relating to recycling and/or composting, reuse, source reduction and the use of postconsumer recycled content is a complex task, particularly in the absence of robust data to guide such goals in Minnesota.

It is our view that mandated statewide goals should be removed from HF 3577-1. Instead, the producer responsibility organization should be responsible for proposing targets in stewardship plans submitted for

approval after the completion of the needs assessment. This approach allows for targets to reflect the realities of the marketplace and infrastructure within the state.

Funding and Scope

As proposed, the producer responsibility organization is responsible for reimbursing service providers for “collecting covered materials generated from all single-family residences, multifamily residences, and public places in the state” and “processing covered materials generated from all single-family residences, multifamily residences, public places, and commercial, industrial, and institutional facilities in the state”. We are concerned with several aspects of these reimbursement requirements.

First, it is our suggestion that during the transition to a producer responsibility program only those residential sources with existing services be included in the initial program plan. This promotes a seamless transition of existing services for single-family homes and multifamily residences. Over time, these services may be expanded to new sources and consideration may be given to public places and other locations that may generate consumer packaging.

Additionally, we propose that a definition of “public places” is needed to scope these areas to those where waste disposal services are provided by either the state or local jurisdiction.

We also note concern with the inclusion of reimbursements for the processing of covered materials from commercial, industrial, and institutional facilities as these properties often have contracts for recycling service that already include processing costs as part of overall fees.

Also related to reimbursements, we recommend clarity with respect to the need for reimbursement rates to reflect the cost of managing contamination and cleaning or sanitation needed for reuse systems. It is our view that there should not be cross subsidization of programs and materials. That is to say that the costs related to reuse should be funded by those producers of reusables rather than all producers.

Reuse Definition

With respect to the definition of reuse, we suggest consideration of a definition that differentiates between producer reuse systems and consumer reuse and refill. A consumer reuse and refill definition should reflect the ability of the packaging to be reused for the same or similar general purpose for which it was conceived (for example, for food storage purposes), as well as that formal systems are not always needed in these instances.

For the reasons outlined above, we are opposed to HF 3577-1. FPI would be pleased to discuss these comments with you further, and we thank you for your consideration of this feedback.

Sincerely,



Carol Patterson
Vice President, Government Relations
cpatterson@fpi.org

02/27/24

RE: HF 3577

Members of the House Commerce Finance and Policy Committee,

Medical Alley represents a global network of more than 800 leading health technology and care companies in all corners of this state. Our mission is to activate and amplify healthcare transformation.

Minnesota, recognized globally as a leader in healthcare innovation, sets a standard for excellence, which not only impacts local communities, but extends its influence worldwide. With access, affordability, and quality as top priorities, Medical Alley and our partners are committed to developing solutions which drive meaningful change and save lives.

It is with these these guiding principles that we express concern about House File 3577's impact on access to care from medical devices, medical drugs, medical equipment, medical products, infant formula, medical food, and nutritional supplements.

Medical device packaging is subjected to rigorous validation processes and is regulated by the U.S. Food & Drug Administration. The packaging used to seal and deliver medical devices is tested to ensure it will protect the sterility of instruments and implants. The packaging must also meet rigorous labeling standards which allows the FDA to trace devices in use. FDA requirements govern the methods used in and the facilities and controls used for the design, manufacture, packaging, labeling, storage, installation, and servicing of all finished devices intended for human use.

These FDA requirements are intended to ensure that finished devices will be safe and effective and otherwise in compliance with the Federal Food, Drug, and Cosmetic Act. Packaging of medical devices must also be able to maintain its sterility across the supply chain. Packing by design must protect the medical devices from contamination as well as mechanical damage during transportation and storage. FDA regulations cover all aspects of medical device handling and with the aim of maintaining quality and integrity of the product to ensure safety and effectiveness.

Manufacturers have very little control over the type of packaging available from their suppliers to meet these standards and therefore cannot easily change it. Any additional requirements by individual states risk compliance with the FDA.

Once a medical device has been given approval by the FDA and is through the supply chain process, it is made available to patients, hospitals, and consumers through various distribution channels.

Products and equipment typically remain in service with the end user until they reach the stage for disposal, at which time some hospitals operate recycling programs or participate in partnerships with manufacturers and other organizations to recycle or repurpose constituent materials.

Many medical device manufacturers have specific sustainability goals and support recycling programs for their products and packaging. Some even operate stewardship and partnership



programs to reclaim materials – including products and packaging – from consumers and hospitals to divert material from the waste stream and support the circular economy.

The medical technology industry is working to develop and redesign packaging to be more sustainable and use less materials while still meeting the rigorous standards of the FDA. Several companies are members of the Healthcare Plastics Recycling Council (HPRC), which is a consortium of the health care and recycling industry working to improve recycling of the plastic products that are vital to medical technology. HPRC partners with hospitals to create recycling programs and identify common challenges of recycling throughout the supply chain and potential solutions.

As it pertains to specialized nutrition products like infant formula and medical food, the selection of packaging material is an important consideration. The multilayer containers used today must withstand processing and heat treatment conditions while maintaining product integrity and nutrient levels throughout the product shelf life. Specialized nutrition products support nutritional needs of individuals with health conditions such as illness, disease, injury, and malnutrition. Further research is needed on functional and sustainable packaging options, but those may be slower to develop because of the many important packaging considerations for specialized nutrition products.

Medical Alley appreciates Representative Jordan’s willingness to discuss and consider our concerns as this process moves forward.

We ask committee members to ensure this legislation prioritizes access to medical care while allowing for environmental stewardship to be carefully managed by federal regulators and the industry to ensure a consistent process and stable supply of life-saving medical equipment.

Sincerely,

A handwritten signature in black ink that reads 'Peter Glessing'. The signature is written in a cursive style and is positioned above a light gray rectangular box.

Peter Glessing
Senior Director of Policy and Advocacy
Medical Alley



February 28, 2024

Representative Zack Stephenson
Minnesota House of Representatives
10 State Office Building
St. Paul, MN 55155

RE: Opposition to House Filling 3577– The Packaging Waste and Cost Reduction

Dear Committee Chair Stephenson, Vice Chair Kotyza-Witthuhn, and Members of the Commerce Finance and Policy Committee,

The American Forest & Paper Association (AF&PA) must respectfully oppose House Filling 3577- the Packaging Waste and Cost Reduction Act on behalf of our members and their employees who are an integral part of the circular economy.

Introduction to AF&PA

AF&PA serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recycle resources, generate renewable bioenergy and are committed to continuous improvement through the industry’s sustainability initiative — [*Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future*](#). The forest products industry accounts for approximately five percent of the total U.S. manufacturing GDP, manufactures about \$350 billion in products annually and employs about 925,000 people. The industry meets a payroll of approximately \$65 billion annually and is among the top 10 manufacturing sector employers in 43 states.

