

March 13, 2024



Minnesota Senate  
State and Local Government and Veterans

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

Dear Chair Dziedzic and Members of the Committee,

We are committed to improving recycling and reducing waste in Minnesota. We appreciate Senator Morrison's work on the Packaging Waste & Cost Reduction Act and are writing in support of the bill.

Eureka Recycling, based here in the Twin Cities, is one of the largest recyclers in Minnesota. We are a proud union shop with union mechanics and drivers. Our team of over 135 employees, sorts 100,000 tons of residential recyclables each year into 15 different commodities that support our local supply chain. About 75% of our feedstock is turned into new products here in Minnesota and 95% in the upper Midwest. We work to demonstrate that recycling can and should be done in ways that benefit our economy, environment, and communities.

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 to 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 Quality Jobs:** The program ensures that priority for service provider contracts is given to Minnesota companies that provide good jobs, strong safety standards, and quality services. Additionally, investments in reuse and recycling infrastructure will create new jobs across our state. The MPCA estimates that fully investing in recycling will result in over 15,000 new jobs.

**Strengthens Minnesota's Economy:** Businesses are struggling to source the metal, paper, plastic, and glass needed to make new packaging and products. Meanwhile, each year Minnesota buries and burns over 1 million tons of recyclables worth an estimated 143 million dollars. By recycling more, we can create a reliable domestic supply of recycled metal, paper, plastic, and glass to make new products.

**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.

**Creates Equitable & Free 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. In fact, the cost of recycling is becoming such a financial burden that communities across the state are dropping their programs. HF3577 creates a sustainable funding system to support convenient, equitable recycling for all residents regardless of income, housing type, or demographics.

**Drives Packaging Redesign:** Packaging producers will be charged based on the amount and type of packaging used. The less packaging a company uses, the less they will pay. There are also financial incentives for companies to reduce unnecessary packaging and use nontoxic, reusable, recyclable and compostable materials.

**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 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.

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 is 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,



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