



April 12, 2024

**Rick Horton Testimony**

Senate Environment, Climate, and Legacy Committee

Chair: Senator Founj Hawj

RE: SF3561

Chair Hawj and Members,

My name is Rick Horton, and I am the Executive Vice President of Minnesota Forest Industries. MFI is a trade organization representing the primary wood-consuming mills in the state. Together we transform trees into products we use every day.

MFI is opposed to Senate File 3561, the Extended Producer Responsibility bill, as it pertains to paper products. The American Pulp and Paper Association (attached) shows that nationwide 67.9% of paper, and a staggering 93.6% of cardboard was recycled in 2022! And it shows that paper usage is declining overall.

The 50 States of Recycling Report for Minnesota (attached) shows that 78% of cardboard, boxboard and paper is recycled in this state (gray bar at 4 o'clock). This is the direct result of the commitment our industry has made to recycling.

The paper industry is highly integrated, where impacts to one particular mill can have wide-ranging implications for other facilities (see attached FRA supply chain graphic). And it is a global industry, where impacts in Minnesota can have implications across the country, and indeed the world. The paper industry is fluid and rapidly changes to meet consumer demands. While some of the proposed options may provide protection to products currently being made in these mills, they may also constrain future investment in Minnesota. For example, if demand for paper continues to decline and demand for cardboard continues to increase, it is conceivable that a company may want to convert a mill. This bill may result in Minnesota not receiving consideration for that significant investment. That is one of the many reasons we prefer that paper be completely exempt from the EPR legislation.

If a complete exemption is not possible, we prefer building in off-ramps that allow exemptions when it is proven that a sector meets reasonable recycling targets. It is good policy to reward those who perform well and target attention upon those who do not.

Paper is made from renewable and sustainably-sourced wood. Managing forests improves forest health, creates wildlife habitat, reduces wildfire risk and creates good-paying jobs in impoverished rural communities. We should be encouraging conversion to paper-based



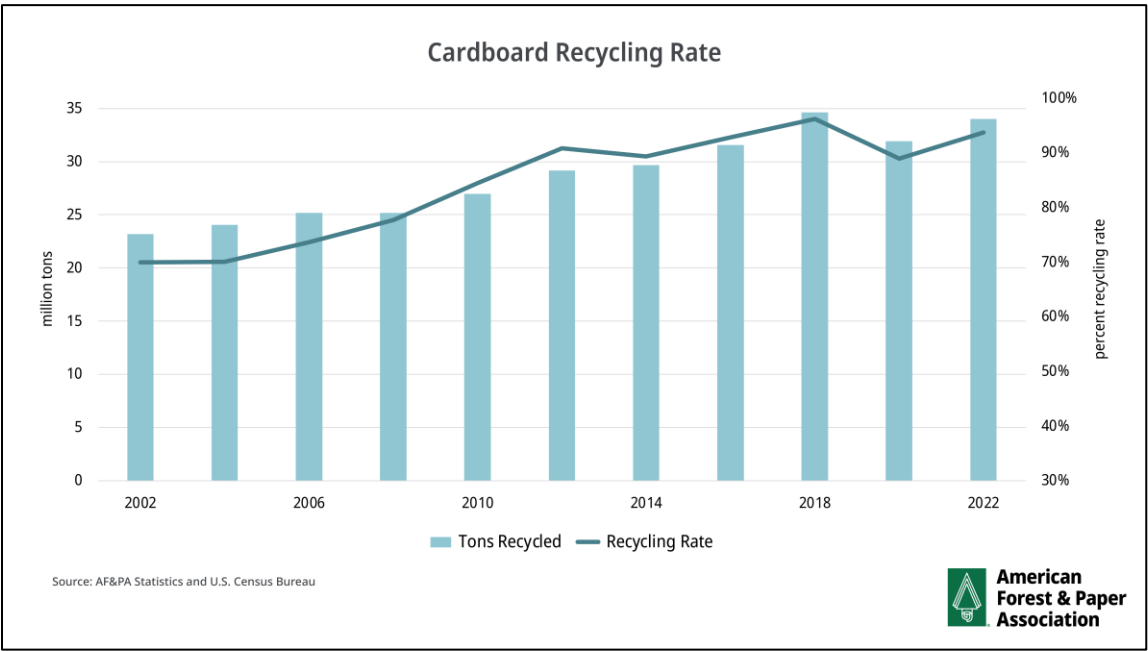
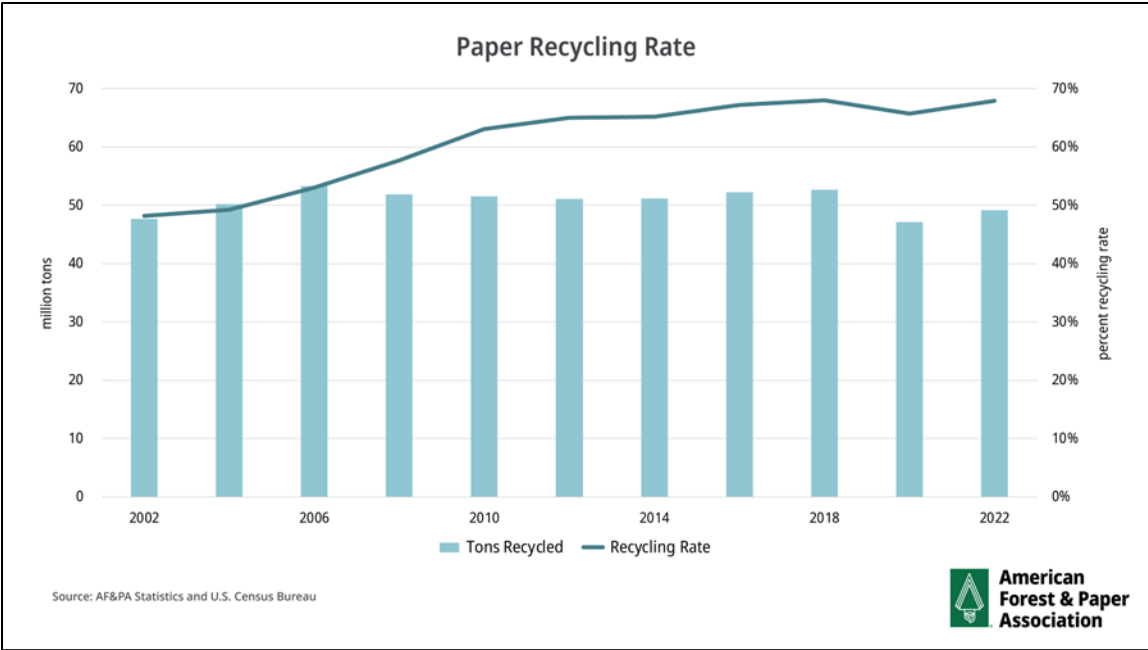
packaging, rather than forcing punitive regulations upon the industry that has been doing the right thing all along.