In Minnesota, the industry employs more than 23,000 individuals, with an annual payroll of over \$1.7 billion. The estimated state and local taxes paid by the forest products industry totals \$103 million annually.¹

Concerns with Packaging Waste and Cost Reduction Act

AF&PA must respectfully oppose HF 3577, which would require producers to create or participate in a product stewardship organization to sell or distribute products for use in Minnesota. We respectfully ask policymakers to focus on improving recycling for materials with low recovery rates, instead of creating mandates and fees for paper producers that could direct capital away from investing in recycling infrastructure.

¹ Data sources: U.S. government, AF&PA, and Fastmarkets RISI. Figures are the most recent available as of December 2022.

The paper industry has a demonstrated, measurable record of success in making paper and paper-based packaging more circular and sustainable through market-based approaches. Extended producer responsibility policies are typically applied as a solution for hazardous, hard-to-handle materials with low recycling rates, such as batteries, paint, mattresses, or electronics. For a highly recycled material like paper, with widely accessible collection programs and robust and resilient end markets, EPR could disrupt efficient and successful paper recycling streams to improve the least effective streams.

The Paper Industry Is a Responsible Producer

Paper recycling rates in the U.S. have consistently increased in recent decades, with 68 percent of paper recovered for recycling in 2022.² The paper industry recycles about 50 million tons of recovered paper every year — totaling more than 1 billion tons over the past 20 years. According to the EPA, more paper by weight is recovered for recycling from municipal waste streams than plastic, glass, steel, and aluminum combined.³ The paper industry has planned or announced around \$7 billion in manufacturing infrastructure investments by the end of 2025 to continue the best use of recycled fiber in our products, resulting in an over 9-million-ton increase in available capacity.⁴

This success has been driven by the paper industry's commitment to providing renewable, sustainable, and highly recycled products for consumers. Recycling is integrated into our business to an extent that makes us unique among material manufacturing industries – our members own 100 materials recovery facilities (including two in Minnesota) and 80 percent of paper mills use some amount of recycled fiber. Any EPR system must fully and fairly credit the early, voluntary action our industry has taken to advance the recycling rate of our products, and strictly prohibit the use of fees generated by one material to subsidize development of recycling infrastructure for competing materials with lower recycling rates.

In fact, our industry's recycling rates are so successful that some products are approaching the maximum achievable recycling rate. The three-year average recycling rate for the material that would be most impacted by EPR; old corrugated containers (OCC), is already 91.3 percent.⁵ In addition, 81.4% percent of Minnesotans have access to residential curbside recycling.⁶ The state already has a well-developed and widely accessible paper and paperboard recycling system, thus negating the need for an EPR program. Identifying successful parts of existing programs will allow the state to replicate proven solutions with lowered risk for all stakeholders.

Continuing innovation and meeting customer needs is an important part of the way our members do business. Through research among our members and best practices in the industry, AF&PA developed a tool to help packaging manufacturers, designers and brands create and manufacture

² <https://www.afandpa.org/priorities/recycling>

³ https://www.epa.gov/sites/default/files/2021-01/documents/2018_ff_fact_sheet_dec_2020_fnl_508.pdf

⁴ <https://www.afandpa.org/priorities/recycling/paper-recycling-process>

⁵ <https://www.afandpa.org/news/2023/us-paper-industry-tallies-high-recycling-rate-2022>

⁶ <https://www.afandpa.org/priorities/recycling/what-were-doing>

packaging that meets their recyclability goals. *The Design Guidance for Recyclability* is intended to serve as a data-driven resource to support ongoing innovation.⁷

Paper Products Do Not Belong with Packaging EPR Concepts

Not only does HF 3577 create an inappropriate one-size-fits-all solution for packaging types that have vastly different needs and sustainability goals, but it adds paper products to the list of covered materials, which simply does not make sense. The argument that “everyone in the bin needs to pay” is a distraction from whether paper products are contributing to the concerns that are to be addressed by EPR or if it can become more sustainable as a result of EPR being in place- and the answer is no to both.

- Printing paper consumption is naturally declining due to electronic substitution- 64 percent nationally since 2000- and are not contributing to growing volumes in recycling bins associated with other materials.
- Printing papers have already achieved the EPR “design for the environment” goal, as the vast majority of printing papers are 100 percent recyclable and do not contain hard-to-recycle components like other materials that would benefit from major infrastructure improvements.
- Printing paper processing is straightforward and does not require the kind of special equipment needed to sort lightweight, multi-material or complex products. PRO Investments in infrastructure would likely subsidize needs for non-paper materials, not paper.
- This is an aspirational and counter-productive goal for printing papers due to expanding single-stream collection and an increasing proportion of packaging papers in the mix. These trends make increased recycled content unsuitable for making high quality printing paper and diverts otherwise usable fiber away from more efficient uses like packaging products.
- Including printing paper in the legislation would involve the registration, fee collection and enforcement for potentially thousands of printing paper “producers” due to the complex supply chain relationships among manufacturers, brand owners or distributors, and retailers of printed paper products. This raises the question of how high administrative costs of managing such a program with so many producers representing such a small volume of material could be justified.
- Paper maintains importance as a medium for sensitive financial and medical documentation, conservation and archival grade paper, paper designed for use in building construction, and important First Amendment conduits. The overly broad definition of “paper product” in HF 3577 creates issues for access to essential products in addition to First Amendment equity issues.
- The definition of “paper product” in HF 3577 captures materials that are unlikely to be found in the waste stream. Unprinted paper is an intermediary product and until it converted into its final use, does not enter the waste stream. By charging producers of these products for entering Minnesota, they are unfairly charged for a material that is unlikely to be found in municipal waste streams.

⁷ <https://www.afandpa.org/news/2021/afpa-releases-new-guide-further-advance-paper-recycling-0>

Unintended Consequences of EPR Policies

EPR policies must be carefully designed to avoid creating fees or mandates that could disrupt efficient and successful paper recycling streams or that direct private sector funds away from investment in recycling infrastructure. HF 3577 requires funding which would be used to pay the costs of municipalities and entities providing solid waste management services. But this is merely a cost-shifting mechanism common in other EPR programs that does not create added value or develop end markets for recyclable materials. The paper industry already contributes to economically sustainable recycling programs by purchasing and utilizing material sourced from residential collection programs in manufacturing new products.

HF 3577 requires statewide goals that for postconsumer recycled content for 2033 and 2038. Recovered fiber markets are complex, efficient, and dynamic and are not served by regulations or prescriptive approaches to specify the use of recycled fibers or dictate what type of recovered fiber is used in products. The preference for recycled content in packaging could be contrary to sustainability goals. Rather than drive increased paper recycling, fee structures to incentivize recycled content in paper products could: make markets for recovered fiber less efficient; prevent recovered fiber from going to highest value end use; raise the cost of production for new paper products; and narrow available choices for consumers.⁸ It can also result in unintended consequences such as an increase in transportation costs and emissions due to shipping recovered fiber even while virgin fiber can be sourced more locally.

