

March 20, 2024

The Honorable Matt Klein Chair Senate Commerce and Consumer Protection Committee G-15 Capitol Office Bldg. St. Paul, MN 55155

Testimony re SF 3561 (amended)

Dear Chair Klein and Members of the Committee:

My name is Scott DeFife, and I am President of the Glass Packaging Institute (GPI). GPI is the trade association representing North American glass container manufacturing companies, glass recycling processors, raw material providers and other supply chain partners within the industry. GPI and its members work closely with local and state governments throughout the country on issues surrounding sustainability, recycling, packaging manufacturing and energy use. We have members with operations providing hundreds of jobs who both make new glass containers and process recycled glass recovered from the consumer and commercial waste stream in Minnesota. Glass is a non-toxic circular material made, used, and recycled in the State of Minnesota.

We support the goals of extended producer responsibility for packaging as are being considered under SF 3561, especially for their opportunity to improve the quality and volume of the material recovered and recycled in the state.

However, while we support adoption of the managers amendment filed 3/20/24 listed as SCS3561A17, *we must unfortunately continue to oppose SF 3561* even as amended.

The underlying language, in particular Subdivision 7 of Section 12, gave us grave concerns as it contains fatal flaws that would disproportionately and negatively impact the glass packaging industry. The amendment improves Section 12, but maintains what we believe is a flawed, weight-based approach to waste and source reduction.

I would like to emphasize our support for increased recovery of glass in the State and region. We support legislation that increases the amount of glass that can be recovered and returned to the supply chain. Recycled glass is a key component of making new containers and creates significant positive environmental benefits in the region. The industry supports all efforts to increase glass recovery and return that material to the glass manufacturing supply chain and is engaged in ongoing efforts to increase the use recycled glass in making new containers. Extended Producer Responsibility schemes are generally intended to address problematic materials, not glass. It is critical that while addressing the issues that

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the environmental community seeks to address by imposing broad-based EPR for packaging, including source reduction for packaging, that the provisions not impede the use of non-plastic alternatives such as glass, going forward.

Despite many positive and thoughtful approaches to addressing quality and contamination, the bill – specifically the provisions under Subd. 7 on page 26 and thereafter - treats all materials with the same broad brush and measures all source reductions by weight. The application of source reduction to all materials by weight will have the (hopefully unintended) consequence of severely reducing the amount of product sold in glass in Minnesota and increasing the use of plastic.

In addition, while the new substitute amendment improves the underlying bill with regard to recycled content provisions, the application of broad post-consumer recycled content requirements for all materials shows a lack of understanding of the difference in materials, how they are made, and their supply chains. The net effect of these provisions together would be penalize materials like glass, when we believe that the stated and intended environmental goals are to restrain the use of single-use plastic.

Recycled content standards should be applied to each packaging material uniquely, accounting for the attributes, value chain, and production of each type of packaging material. Unlike the global markets for recycled plastic or other materials with a global supply chain, the markets for and use of recycled glass is very local. Recycled glass moves within states and regions within the US, and sometimes along the US/Canada or US/Mexico border between states that border those countries, but not across wide regions of the country. Penalizing or restricting the use of glass made in other distant states or regions of the United States, or neighboring countries that have poor or no recycling system would negatively impact containers made for many products sold in Minnesota. In fact, for glass, the benefits of using recycled content in the making of new containers if best realized in the state or surrounding region. This bill should prioritize the use of recycled glass content recovered in Minnesota within the state and its immediate neighbors.

There are other specific provisions that show indicate that the bill was not written with the glass commodity particularly in mind:

- While it is positive that service provider performance targets are included in the bill, (page 23; 23.10 (iii)) it is restricted to "bale" quality measurements. Glass is not baled. Single-stream commingled glass is in fact broken into smaller fragments on purpose, and the glass commodity in most of these facilities is really akin to the residual small fraction stream that is headed to landfill. Ideally the provisions that relate to the glass commodity stream and quality would be dealt with separately because the commingled recycling stream treats glass completely differently than positively sorted "baled" commodities.
- In Section 13, page 27, in the section of the bill related to developing the recyclable materials list, there are references to ISRI specifications. These are developed for single-stream MRFs and not for the benefit of all the materials. We find the ISRI specs for MRF glass to be insufficient as a baseline for producing high quality recyclable material. The ISRI specs for glass cullet are acceptable, but the MRF glass

standards allow for the waste management industry to pass off highly contaminated residual as "glass".