Thank you.

A handwritten signature in blue ink, appearing to read "Rick Horton". The signature is fluid and cursive, with a large initial "R" and a stylized "H".

Rick Horton, Executive Vice President, Minnesota Forest Industries







# MINNESOTA

37% RECYCLING RATE  
WITHOUT FIBER AND FLEXIBLE PLASTICS (FFP)



## RANKING

RECYCLING RANK 2021 #11  
RECYCLING RANK 2018 #7



POPULATION  
5,711,471



CENSUS SUB REGION  
WEST NORTH CENTRAL



RECYCLING REFUND STATE  
NO



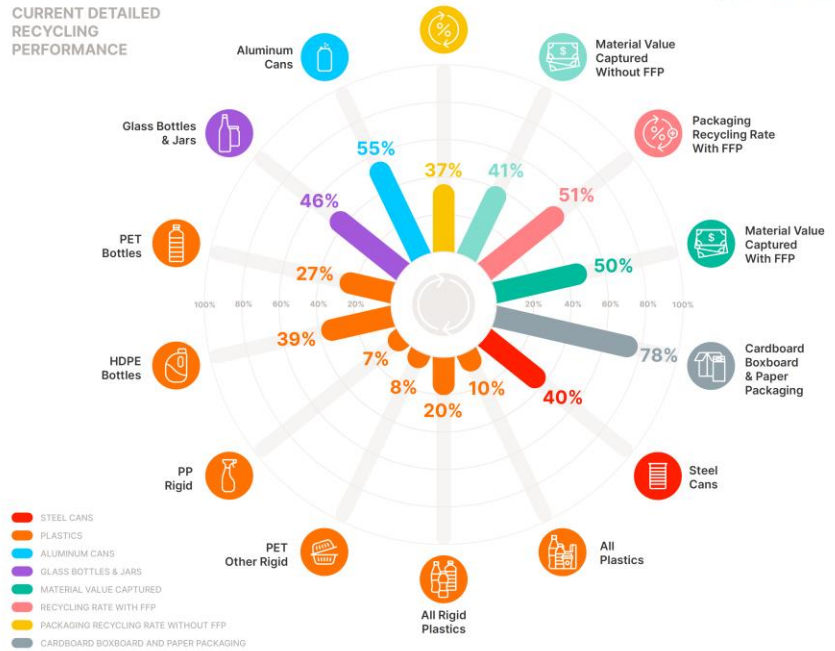
## DATA QUALITY



## OVERVIEW

The 2014 Minnesota Legislature increased the recycling goal for the seven-county metro area from 50% to 75% of the MSW they generate by 2030. A 2016 law (§115A.151) requires commercial businesses to recycle at least three material types. The Minnesota Pollution Control Agency (MPCA) supports local efforts and provides information on recycling, composting and solid waste management for the state, including managing reporting requirements. MPCA helps businesses develop uses for recycled materials by offering technical, financial, and marketing assistance.

## CURRENT DETAILED RECYCLING PERFORMANCE





# The Wood Supply Chain

