



Date: February 28, 2024

To: House Committee on Commerce, Finance, and Policy

Re: Letter of Information: MN HF 3577

Dear Senate Committee on Environment, Climate, and Legacy:

The Carton Council of North America is composed of four leading carton manufacturers, Elopak, Pactiv Evergreen, SIG, and Tetra Pak. Formed in 2009, the Carton Council works to deliver long-term collaborative solutions to divert valuable cartons from the landfill. Through a united effort, the Carton Council is committed to building a sustainable infrastructure for carton recycling nationwide and works toward its goals of increasing access to recycling and increasing the recycling of cartons throughout the U.S. Currently, cartons have achieved 62% household access to recycling nationally. As of December 2023, household access to carton recycling in Minnesota was 82% – this can be broken down further to the Twin Cities Metropolitan area, which has 100% household access to carton recycling and 60.9% for the rest of the State.

Food and beverage cartons are a packaging option with an excellent environmental profile used to hold a variety of products. Two types of food and beverage cartons exist: gable-top and aseptic cartons. Both are made primarily from high-quality fiber. All cartons contain a small amount of polyethylene, and a small amount of aluminum is present in shelf-stable/aseptic cartons. These multiple layers allow cartons to safely store their contents for long periods of time. They do not inhibit recyclability or prevent the package from being recycled.

Cartons are recycled in one of two ways:

1. At a full carton recycler, where the entire carton, including the polyethylene and any aluminum, is turned into sustainable building products.
2. At a recovered fiber paper mill, the extracted fiber is used to create new paper products such as tissue, toweling, and printing and writing paper as well as other paper-based packaging.

Fiber recovered from recycled cartons saves precious natural resources. A ton of paper made from recycled fibers conserves an estimated 7,000 gallons of water, 17 to 31 trees, 4,000 kWh of electricity, and 60 pounds of air pollutants. Recycling cartons is a great way to make new paper-based products and sustainable building materials.

The Carton Council supports the development and implementation of well-designed EPR systems for packaging and printed paper. We are aligned with the spirit of HF 3577 in that the policy aims to bolster and improve the recycling system. However, the council is concerned that certain aspects of the bill may not be achievable, particularly the targets for source reduction, recycled content, and other statewide goals. We commend the bill sponsors for including language that targets should be established based on the statewide needs assessment. The inclusion of a set of performance goals in the bill, separate from the needs assessment, is concerning since the needs assessment will provide valuable information on what is realistic and may or may not be achievable.



Specifically, the Carton Council suggests the following changes:

- **Recycled Content** - The Carton Council suggests language be added to the bill to exempt fiber-based packaging from recycled content mandates if the manufacturer cannot achieve the postconsumer recycled content requirements and remain in compliance with applicable rules and regulations adopted by the FDA. We encourage Minnesota to develop recycled content policy in concert with food contact regulation and clearance practices to ensure full policy alignment and necessary quality assurances. Current market conditions, material availability, and ensuring that the material is at scale in the marketplace also need to be considered.
- **Packaging Reduction** –The Carton Council suggests that packaging reduction goals be established based on the needs assessment, or another study or research effort. The packaging reduction goals in the legislation are aggressive and may not be achievable. Setting targets in statute that may not be achievable could result in banning a wide range of products under the law or could cause the law to fail under the inability to meet such mandates. In addition, source reduction standards should consider the product to package ratio as a metric for packaging efficiency that already exists for products such as cartons. Packaging reduction is happening in the marketplace and has been occurring for some time, driven by cost reduction and efficiency measures. Source reduction standards should reflect what is currently possible in the context of historical trends. The Carton Council is concerned that codifying punitive source reduction goals in statute as this bill does, without sufficient analysis and evaluation, and without a clear vision for how companies and their retail partners could achieve them, will cause an undue burden on producers, and may prevent certain products from being sold in the State.
- **Statewide Materials List** - The legislation gives authority to the Commissioner of the Pollution Control Agency to establish a statewide materials list based on the statewide needs assessment. The Carton Council suggests amending the language to give the authority of compiling an accepted materials list based on a statewide needs assessment to the PRO.

In section 115A.1453, Subdivision 3, point 2, which refers to the accepted materials list, the Carton Council appreciates the recognition that there may be different paths to market by allowing for materials to be sorted to a defined stream or a specification developed by ISRI. We urge the Committee to keep that language in the bill through future iterations. In some instances, cartons are sorted into Grade 54 as a defined stream and found to be acceptable by those markets, yet the Grade definition does not specifically mention cartons.

The Carton Council is dedicated to building strong, sustainable recycling infrastructure and end markets. Our comments are offered in this context. We appreciate the opportunity to weigh in on HF 3577 and look forward to continuing to engage with the Committee. We would be pleased to provide any data it may need to help make decisions beneficial to the recycling system in Minnesota and will work to continue to expand partnerships with public and private entities to further carton recycling.

Please do not hesitate to contact us for any reason.

Sincerely,



Ed Klein
Executive Director
Carton Council