- We do not support PRO fees being based on weight. Using weight as a base for fees will encourage material switching based on lighter weight material, not necessarily more environmentally favorable material.
- The requirements for reuse and refill really demand a deposit return system. While the bill allows for the use of deposits, we believe that stronger language requiring the creation of a bottle deposit return system be included in the EPR law. This is especially true once the system envisioned by the bill fails to meet its recycling, reuse and refill targets.
- The needs assessment and future system should place less emphasis on the existing commingled single-stream system and explore the collection of certain materials in separate streams to improve quality, decrease contamination and modernize a system that has constraints and limitations on its ability to deliver quality material.
- We oppose forcing all materials into one PRO, run largely by producers focused on reducing their plastics liability. The time restrictions on creation of additional PROs should be removed or shortened, and collections of brands/producers who do not use plastics should be allowed to form their own PROs from the beginning.

Glass Container Recycling Background and support for Bottle Deposit Return

Glass is a core circular packaging material which is reusable, refillable, and endlessly recyclable. Public sentiment strongly rates glass as one of the most supported materials in the recycling stream. The glass container manufacturing industry has a significant stake in the effectiveness of glass recycling programs. Recycled glass is a key component of the manufacturing process. Generally, for every additional 10% of recycled glass included in the manufacturing process, energy costs can be reduced 2-3 percent, with additional corresponding reductions in greenhouse gas emissions. Recycled glass substitutes directly for raw materials in the furnace batch at a better than one-to-one ration, adding to the sustainability of glass beverage containers.

Quality and contamination are key differentiators to the value and potential end-markets for recycled glass. We estimate that nearly 60 percent of the glass cullet that makes it back to a container plant for reuse nationally originates from the ten bottle deposit states. This is the highest volume stream of clean, source-separated glass. I have included some graphics at the end of this testimony that will illustrate the issues important to quality.

Glass collected through deposit returns has the highest likelihood of becoming a new bottle again, as compared to curbside commingled glass, which even if collected at relatively high rates, has far less yield, and may return only 40-50 percent of the glass material at a quality rate that can be used again in a glass furnace.

This separation drastically reduces contamination, increases the value, and provides the best opportunity to return the glass to a manufactured product. Data shows that material in a deposit program has 3 or 4 times the recycling rate of the same material in single-stream recycling. This in turn saves taxpayers (or ratepayers) money through diversion of material

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from landfill and associated landfill tip fees.

Minnesota is a leader in environmental sustainability, and the state's waste management and recycling laws are among the strongest in the country of the non-bottle bill states. We have one glass container manufacturing facility in the state, Anchor Glass in Shakopee, and a Strategic Materials glass recycling processing facility nearby in St. Paul. This means that glass has a circular economy in the state, and every ton of available glass that can be sent to glass processing has a chance to contribute to higher recycled content in the bottles made not only in Minnesota, but nearby in Wisconsin and Illinois plants as well.

We estimate that the state has over 200,000 tons of glass beverage containers in the economy each year and the approximately half of that is being recovered. The good news is that a majority of the glass recovered in the state is recycled, but more would be recovered in a deposit return, especially paired with EPR, for both beverage and food glass. We estimate that we could increase glass recovery in the state to over 80 percent of the residential and commercial (hospitality) streams with a combination of EPR and DRS.

In addition, in order to support growth of reuse and refill, which we know to be a priority of many policy makers in the state – it really requires a deposit return system to incentivize and create a recovery infrastructure to bring those bottles back intact so they can be cleaned, sanitized and refilled. This would be difficult to accomplish with EPR alone.

In summary, we would like to work with officials in Minnesota to increase the use of glass in the state, increase and improve glass recycling in the state and create more glass related jobs in Minnesota and neighboring states, but we cannot support the bill as written now, and until the legislation differentiates the materials from each other and approaches the use and recycling of different packaging materials based on their characteristics, rather than treating all packaging materials the same.

Thank you for your consideration of our testimony and we seek to work constructively with supporters of the effort to improve recycling in Minnesota on provisions that will treat glass appropriately under the program.

Sincerely,

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Scott DeFife President

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