

February 22, 2024



Minnesota Senate  
Environment, Climate and Legacy Committee

**Re: Packaging Waste & Cost Reduction Act (SF3561)**

Dear Chair Hawj and Members of the Committee,

We are committed to improving recycling and reducing waste in Minnesota. We appreciate Representative Morrison's work on the Packaging Waste & Cost Reduction Act. Our letter highlights major pieces of the bill that will improve recycling and advance waste reduction efforts in the state and sections of the legislation that need to be shored up to ensure it is meeting the aims of the program.

Eureka Recycling is a non-profit, social enterprise, recycler here in the Twin Cities. We are a proud union shop with union mechanics and drivers. Our team sorts 100,000 tons of residential recyclables each year into 15 different commodities that support our local supply chain. About 80% of our feedstock is turned into new products here in Minnesota and 90% in the greater Midwest. We work to demonstrate that recycling can and should be done in ways that benefit our environment, communities, and the regional economy.

Unfortunately, the growing packaging crisis is making this work increasingly difficult. Problematic and unnecessary packaging is trashing our recycling system, adding unnecessary costs to our communities, and polluting our environment. It's time producers are held accountable for these impacts. The Packaging Waste and Cost Reduction Act aims to do this by requiring producers pay for the cost to take back, recycle, or properly dispose of their products and packaging while driving towards reduction, reuse, and increased recycling and composting rates.

**SF3561 takes the following key actions:**

**Supports Equitable Access to Recycling.** While Minnesota has worked hard to develop strong recycling programs, only about 55% of households have automatic access to curbside services and our [combined recycling and composting rate](#) has remained somewhat stagnant at around 45%. Where curbside programs do not exist, many communities cannot afford to provide recycling drop-off centers and rural areas face significantly higher costs. This bill creates a sustainable funding system to support convenient, equitable recycling for all residents regardless of income, housing type, or demographics. The Producer Responsibility Organization (PRO) will be required to use member fees to ensure all residents have convenient, equitable, access to recycling.

**Supports Higher Recycling Rates & Reduces Climate Pollution:** The primary environmental and climate benefits of recycling occur when we use recycled materials to make new products and packaging, not just by keeping materials out of landfills and

incinerators. Using recycled materials in new products directly displaces the use of virgin resources, and with that, the energy used and pollution caused by extracting and processing fossil fuels, timber, metals and other raw feedstocks is greatly reduced. The displacement of virgin resources through use of recycled content is where most of the environmental benefits of recycling occur, so driving greater use of recycled content is a primary motivation for collecting materials for recycling. The bill supports these efforts by driving redesign of packaging towards recyclability, creating strong criteria for what can be considered curbside recyclable, setting strong recycled content requirements, and increasing access to recycling programs.

**Provides Stability to Commodity Markets:** The bill includes strong minimum requirements for post consumer recycled content in materials sold into the state. While this is key for reducing reliance on virgin materials, it will also provide much needed stability to commodity markets. Recycled content requirements drive stronger recycling markets for MRFs and create the market demand for materials to go back into containers rather than into downcycled uses. Post-consumer recycled content standards appropriately place the onus of recycling on producers, rather than the recycling operators, since the companies make the decisions about where to source their feedstock and how to design their products.

**Leverages Infrastructure & Supports Quality Jobs:** The bill protects the open and fair bidding process that haulers across our state are currently accustomed to. It ensures that priority is given to service providers here in Minnesota that provide living wages and benefits, employ strong safety standards for their workers, and provide quality services. For recyclers, it also requires bale standards are met and materials are sent to responsible end markets.

**Prioritizes Source Reduction:** We cannot recycle or compost our way out of the packaging crisis, we need a fundamental shift towards reduction and reuse systems. The bill does not rely simply on eco-modulation to incentivize producers to reduce or move to reusable and refillable containers. It includes specific targets for source reduction, reuse, recycling, composting and recycled content over the next 10-15 years. The targets set in the bill are data driven and appropriate to build off of the successful progress we have made in Minnesota. The bill also offers a pathway for the agency to amend these targets based on the needs assessment. As we've noted below, the language in this section needs to be strengthened to ensure producers are held accountable to these targets.

### **Outstanding Issues that Need to be Addressed:**

**Ensure Statewide Targets are Enforced:** While the bill sets specific source reduction, reuse, recycling, composting and recycled content targets, the language needs to be shored up to ensure producers are required to meet these statewide targets. Without clear mandates on producers that can be enforced by the agency, this bill will not result in the improvements we urgently need. We support language that the Minnesota Pollution Control

Agency (MPCA) has previously put forward to make it clear that producers must meet targets and the agency will enforce them.

**Criteria for Alternative Collections:** Currently the PRO can petition to collect a covered material, not on the approved recyclable list, through an alternative collection program. However, there is no criteria that these collection programs need to meet. This leaves a considerable loophole in the program, allowing producers to continue to use problematic materials. Any system used to collect materials for recycling outside of the curbside system needs to be equitably accessible to all Minnesotans by meeting convenience standards, send materials to responsible end markets and meet the prevailing recycling rate within 5 years of its rollout. We have drafted specific language, and shared it with the sponsor, to address this issue.

**Prevent False Solutions:** The bill uses the existing statute definition of recycling. Since the creation of this definition, plastic has become more prevalent and the industry has developed various types of technologies that they claim are recycling, often referred to as “[chemical recycling](#).” Since the definition is not being updated for the purposes of the bill, the bill needs to include strong guardrails to prevent false solutions by setting strong criteria for measuring the environmental and human health impacts of each covered material.

**Ban Toxics in Packaging:** We cannot continue to recycle toxic packaging, but we should not be producing, using, or burning or burying toxic packaging either. We need to get toxics out of packaging in the first place. The bill creates incentives for producers to reduce toxics in packaging and adhere to existing toxics in packaging laws in Minnesota. However, these statutes need to be updated. As this bill advances, it is crucial that legislation addressing these toxics statutes also advances.

**Develop Recycling Refunds:** In addition to this bill which addresses packaging, a deposit return system for beverage containers will further support higher recycling rates and ultimately keep resources in the ground. An effective statewide bottle deposit program in Minnesota should reduce waste, increase recycling rates, promote reuse, support a local feedstock for our supply chain, and create fair and inclusive standards for informal workers. We will work to support and strengthen the complimentary Recycling Refund Program (SF3260).

Recycling in Minnesota and across the country has stagnated for over a decade and is plagued by volatile commodity markets, increasing contamination rates, limited local government resources, inequities in services, and a patchwork system of programs. We need big changes to address the crisis we’re facing, and a well-crafted bill can help transform the packaging stream and how we fund and manage the entire system.

As a state we must focus on recycling right, not just recycling more. This bill, along with the changes we’ve identified, are an opportunity to raise the bar for all operations and programs

across the country. However, efforts to weaken this bill risks us simply shifting the costs of recycling without ushering in systemic improvements and community benefits.

We are happy to provide additional information on any of these policy proposals and appreciate your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucy Mullany', with a stylized, cursive script.

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