Recycled paper fiber can be reused 5-7 times to make new products. Virgin pulp supply is needed to sustain and grow the recovered fiber cycle. The paper and wood products industry promotes and uses sustainable forestry best practices because it depends on sustainable forest growth. These best practices include forest certification programs that provide standards, or guidelines and structure, for sustainable forest management and fiber sourcing. In North America there is a mosaic of healthy forests, wherein growing, harvesting, replanting, and regrowing forests occurs as a standard practice. Forest lands in North America have been stable for more than 100 years. Our industry responsibly uses every part of the tree to make essential products for everyday life. Using paper and wood products incentivizes regeneration and replanting trees after harvest and keeping land in forests, decreasing the likelihood of conversion to other uses like parking lots, subdivisions, or pastures.

Current efforts have achieved strong gains in paper recycling and are expected to continue to do so in the future. Putting pressure on producers to arbitrarily change content in certain paper products interrupts the market-based utilization of recovered fiber, prevents recovered fiber from flowing to its highest value end-use, is counterproductive both economically and environmentally, and is inconsistent with the precepts of sustainability.

HF 3577 also requires, “10 percent of the number of units of packaging sold in the state must be returned to an established reuse system by 2033,” increasing to 20 percent in 2038. These goals

⁸ https://www.afandpa.org/sites/default/files/2022-09/AF%26PA-RecycledContentMandates_8152022_0.pdf

preference reusable packaging which is often, by nature, neither recyclable nor compostable. Similar to the current situation with e-commerce and curbside pickup groceries in New Jersey leading to a glut of reusable bags for customers, a sudden shift to reusable packaging mandated by policy before its end-of-life disposition is worked out could result in that packaging being treated as single-use when it may be ultimately less sustainable from a life-cycle perspective than packaging options available today. This issue is exacerbated by the bill preferencing reuse through lower producer fees, an incentive that will likely increase this concerning outcome.

Focus On Solutions for Products with Low Recycling Rates

Paper recycling has enjoyed decades of success because of the industry's investments, consumer education, the wide availability of well-developed recycling programs, and the efforts of millions of Americans who recycle at home, work, and school every day. The paper products industry is proud to be part of the recycling solution by providing renewable, sustainable, and highly recycled products for consumers. We respectfully ask policymakers to focus on improving recycling for materials with low recovery rates that contaminate the recycling stream.

Conclusion

We encourage the Committee to avoid measures that might penalize the forest products industry from continuing to engage in the state economy and we look forward to continuing our work with the State of Minnesota. Please contact Frazier Willman, Manager, Government Affairs at [Frazier Willman@afandpa.org](mailto:Frazier_Willman@afandpa.org) with any questions.



MINNESOTA FOREST INDUSTRIES

903 Medical Arts Building • 324 West Superior Street • Duluth, MN 55802 • 218-722-5013 • Fax 218-722-2065 • www.minnesotaforests.com

Testimony Opposing H.R. 3577: Packaging Waste and Cost Reduction Act
Minnesota House Commerce Finance and Policy
Wednesday, February 28, 2024
Rick Horton, Executive Vice President, Minnesota Forest Industries

Chair Stephenson and Committee Members,

My name is Rick Horton, and I am the Executive Vice President of Minnesota Forest Industries. MFI is a trade organization representing the primary wood-consuming mills in the state. Together we transform trees into products we use every day.

MFI is opposed to House File 3577, the Extended Producer Responsibility bill, as it pertains to paper products. Available data clearly demonstrates that paper and cardboard recycling rates in Minnesota are above the targets in this bill. The American Pulp and Paper Association shows that nationwide 67.9% of paper, and a staggering 93.6% of cardboard was recycled in 2022!

Please look in your packets for this handout (show). This is from last December's "50 States of Recycling" Report for Minnesota. Note the gray bar at 4 o'clock – cardboard, boxboard and paper recycling is at 78% in this state. This is the direct result of the commitment our industry has made to recycling.

Paper is made from renewable and sustainably-sourced wood. Managing forests actually improves forest health, creates wildlife habitat, reduces wildfire risk and creates good-paying jobs in impoverished rural communities. We should be encouraging conversion to paper-based packaging, rather than forcing punitive regulations upon the industry that has been doing the right thing all along.

Given this, we ask that you consider removing all references to paper products from this bill.

Thank you.



MINNESOTA GROCERS ASSOCIATION

1360 Energy Park Drive, Suite #110 • St. Paul, MN 55108 • 651-228-0973 • 1-800-966-8352 • www.mngrocers.com

February 28, 2024

Chair Stephenson, Ranking Minority Member O'Driscoll, and Members of the House Commerce Committee:

The Minnesota Grocers Association thanks you for the opportunity to express our concerns regarding HF3577, the Packaging Waste and Cost Reduction Act.

The Minnesota Grocers Association is the only state trade association representing the food industry of Minnesota. Minnesota has a unique culture of hundreds of hometown grocers and convenience stores, many of whom are independent, multi-generational, and locally owned. We have over 300 members with over 1,300 locations statewide, which includes food producers, manufacturers, brokers, and wholesaler members. Our industry provides over 150,000 jobs in the state – both union and non-union. The retail food industry is the backbone of Minnesota's prosperity, providing 1 out of every 20 jobs in our state.

From farm to fork, the challenges continue for the food industry of Minnesota. Increases in labor cost, severe workforce shortages, inflation in commodities, rising energy and transportation costs, as well as persistent supply chain problems test day-to-day operations. All of these factors and regulatory restriction put dramatic pressure on consumer baskets.

As an industry, we are deeply committed to the communities we serve. We take our role as an environment steward seriously. Our members are innovators when it comes to packaging, recycling, and repurposing. We appreciate the interest in a circular economy that can benefit all.

The MGA supports investment in proven programs and technologies that efficiently bring more clean material into the system. We support investments in recycling infrastructure and public education. Any changes to Minnesota's existing and successful recycling programs should be approached collaboratively with an acknowledgement of current packaging requirements, systems, and product availability. It is important that all facets of the program be thoughtfully vetted through each aspect of the supply chain to ensure the structure supports stated goals and is achievable without unintended consequences. Minnesota cannot act as an island, and advancement of extended producer responsibility must support a global supply chain.

On behalf of our membership, we thank you for the opportunity to voice our concerns. We thank Representative Jordan for meeting with us and for her willingness to discuss these concerns. We look forward to working collaboratively as this bill moves through the committee process.

