

March 12, 2024

Dear Chair Klevorn and members of the State and Local Government Finance and Policy Committee:

On behalf of the Association of Plastics Recyclers, I am **submitting written testimony in support of HF3577, Packaging Waste and Cost Reduction Act. This bill is one of our top priority policies 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. 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. 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](mailto:katebailey@plasticsrecycling.org).

Sincerely,

A handwritten signature in black ink that reads 'Kate Bailey'.

Kate Bailey  
Chief Policy Officer, Association of Plastic Recyclers (APR)