

February 21, 2024

Dear Chair Hawj and members of the Environment, Climate, and Legacy Committee,

On behalf of the Association of Plastics Recyclers, I am **testifying in support of SF3561, Packaging Waste and Cost Reduction Act.**

[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 best solution to shift the funding toward brand companies and off taxpayers and local governments' budgets.

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.**

ECONOMIC BENEFITS AND BUSINESS OPPORTUNITIES IN MINNESOTA

The APR represents recycling businesses and we want to underscore that recycling is a business, not an environmental movement. We want to grow plastics recycling businesses in Minnesota instead of expanding landfills. [This bill is 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.

This bill will expand and bring new recycling businesses throughout Minnesota and the Midwest. One notable example of this is the [recent opening of the plastics reclaimer, Myplas, in Rogers, MN](#). Myplas can recycle over 90 million pounds of flexible film plastics each year and the facility development was a collaborative partnership of the GREATER MSP Partnership's MBOLD coalition. Additional funding partners included General Mills, Schwan's Company, Charter Next Generation, Target, Ecolab, The Alliance to End Plastic Waste, Closed Loop Partners and the Minnesota Department of Employment and Economic Development. By creating a stronger recycling program that collects millions more tons of plastics and other recyclables, Minnesota can attract other recyclers and remanufacturers into the region.

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.

REQUESTED REVISIONS

Below are suggested revisions to strengthen the bill based on experience in other states and emerging issues around the world:

1. **Update definition of post-consumer recycled content** to align with the International Standards Organization (ISO) standards and other US state definitions. This is important to clearly differentiate between post-consumer materials collected from households, and not industrial recyclable materials that are commonly factory scraps. The goal is to ensure materials collected from households are recycled back into new products. The preferred definition per ISO is: "Postconsumer material" means material generated by households or by commercial, industrial and institutional facilities in their role as end users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.
2. **Provide more flexibility regarding performance targets.** It is challenging to set appropriate performance goals in statute without a clear understanding of the current system performance, especially when establishing new metrics. For example, the current methods of measuring the recycling rate in the state, based on what is recycled rather than disposed, is substantially different than the measurements proposed under this bill based on what is recycled compared to the amount of packaging sold into the state. In this case, the bill establishes a new denominator in the equation. The APR

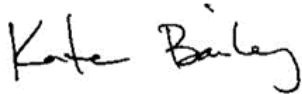
supports ambitious and achievable targets, and more work is needed to evaluate the current system before strong and feasible rates can be set. The APR supports having the Commissioner set targets based on the outcomes of the Needs Assessment.

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,

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

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