Sincerely,

Jamie L. Pfuhl
President
Minnesota Grocers Association



TESTIMONY

Jacob Cassady
Director, Government Relations

On Behalf of
The Association of Home Appliance Manufacturers

Before the Minnesota House
Commerce Finance and Policy Committee

HEARING

H.F. 3577
An Act Relating to Packaging Waste and Cost

February 28, 2024

Chair Stephenson, Vice Chair Kotyza-Witthuhn, Ranking Member O'Driscoll and members of the Commerce Finance and Policy Committee, the Association of Home Appliance Manufacturers (AHAM) supports reasonable and effective extended producer responsibility (EPR) measures. AHAM is willing and committed to working with the committee on a bill similar to Oregon's EPR law, the Plastic Pollution and Recycling Modernization Act (SB582, 2021).

AHAM represents more than 160 member companies that manufacture 90% of the major, portable and floor care appliances shipped for sale in the U.S. Home appliances are the heart of the home, and AHAM members provide safe, innovative, sustainable and efficient products that enhance consumers' lives.

The home appliance industry is a significant segment of the economy, measured by the contributions of home appliance manufacturers, wholesalers, and retailers to the U.S. economy. In all, the industry drives nearly \$200 billion in economic output throughout the U.S. and manufactures products with a factory shipment value of more than \$50 billion.

In Minnesota, the home appliance industry is a significant and critical segment of the economy. The total economic impact of the home appliance industry to Minnesota is \$3.6 billion, more than 25,000 direct and indirect jobs, \$468.5 million in state tax revenue, and more than \$1.2 billion in wages. The home appliance industry, through its products and innovation, is essential to consumer lifestyle, health, safety and convenience. Home appliances also are a success story in terms of energy efficiency and environmental protection.

AHAM supports all material packaging EPR legislation that provides the following:

Packaging That Does Not Enter the Household/Curbside Recycling Stream is Excluded

Appliance packaging materials, including expanded polystyrene (EPS) and thin plastic film (PE), may ultimately not enter the residential recycling stream because large appliances are usually delivered to a consumer's home and, as part of the installation, the packaging material is removed by the installer and not left in the home. The installers load the packaging into the delivery truck and return those materials to be recycled through commercial (non-residential) recycling systems.

Like major appliances, packaging materials that are used for the shipping and distribution of multiple portable and floor care units are commercially recycled and do not enter the residential recycling stream. A shipment of portable and floor care appliances would include hundreds of products placed in multiple master cartons that are secured to a pallet. The pallet of product goes to a distribution center and is either separated by units or delivered to the final seller. Like major appliances, packaging materials that are used for the shipping and distribution of multiple portable and floor care units are commercially recycled and do not enter the residential recycling stream.

Oregon's EPR law, the Plastic Pollution and Recycling Modernization Act (SB582, 2021) recognizes and encourages this successful recycling process by including a provision that

exempts covered packaging materials if the producer can demonstrate that their packaging is recovered as a function of the distribution chain and is recycled at a responsible end market. The Oregon law states the following:

A producer may demonstrate to the department that a material is exempt from the requirements for a covered product if the material:

- (A) Is collected through a recycling collection service not provided under the opportunity to recycle;*
- (B) Does not undergo separation from other materials at a commingled recycling processing facility; and*
- (C) Is recycled at a responsible end market.*

Ontario, Canada takes a similar approach with a regulation that allows for two deductions and home delivered appliances are one of them. The following is a common deduction in Canada:

Allowable deductions are those Blue Box materials that are:

*Collected from an eligible source at the time a related product was installed or delivered. For example, packaging that is supplied with a new appliance and is removed from the household by a technician installing the new appliance.*¹²

AHAM requests the legislation to be amended to include the provisions above.

Program Should Focus on Packaging Recovery and Not Material Design Requirements

Appliance packaging is used to protect the appliance and factory personnel during storage, transport, and delivery. The safest and most cost-effective materials for this use are lightweight, can withstand multiple impacts, and maintain their integrity in humid conditions. Unlike smaller, fast-moving consumer goods, packaging for heavy durable goods have different requirements and must be able to ensure the protection of workers during transportation and at distribution centers. Large appliances such as refrigerators, freezers, dishwashers, cooking ranges, washers and dryers are stacked as high as 30 feet and packaging cannot fail while products are warehoused, regardless of environmental or climate conditions.

¹ <https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/SB582>

² <https://www.circularmaterials.ca/faq/>



Worker safety in warehouses, distribution centers or during transportation/delivery must be considered, especially when dealing with large appliances such as refrigerators, freezers, dishwashers, cooking ranges, clothes washers and dryers. Once assembled, major appliances are often packaged, stored and moved in very large warehouses or distribution centers. These facilities often have limited climate control and can experience extreme temperature and humidity changes. Low temperatures can cause packaging materials to become brittle while humidity and heat can affect the packaging's structural integrity and limit the effectiveness of adhesives or the strength of products that

are made from fiber.

For safety purposes, it is vital to maintain the structural strength of packaging materials, particularly with respect to major appliances that are regularly stacked vertically with multiple units above ground. Furthermore, these appliances are often moved around by clamp truck and the packaging must withstand the force of the clamps to be moved efficiently. Other paper alternatives such as cardboard, molded pulp or honeycomb can only handle a more limited impacts and more apt to lose structural integrity in hot and humid environments.



A fiber-based alternative would be larger and heavier, which leads to more truck loads and more warehouse space. It is estimated that there would be an increase of 5-10% in all directions of the packaging, which equates to an increase of about 20-30% more trucks needed to deliver large appliances.

Additionally, thin plastic film (PE) is used to protect the finish of appliances as well as the display screen. Fiber alternatives, such as paper, are like sandpaper and would scratch the product and would lead to consumers either accepting a damaged product or refusing delivery and the distributor returning the product to the warehouse. There is no alternative to the use of plastic film to protect the finish of appliances or the display screen.

Durable Product Manufacturers Should Have Designated Seat on Advisory Board/PRO

Manufacturers of durable products should have an equal role in the management of the program as other stakeholders. Durable goods have unique packaging needs that other, non-durable manufactured goods do not necessarily require. A designated seat or position would ensure that all stakeholders have a voice in the program.

Recovery programs that place responsibility for recycling and/or disposal of post-consumer packaging with producers must ensure producers' involvement is not limited to merely

subsidizing the status quo of inefficient recovery and recycling programs. If producers are responsible for the costs to dispose/recycle in a given jurisdiction, then producers must have the authority to exercise proper oversight without being required to give preferential treatment to existing partners, collectors, or municipal programs during the program's design and implementation. Requiring responsibility without authority is a dysfunctional management structure.

Material Fees Appropriately Assigned Based on Material's Environmental Impact

Packaging material fees or "eco fees" must consider the life-cycle impact of the material. The use of packaging material that is easily and readily recycled should be incentivized as compared to lightweight, non-biodegradable materials. Alternatives to existing packaging materials or material source reduction involve tradeoffs. For example, plastic-based products will generally be lighter and less volume than fiber-based packaging. In addition, there are already inherent financial incentives for manufacturers to reduce costs and amounts of packaging, especially for home appliances that have non-consumer facing packaging, because the packaging is not used for marketing purposes. It is purely an additional cost to the product to ensure the product arrives at the home without being damaged. The methodology used to set fees should be consistent with established practices to determine fair allocation of costs based on the complexity required to collect certain material. Minnesota should require the PRO(s) to apply the minimal annual administration fee feasible to prevent less environmentally impactful materials from subsidizing more environmentally impactful materials.

