



American Forest & Paper Association

April 1, 2025

Chair Tou Xiong
State and Local Government Committee
Minnesota Senate
1200 Minnesota Senate Building
75 Rev Dr Martin Luther King Jr Boulevard.
St Paul, MN 55155

RE: Opposition to SF 1598 – Prohibition removal on banning merchant bags.

Dear Committee Chair Xiong, Vice Chair Gustafson, and Members of the Senate State and Local Government Committee,

The American Forest & Paper Association (AF&PA) respectfully submits this letter of opposition regarding SF 1598, removing the prohibition on banning merchant bags on behalf of our members and their employees who are an integral part of the circular economy.

Introduction to AF&PA

The American Forest & Paper Association (AF&PA) serves to advance public policies that foster economic growth, job creation and global competitiveness for a vital sector that makes the essential paper and packaging products Americans use every day. The U.S. forest products industry employs more than 925,000 people, largely in rural America, and is among the top 10 manufacturing sector employers in 44 states. Our industry accounts for approximately 4.7% of the total U.S. manufacturing GDP, manufacturing more than \$435 billion in products annually. AF&PA member companies are significant producers and users of renewable biomass energy and are committed to making sustainable products for a sustainable future through the industry's decades-long initiative — [*Better Practices, Better Planet 2030*](#).

In Minnesota, the forest products industry employs more than 24,000 individuals, with an annual payroll of over \$2.1 billion. The estimated state and local taxes paid by the forest products industry totals \$205 million annually.¹

Impacts of Bag Fees

Offering bags and containers at the point of purchase is a natural part of customer service. Many services are included in the price of the goods consumers already buy, such as rent, electricity, insurance and employee wages. Government taxes imposed on products increase costs for consumers who can least afford it and can create distortions in the free flow of recyclable commodities like paper. Taxes and fees burden hard working citizens by increasing the costs of basic necessities for all and disproportionately impacting fixed- and low-income consumers. These

¹ Data sources: IMPLAN, 2023 Data, using inputs provided by AF&PA, In 2023 Dollars.

consumers can ill afford to pay an additional tax on paper bags while struggling to cover increasing costs of essential products and need affordable packaging options to protect their food purchases from damage and contamination. Paper bags are a clean, hygienic, and convenient choice to meet those needs while also being recyclable, reusable, and compostable.

Our Commitment to Utilizing Recycled Paper in Manufacturing

AF&PA supports efforts to improve sustainability and decrease landfill waste. Paper bags are 100% recyclable and widely accepted in curbside recycling programs. The paper and packaging sector's environmental success story is due to strong and free markets for our recyclable materials. Recycled fiber content is a high-value, global commodity that fosters a dynamic marketplace where recovered fiber finds its highest end-use in the creation of new products. This creates a virtuous cycle which encourages more paper recycling and recovery. Rather than drive increased use of recyclable paper, fees on paper packaging would shift away from paper to other products where it is less efficiently used. By contrast, the market-driven recycling system is already recovering and recycling record amounts of paper. Passing legislation that would allow municipalities to impose bans and fees on paper packaging is unnecessary and contrary to the State's stated environmental goals, particularly given the environmental benefits of paper and the recovered fiber sector.

We encourage Minnesota to promote measures which support paper and paper-based products. We stand ready to assist you and offer our expertise as a resource as you continue the dialogue on this important issue. Please direct any question regarding this matter to Frazier Willman, AF&PA's Manager of Government Affairs at Frazier_Willman@afandpa.org.