



April 25, 2024

Chairman Fong Hawj & Members of the Environment, Climate, and Legacy Committee
Minnesota State Senate
95 University Avenue West, Room 1150
Saint Paul, MN 55155

Dear Chairman Hawj & Members of the Environment, Climate, and Legacy Committee:

On behalf of the Beer Institute and the 44,000 Minnesotans who make a career working in the beer industry, I write today in opposition to S.F. 3561, a proposal to impose Extended Producer Responsibility (EPR) policies for consumer packaging. The Beer Institute is a national trade association representing the interests of brewers, beer importers, and industry suppliers across America.

S.F. 3561 would shift the financial and operational burdens of recycling from municipalities to a limited number of producers and manufacturers – ultimately leading to costs being passed on to consumers without adequately addressing the core challenges of improving recycling rates and reducing waste.

Based on estimates of increased costs of packaging under this type of EPR legislation, the Beer Institute, [utilizing a study by York University](#), estimates that the average price of a case of beer would increase by \$1.44 (based on an average \$24 case price) – which represents a 6% increase which is compounded by continued high inflation. Consumers will be forced to pay that increased cost, or alternatively forego purchases, meaning brewers would cut jobs, reduce production or halt expansion efforts.

The beer industry believes improving the recycling system is a shared responsibility. There is an opportunity for beverage producers, container manufacturers, and suppliers of aluminum, plastic, and glass materials to seek a unified recycling policy that takes a non-regulatory, uniform, and integrated approach to solid waste management and recycling.

However, we do not support this EPR approach because it shifts all solid waste costs onto producers. This presents a unique challenge to beverage alcohol companies that operate within the federally mandated three-tier system of alcohol distribution. Companies in each tier of this distribution system are legally required to maintain their commercial independence, and federal and state laws impose strict limits on interaction between producers and consumers.

While EPR laws largely address packaging, they ignore the most harmful types of waste. Plastic degrades each time it is recycled and can only be recycled one or two times. [More than 74 percent of the beer produced in the United States comes in aluminum cans](#), which are infinitely recyclable. The Aluminum Association reports that almost [75 percent](#) of all aluminum produced is still in use today.

While EPR bills are well-intentioned, the cost benefit analysis of such programs are very much in doubt. After Colorado passed a similar EPR bill in 2022, the estimated cost of implementation increased significantly – [ballooning nearly 20%](#) in the following month through study revisions. This shot the total cost for the program up from \$260 million to \$310 million annually.

This EPR proposal places another burden on an industry that already uses packaging that is very high in recycled content with no corresponding tangible benefit in terms of reduced packaging or increased recycling. I respectfully ask that you consider all these points, stand with the beer industry and the 44,000 Minnesotans it employs, and oppose S.F. 3561.

Sincerely,

Brian Crawford
President & CEO
Beer Institute