Credit Manufacturers for Previous Packaging Reductions

Manufacturers who proactively reduced and/or included recycled material in their packaging should have those actions counted toward any source reduction or recycled material requirement. A future packaging law or regulation should not penalize companies that have already taken these steps.

States should seek a Harmonized Approach

To the greatest extent possible, states should harmonize stewardship programs including definitions and the process for reporting and remitting with existing state programs. Harmonization of recycling policies will encourage economies of scale, efficiencies and convenience for consumers, while streamlining compliance. In Canada, "EPR" packaging programs exist in most Provinces, with manufacturers having to comply with each program that varies in scope. This is very costly to both manufacturers and to residents.

Conclusion

AHAM appreciates the opportunity to provide comments to the Committee. Manufacturers of consumer products need flexibility in choosing appropriate materials for packaging their products to avoid situations that cause product breakage and damage during transport (which ultimately increases the lifecycle impact of the product) as well as to deter theft of smaller, high value electronics from retail establishments. The current system for appliances and appliance packaging works, and it should be allowed to continue on its successful path. For future reference, my contact information is (202) 202.872.5955 x327 or jcassady@aham.org.

February 28, 2024

Honorable Zack Stephenson, Chair
Minnesota House Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

Dear Chair Stephenson:

On behalf of companies that make medicine for animals, we request that animal medicines of all types not be subject to the requirements of HF 3577, the Packaging Waste and Cost Reduction Act.

This legislation requires producers to implement and finance a statewide stewardship program for packaging and paper products that encourages packaging redesign to reduce risks to environmental and human health and that reduces generation of covered materials waste through waste reduction, reuse, recycling, and composting. It does not currently contain exemptions for highly regulated product packaging. Animal health products are licensed and regulated by three federal agencies, each with their own packaging standards and requirements to ensure that products can be delivered which meet requirements for purity, shelf-life and other considerations.

Drugs and devices are approved by the U.S. Food and Drug Administration under the Food, Drug and Cosmetic Act (FDCA). Sponsors must specify for the agency the materials of construction and packaging used for each product and provide data showing those factors will maintain stability of the product over its shelf life. Consequently, each product has its own unique approved packaging. Changes to product packaging take months of development followed by full FDA review and approval.

Vaccines and biologics and diagnostic test kits are approved by the U.S. Department of Agriculture under the Virus-Serum-Toxin Act (VST). Manufacturers are required to ensure packaging maintains the integrity of the product, so temperature is a major consideration. Packaging must also accommodate detailed USDA labeling requirements.

Flea and tick prevention products are approved by the U.S. Environmental Protection Agency under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). FIFRA §25(c)(3) authorizes EPA to establish standards with respect to the package, container, or wrapping in which a pesticide or device is enclosed to protect children and adults from serious injury or illness resulting from accidental ingestion or contact with pesticides or devices regulated under FIFRA. Additionally, FIFRA §25(c)(3) requires EPA's CRP standards to be consistent with those established under the Poison Prevention Packaging Act of 1970.

There is a lengthy lead time for all phases of providing animal drugs to veterinarians, livestock producers and pet owners. The discovery, research, regulatory approval, manufacturing and distribution all require long lead times. Without this exemption, our ability to deliver safe and effective medicines for the treatment and prevention of disease in animals will be threatened. We suggest the following exemption language:

Subd. 9. Covered material. "Covered material" means packaging and paper products sold, offered for sale, or distributed in the state. Covered material does not include packaging for drugs, biological products, parasiticides, medical devices, or in vitro diagnostics used to treat, or administered to, animals and regulated by the United States Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.), by the United States Department of Agriculture under the federal Virus-Serum-Toxin Act (21 U.S.C. Sec. 151 et seq.), or by the United States Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.)."

In order for animal health companies to maintain product safety and stability while increasing the sustainability of packaging, we ask that all animal medicines be exempt from the definition of covered materials in this legislation.

Please let me know if you have any questions or if I can provide any further information. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mandy Hagan', with a stylized flourish at the end.

Mandy Hagan
Director, State Government Affairs

February 26, 2024

The Honorable Zack Stephenson, Chair
House Committee on Commerce Finance and Policy
Minnesota State Capitol
St. Paul, MN 55155

RE: House File 3577 (Jordan): Packaging Waste

Dear Chair Stephenson and Members of the Committee on Commerce Finance and Policy:

The Household & Commercial Products Association (HCPA)¹ appreciates the opportunity to provide written testimony on House File 3577 regarding packaging waste and the establishment of an Extended Producer Responsibility (EPR) program across the state of Minnesota. HCPA has worked with legislatures across the country in response to product stewardship proposals. Our member companies are working to achieve goals made to improve the design of packaging through source reduction, improved recyclability, and increased recycled content. Accordingly, HCPA supports materials management policies that improve fractured recycling systems, and programs that embrace a shared responsibility across the packaging value chain to reach a circular system harmonized across state lines. As such, HCPA is committed to working with Minnesota policymakers to achieve a comprehensive solution that bolsters existing recycling infrastructure through standardization for efficient scalable systems, incentivizes materials market development, and provides transparency and accountability in data collection.

We commend the author's inclusion of critical components such as the Producer Responsibility Organization (PRO), needs assessment, and advisory council in the bill. These elements align with established frameworks in other states, thereby moving the legislation closer to conformity which would promote more favorable conditions for implementation and compliance.

However, we have several concerns that warrant additional evaluation and consideration. Firstly, we urge Minnesota leaders to align existing state programs with the exclusion of products regulated under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) from the program. The complex framework under which these products are regulated, coupled with federal preemption and layered disposal requirements, necessitates careful deliberation to avoid confusion and ensure effective recycling

¹ The Household & Commercial Products Association (HCPA) is the premier trade association representing the interests of companies engaged in the manufacture, formulation, distribution and sale of more than \$180 billion annually in the U.S. of familiar and trusted consumer products that help household and institutional customers create cleaner and healthier environments. HCPA member companies employ hundreds of thousands of people globally. Products HCPA represents include disinfectants that kill germs in homes, hospitals and restaurants; air fresheners, room deodorizers, and candles that eliminate odors; pest management products for home, lawn and garden, and pets; cleaning products and polishes for use throughout the home and institutions; products used to protect and improve the performance and appearance of automobiles; aerosol products and a host of other products used every day.

programs. Furthermore, specific considerations should be given to packaging intended for long-term storage, reuse, or specialized purposes, such as child-resistant packaging, to prevent unintended consequences and maintain consumer safety. This is especially concerning given the bill's emphasis on post-consumer recycled content (PCR) mandates. Post-consumer recycled plastic can be weaker than virgin plastics and the integrity of the packaging is critical for various chemistries (including corrosive materials). Weakening packaging integrity could have negative impacts on human health and the environment through product leakage. Or in the case of federally regulated plastic aerosols, these products are explicitly restricted from using recycled materials.

