



April 16, 2024

## **WM (Waste Management of Minnesota, Inc.) Written Testimony to House Environment Article 5, Packaging Waste Cost and Reduction Act**

WM would like to offer the following comments on Article 5 of the House Environment Omnibus Bill for your consideration:

**The Process:** The proponents of the legislation worked for over 2 years without including many of the stakeholders affected by this legislation. Discussions were held by a small, isolated group of individuals primarily representing metro area local government and one non-profit recycler. This group did not include other key stakeholders such as our local paper, retail, and significant environmental organizations.

**We have seen a sea change in support for the legislation since the bill was amended in Senate Environment** on April 11. Once supporters of the bill now have major concerns over loopholes, some of which were already in the bill as introduced, potentially allowing materials that are collected for recycling. The definition of “responsible end markets” in both the House and Senate versions of the bill allows the material to “be otherwise managed”. (See definition of “Responsible End Markets”; and Eureka Testimony to Senate Environment 4/11/24 and Testimony submitted by 24 environmental organizations 4/11/24). Incineration and other disposal technologies are not considered recycling in Minnesota (Minn. Stat. 115A.03), but would be options for collected materials under this definition. Others’ testimony points to additional loopholes in the legislation.

**Senate Version:** WM and other industry members worked extensively with the proponents on the Senate version of this EPR legislation and we urge the Committee to honor that work and include key elements that will help shape a better program.

The Senate version includes favorable changes that include registering service providers which assures payment for services rendered, continued status quo for contracting, changes that acknowledge the subscription market, allows service providers to charge for services, corrections in the reimbursement formula, among others.

Despite these changes, WM remains neutral on the legislation. **Legislative oversight is needed throughout the development of the Minnesota EPR program, especially for approval of the Needs Assessment and Stewardship Plan** which contain cost elements, opportunity for stranded assets for existing providers, and market implications affecting our industry.

**Alternative: More SCORE Funding, More Education:** If we want to increase Minnesota’s recycling rate we need to provide more SCORE funding to local governments and we need to do a better job educating and truly engaging the public to recycle more and to do it correctly. With SF 3561, we will be setting up separate recycling streams for additional materials that currently have no end markets. We are still working to get residents to get it right for traditional curbside recycling and with this legislation we are adding new, separate

streams that will increase the cost of recycling due to contamination of the various recycling streams. This will incur additional disposal costs for our industry when these materials have no end markets.

**Additional Specific Concerns:**

- 1) **Proprietary Information (Sections 12 and 15) :** WM has significant concerns with providing any and all data requested in the “Participation Required” . Further, the language in the Stewardship Plan indicates that this proprietary information would be shared with brand owner members of the Producer Responsibility Organization (PRO). We question whether Minnesota law allows for the sharing of data submitted to the state and protected under a Non-Disclosure Agreement (NDA). **We request that a declarative statement be included in the legislation regarding sharing of proprietary information covered by an NDA not be shared with the PRO.**
  
- 2) **Weekly Recycling (“equivalent to”):** Increased frequency of recycling will undermine the environmental benefit of recycling the material. WM provides weekly recycling where it makes sense from a fuel use, Greenhouse Gas (GHG) emissions, and population density standpoint. Requiring recycling collection frequency to be weekly, when these factors are not taken into consideration will drive up the cost of recycling, increase emissions, and will not increase the amount of material collected. WM offers a second cart to those avid recyclers requiring more capacity. Even in the densely populated metro area, there are rural areas where weekly recycling, due to fuel use and environmental impacts, do not make sense.

Instituting weekly recycling in outstate, rural Minnesota will drive up costs by requiring rapid acceleration of capital costs for trucks that manufacturers will not be able to meet due to supply chain issues and will rapidly ramp up the hiring of CDL drivers, especially for large companies like WM. Most collectors will not be able to meet this requirement. **This requirement needs to be deleted from the legislation.**

- 3) **Continuing Legal Concerns:** Legal concerns with the bill remain as stated in the NWRA memo to the House and Senate Judiciary Committees. These legal issues were not properly vetted in legislative hearings and remain a concern. Some interstate commerce issues have disproportionate impacts on Minnesota based businesses, including paper and corrugated cardboard (OCC) end markets, and anti-trust concerns related to the PRO and the Advisory Group.
  
- 4) **Legislative Oversight:** The legislature has historically established goals for recycling, not MPCA. This should allow for a more thoughtful approach, proper vetting of recycling goals. Further, the Needs Assessment will determine future costs and impacts to Minnesota residents and businesses and the Stewardship Plan will identify where investments in future infrastructure need to be made. The legislature needs to approve these important steps in the process.

Thank you for the opportunity to comment on this very important matter.

Julie Ketchum, Director of Government Affairs  
WM, Upper Midwest Area





April 16, 2024

Representative Rick Hansen  
Chair, Environment and Natural Resources Finance and Policy

RE: Support passage of Packaging Waste and Cost Reduction Act in the Environment and Natural Resources Supplemental Finance and Policy Bill— HF 3911, DE Amendment

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

# City of St. Paul Park

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April 16, 2024

Rep. Rick Hansen  
407 State Office Building  
St. Paul, MN 55155

Dear Representative Hansen,

The City of St. Paul Park would like to thank you for introducing HF 4978, a bill for an act relating to natural resources; appropriating money for a pedestrian bridge in Lions Levee Park. We also thank the entire Committee on Environment and Natural Resources Finance and Policy for the consideration of this bill. We are very appreciative of this introduction.

The City of St. Paul Park supports HF 4978. The pedestrian bridge is popular but needs replacement to increase safety for all who use it.

Once again, we wish to thank Representative Hansen and the entire Committee for the introduction and consideration of HF 4978.

Sincerely,

Keith Franke  
Mayor