Additionally, packaging primarily used in business-to-business transactions, such as wood pallets and corrugated pads, should be excluded from the program, as they typically have established recycling systems and minimal consumer impact.

HCPA supports the goal of increasing recyclable packaging and recycling rates, however rigid targets set into law in the absence of adequate data and stakeholder input risk undermining the program's effectiveness. We advocate for a robust yet realistic approach to setting targets through the PRO plan, with state oversight, and therefore request the removal of any "rates and dates" explicitly established in law.

We believe funds raised from producers should be expressly earmarked for enhancing residential recycling infrastructure and packaging recovery systems, ensuring transparency and accountability in program expenditures. Clear language is needed to establish guardrails against siphoning funds into unrelated programs.

Moreover, as the fiduciaries of funds and administrators of the program, producers should have appropriate representation on the advisory council to ensure that decisions align with the industry's capabilities and expertise. The advisory board would have outsized influence over key decisions. Manufacturers and formulators of products in the scope of this bill – who are important subject matter experts -- must be better represented on the advisory board.

HCPA supports the use of incentives for sustainable packaging practices, which can drive innovation and environmental stewardship among producers. To this end, we encourage that the bill refer to these incentives as "ecomodulation" in line with other existing programs.

The bill includes several provisions related to "toxic materials," and we believe these deserve the attention of separate stand-alone legislation. EPR programs are incredibly complex and adding additional priorities on top of recycling steers away from the primary goal of improving recycling. Similarly, any new requirements established in legislation should have a direct nexus to recycling and packaging recovery, and therefore ancillary programs like ocean litter cleanup or extraneous studies should be considered separately. We strongly encourage the sponsor to focus on this primary goal and not use the bill to add additional priorities, as meritorious as they may be.

HF 3577 should strive for consistency across state lines to facilitate efficient tracking, monitoring, and reporting, and promote greater effectiveness in recycling initiatives. We encourage the committee to consider cross-state alignment where appropriate.

Effective EPR programs also embrace shared responsibility across the packaging value chain to address waste management. Under EPR programs, state and local governments, waste management entities,

producers, and consumers must be accountable for a robust and effective recycling system that builds on existing infrastructure.

For these reasons, HCPA is opposed to HF 3577 as written, and we welcome the opportunity to discuss these concerns further and collaborate on effective solutions. Thank you for considering our comments, and we look forward to continuing the dialogue on this important legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Finarelli', with a stylized flourish at the end.

Christopher Finarelli

Sr. Director, State Government Relations & Public Policy - Western Region

PACKAGING WASTE AND COST REDUCTION ACT

THE PROBLEM

- E-commerce and the delivery economy has led to a dramatic increase in packaging waste. **Packaging waste and printed paper now account for 40% of our waste stream.**
- Despite increasing public pressure, global plastic production is expected to double in the next 20 years. In the metro alone, **the amount of waste generated is projected to grow by 19% over the next two decades.**
- The burden of managing these ever-growing mountains of packaging waste currently falls on local governments and taxpayers.

THE SOLUTION

A producer-funded system to reduce packaging and single-use plastic, make recycling easier, and lower taxpayer costs for managing waste.

CREATE OVERSIGHT



The MN Pollution Control Agency (MPCA) will appoint an advisory board to oversee the Producer Responsibility Organization (PRO). The MPCA holds enforcement responsibilities to meet the goals of the bill.

BUILD ON A STRONG FOUNDATION



PRO must work with existing haulers and recycling facilities to ensure recycling services are as conveniently available to all Minnesotans as trash collection.

SIMPLIFIED RECYCLING



The PRO will fund and develop outreach and consumer education materials that are consistent across the entire state, building on existing educational efforts.

Shifting the costs of recycling to producers will:

- Create an incentive for producers to reduce waste and stop using materials that are hard to recycle.
- Decrease climate impacts of manufacturing and disposal of waste.
- Save local governments and taxpayers millions of dollars for source reduction, reuse, recycling, and composting programs.

By 2032, all packaging must be reusable, recyclable, or compostable, and by 2033:

15% of materials **source reduced.**

10% transitioned to a **reuse system.**

65% **recycled or composted.**

10% min **postconsumer recycled content** per item and 30% overall



February 27, 2024

Chair Stephenson & Members of the House Commerce Finance and Policy Committee:

Thank you for the opportunity to provide comments on HF 3577, the Packaging Waste and Cost Reduction Act.

The Minnesota Retailers Association is comprised of 1,200 retail stores across the state, including main street retailers, regional/mid-sized retailers, and retailers with a national presence. Today's retail market is competitive, and consumers are mobile with many options for purchasing products, including across a state border, the country and in some cases even the world.

This past summer we had a small work group discussing extended producer responsibility (EPR) as we recognize the importance of such conversations. As a result of that work, we developed a dozen draft principles we deem important when considering any EPR program. To the credit of Rep. Jordan, HF 3577 meets some of those principles, however it has significant challenges in several areas, and as a result we are opposed.

Our main objections to the bill center on:

- The proposed framework stands to create a Minnesota-only approach, without harmony with other state initiatives. Without such uniformity with other states, Minnesota's consumers may face higher product costs, and retailers may be placed at a competitive disadvantage in today's competitive marketplace.
- Unlike the introduced version, the current language does not prohibit consumer point of sale fees, and as such a consumer could end up seeing increased prices for products before and at the point of sale.
- The proposal leaves open the door for requiring consumer take-back at retail outlets. Consumer participation should be convenient and easy, and utilize existing outlets for recycling, however retailer participation should be voluntary.
- Related to cost-benefit, the rates and dates in the proposal are arbitrary and lack data to support whether they are reasonable or even achievable.

Retailers share your goal of being good stewards of the environment, and we hope you share our goal of fostering a marketplace where Minnesota's retailers can competitively serve their customers.

Sincerely,

Bruce Nustad
president



MINNESOTA
RESOURCE
RECOVERY
ASSOCIATION

“To promote a zero-waste society that advocates for **reducing waste, sustainably reusing resources and less landfill use.**”

February 28, 2024

House Commerce Finance and Policy Committee

RE: HF 3577 (Jordan); Packaging Waste and Cost Reduction Act established, and rulemaking authorized.

Dear Chair Stephenson and Commerce Committee Members:

MARRA supports the goals of HF 3577, the Packaging Waste and Cost Reduction Act to significantly reduce waste going to landfills by reducing packaging waste, increasing reusable packaging, and moving us beyond the stagnant recycling rates we have been seeing for many years. We support a bill that requires producers of packaging and paper products to help solve the waste problems they have created and that we are left to manage, and that brings various members of the waste industry, local government, and community representatives to the table to help develop the solutions, [and with strong agency oversight and enforcement capacity to assure the producers follow through as required in HF 3577.]

The MARRA is happy to provide additional information, resources, or discussion on this important topic. You can reach me at 218-770-2810 or cmconn@ottertailcounty.gov.

Chris McConn, P.E.

MARRA Chair

<http://mnresourcerecovery.com/>



February 27, 2024

Representative Zack Stephenson
Chair, Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

Representative Sydney Jordan
553 State Office Building
St. Paul, MN 55155

Dear Chairman Stephenson, Representative Jordan, and Esteemed Members of the Commerce Finance and Policy Committee:

We, the undersigned associations representing the marine industry: the National Marine Manufacturers Association (NMMA) and the Water Sports Industry Association (WSIA), would like to formally express our collective opposition to the mandates and cost increases stipulated within House File 3577. As associations dedicated to the sustainable development of the marine industry, we seek to share our concerns and advocate for a collaborative approach to waste reduction that does not unduly burden our members.

By way of introduction, NMMA is the leading trade association representing the recreational boating industry in North America. It is dedicated to industry growth by promoting product quality assurance, the boating lifestyle, public policy advocacy, market statistics, and research. NMMA member companies produce more than 80 percent of the boats, engines, trailers, accessories, and gear used by boaters and anglers throughout the US and Canada.

The WSIA is the towed watersports industry's leading advocate, working to strengthen, grow boating, and protect the interests of its member companies and recreational boaters across the country. The WSIA develops best practices, maintains waterway access rights, educates participants, and promotes safety on the water. WSIA represents more than 440 member companies, including boats, marine engines, accessory manufacturers, and marine dealers.

Minnesota's recreational boating industry is integral to the state's economic and social fabric, contributing an annual economic impact of \$6.9 billion and supporting over 25,000 jobs as well as 700 businesses. Minnesota currently has over 822,000 boat registrations, which is the second most registrations per—capita in the United States.

Our industry's commitment to sustainability and waste reduction is exemplified by the successful conversion of over 80,000 pounds of polyethylene and polypropylene sheet plastics, critical components of marine products, through various state-level recycling programs since 2021. This concerted effort demonstrates the marine industry's dedication to actively contribute to the reduction of plastic waste, a critical issue impacting marine ecosystems.

Furthermore, our member companies have taken proactive measures to incorporate recycled materials into manufacturing processes, exemplified by Arkema's development of fully recyclable aluminum and fiberglass boat materials. This innovation not only reduces the environmental footprint but also promotes circular economy principles by ensuring the full recyclability of hull and structural components at the end of a product's lifecycle.

In tandem with manufacturing innovations, our industry has placed a significant emphasis on sustainable shipping materials, transitioning away from traditional plastics to alternatives such as cardboard and bamboo straps. These initiatives further underscore our holistic approach to the manufacturing process, integrating sustainability at every level of the global marine products supply chain.

While we align with the overarching objective of waste reduction, we believe that the mandates and cost increases outlined in House File 3577 may have unintended consequences. We propose a collaborative approach that incentivizes efforts to reduce waste in landfills without artificially raising manufacturing and consumer costs. As part of this approach, we fully support investments in proven programs and technologies that effectively enhance clean material integration into the recycling system, as well as recycling infrastructure and public education to drive behavioral changes. Should any modifications be contemplated for Minnesota's existing and successful recycling programs, we urge a collaborative and comprehensive approach, considering current packaging requirements, systems, and product availability.

It is imperative that any alterations to existing legislation be meticulously vetted through each aspect of the global supply chain to ensure that the proposed changes align with our shared goals and are achievable without unintended consequences. Recognizing Minnesota's role within the marine industry's global supply chain, we assert that any extended producer responsibility requirements must complement and support a coordinated international effort.

We deeply appreciate the opportunity to articulate our concerns regarding House File 3577 and remain open to further dialogue on how marine manufacturers can contribute to waste reduction, not only within Minnesota but throughout the nation.

Sincerely,

Jesse McArdell

A handwritten signature in cursive script that reads "Jesse McArdell".

State Policy & Engagement Manager Midwest
National Marine Manufacturers Association

Ethan Hellier

A handwritten signature in cursive script that reads "Ethan Hellier".

Midwest Government Affairs Manager
Water Sports Industry Association



CONSERVATION
MINNESOTA

February 28, 2024

Chair Stephenson and Members of the House Commerce Committee:

Conservation Minnesota urges your support for HF3577 (Jordan), the Packaging Waste and Cost Reduction Act. We believe this bill is a crucial step to solving Minnesota's waste problem by asking producers to pay their fair share to improve recycling and waste reduction efforts across Minnesota. Without action, we will continue to increase the amount of waste that is burned or buried, which we know is an unsustainable solution to our trash problem.

This act calls for increased product stewardship through the creation of a non-profit Producer Responsibility Organization (PRO), which will be entirely funded through fees paid by producers. These fees will support counties in their recycling and composting efforts, increasing their capacity without adding a tax burden to residents. This system makes producers more accountable stakeholders in solving our waste problem by asking them to help with the costs of managing the excess waste they contribute to our system.

Fees for packaging waste will be scored on an eco-modulated scale, with more recyclable, reusable and compostable materials having decreased fees. This creates a market incentive for producers to use more sustainable materials, while also rewarding industries which already perform well in these categories, such as paper. Products like single-use plastic, for example, would perform poorly in this system, and thus have a higher fee attached.

You may hear opponents say this system will only lead producers to raise consumer prices. However, evidence in other jurisdictions indicates this is not the case. Furthermore, when you look at the costs already placed on residents and businesses to fund our recycling programs, before even considering the external costs to families and communities facing environmental and health crises caused by burning or burying our waste, we know that the real cost of our waste problem is much greater than we can meet without producer responsibility. Now, we are asking producers to step up and do their part to help solve the crisis they helped create.

HF3577 is more than a recycling bill. It is a fiscally smart solution to a problem that has great financial, physical and environmental costs to Minnesotans. We respectfully ask that this committee support HF3577 to help reduce our reliance on single-use packaging and start tackling Minnesota's growing trash problem.

Sincerely,

Nels Paulsen (608) 469-5299

nels@conservationminnesota.org

James Lehner (978) 844-4625

james@conservationminnesota.org



20 F Street
7th floor
Washington, D.C. 20001
recyclingpartnership.org

Minnesota Senate Commerce Finance and Policy Committee
February 28, 2024

House File 3577 – *“Packaging Waste and Cost Reduction Act”*

Thank you Chair Stephenson and members of the Committee, for the record, my name is Dylan de Thomas, and I represent The Recycling Partnership. I am testifying in support of House File 3577.

I lead state policy work for The Recycling Partnership, a national nonprofit that collaborates with communities, policymakers and more than 80 companies to invest in and strengthen public recycling programs across the country.

We work with those companies – big brands and manufacturers of packaging materials of all types, glass, aluminum, plastic, and paper products – to “insist and assist” them to uphold their sustainability goals to serve people and the planet.

These goals include minimum recycled content levels, package recyclability goals and climate goals. The circular economy cannot be achieved by recycling alone, but it can’t be done *without* recycling.

We also know that systemic change cannot happen without smart, well-designed policy. We have identified that well-designed Extended Producer Responsibility policy that strengthens quality recycling is a critical ingredient to achieving a circular economy in Minnesota and beyond.

Our robust research clearly shows that EPR policies such as those included in this bill can deliver huge gains in recycling rates by bringing nearly universal access to recycling and supported by robust recycling education. Our modeling for Minnesota shows that we could see recycling rates of over 65% – returning hundreds of thousands of tons of recyclable materials to market, reinjecting over \$20 million in lost material value into the economy annually, creating hundreds of jobs across the state, and rescuing those materials from being buried in a landfill or burned in an incinerator.

Some have mistakenly argued that EPR will increase costs for consumers. Various analyses have hypothesized about these impacts. We have looked in every major market around the world where producer responsibility has been implemented and we have not found any credible evidence that compliance fees have affected consumer prices. Let me repeat that: With thoughtful, well-designed, strong EPR programs globally – outcomes show [no credible evidence of a link between fees and how much consumers pay for products.](#)

EPR also represents a huge opportunity not just for the residents in Minnesota – reducing their costs – and also a business opportunity for the waste and recycling industry, leveraging their existing infrastructure, expertise, and building business opportunities for the entire sector and even new business opportunities.

This is a solid bill, which was the result of a multi-year, broad and robust stakeholder engagement process, and it should be moved forward, where we hope to see it continue to address outstanding concerns and improve.

The Recycling Partnership stands ready to support an effective policy and implementation of a successful EPR program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dylan de Thomas', with a long, sweeping horizontal line extending to the right.

Dylan de Thomas
VP of Public Policy & Government Affairs
The Recycling Partnership

February 27, 2024



Minnesota House of Representatives
Commerce Finance and Policy Committee

Re: Packaging Waste & Cost Reduction Act (HF3577)

Dear Chair Stephenson and Members of the Committee,

We are committed to improving recycling and reducing waste in Minnesota. We appreciate Representative Jordan's work on the Packaging Waste & Cost Reduction Act and are writing in support of the bill.

Eureka Recycling, based here in the Twin Cities, is one of the largest recyclers in Minnesota. We are a proud union shop with union mechanics and drivers. Our team of over 135 employees, sorts 100,000 tons of residential recyclables each year into 15 different commodities that support our local supply chain. About 75% of our feedstock is turned into new products here in Minnesota and 95% in the upper Midwest. We work to demonstrate that recycling can and should be done in ways that benefit our economy, environment, and communities.

Unfortunately, the growing packaging crisis is making this work increasingly difficult. Problematic and unnecessary packaging is trashing our recycling system, adding unnecessary costs to our communities, and polluting our environment. It's time producers are held accountable for these impacts. The Packaging Waste and Cost Reduction Act aims to do this by requiring producers to pay for the cost to take back, recycle, or properly dispose of their products and packaging while driving towards reduction, reuse, and increased recycling and composting rates.

HF3577 takes the following key actions:

Supports Quality Jobs: The program ensures that priority for service provider contracts is given to Minnesota companies that provide good jobs, strong safety standards, and quality services. Additionally, investments in reuse and recycling infrastructure will create new jobs across our state. The MPCA estimates that fully investing in recycling will result in over 15,000 new jobs.

Strengthens Minnesota's Economy: Businesses are struggling to source the metal, paper, plastic, and glass needed to make new packaging and products. Meanwhile, each year Minnesota buries and burns over 1 million tons of recyclables worth an estimated 143 million dollars. By recycling more, we can create a reliable domestic supply of recycled metal, paper, plastic, and glass to make new products.

Provides Stability to Commodity Markets: The bill includes strong minimum requirements for post consumer recycled content in materials sold into the state. While this is key for reducing reliance on virgin materials, it will also provide much needed stability to commodity markets. Recycled content requirements drive stronger recycling markets for MRFs and create the market demand for materials to go back into containers rather than into downcycled uses. Post-consumer recycled content standards appropriately place the onus of recycling on producers, rather than the recycling operators, since the companies make the decisions about where to source their feedstock and how to design their products.

Creates Equitable & Free Access to Recycling: While Minnesota has worked hard to develop strong recycling programs, only about 55% of households have automatic access to curbside services and our [combined recycling and composting rate](#) has remained somewhat stagnant at around 45%. Where curbside programs do not exist, many communities cannot afford to provide recycling drop-off centers and rural areas face significantly higher costs. In fact, the cost of recycling is becoming such a financial burden that communities across the state are dropping their programs. HF3577 creates a sustainable funding system to support convenient, equitable recycling for all residents regardless of income, housing type, or demographics.

Drives Packaging Redesign: Packaging producers will be charged based on the amount and type of packaging used. The less packaging a company uses, the less they will pay. There are also financial incentives for companies to reduce unnecessary packaging and use nontoxic, reusable, recyclable and compostable materials.

Prioritizes Source Reduction: We cannot recycle or compost our way out of the packaging crisis, we need a fundamental shift towards reduction and reuse systems. The bill does not rely simply on eco-modulation to incentivize producers to reduce or move to reusable and refillable containers. It includes specific targets for source reduction, reuse, recycling, composting and recycled content over the next 10-15 years. The targets set in the bill are appropriate to build off of the successful progress we have made in Minnesota. The bill also offers a pathway for the agency to amend these targets based on the needs assessment. As we've noted below, the language in this section needs to be strengthened to ensure producers are held accountable to these targets.

Recycling in Minnesota and across the country has stagnated for over a decade and is plagued by volatile commodity markets, increasing contamination rates, limited local government resources, inequities in services, and a patchwork system of programs. We need big changes to address the crisis we're facing, and a well-crafted bill can help transform the packaging stream and how we fund and manage the entire system.

As a state we must focus on recycling right, not just recycling more. This bill is an opportunity to raise the bar for all operations and programs across the country. However, efforts to weaken this bill risks us simply shifting the costs of recycling without ushering in systemic improvements and community benefits.

We are happy to provide additional information on any of these policy proposals and appreciate your consideration of our comments.

Sincerely,



Lucy Mullany
Director of Policy & Advocacy
Eureka Recycling
312-498-8614
lucym@eurekarecycling.org
www.eurekarecycling.org