

March 12, 2024

Representative Ginny Klevorn
State and Local Government Finance and Policy Committee
10 State Office Building
100 Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Re: HF 3577 – “Packaging Waste and Cost Reduction Act”

Dear Chairman Klevorn

The Consumer Technology Association™ (CTA) respectfully submits this letter to voice our opposition to HF 3577, the “Packaging Waste and Cost Reduction Act.” CTA is North America’s largest technology trade association. Our members are the world’s leading innovators – from startups to global brands – helping support more than 18 million American jobs. Our member companies have long been recognized for their commitment and leadership in innovation and sustainability, often taking measures to exceed regulatory requirements on environmental design and product stewardship. We respect the overall intent of this bill to reduce the amount of packaging in the waste stream but cannot support this bill as written and offer the following comments that support our opposition.

Industry Experience with Extended Producer Responsibility

We recognize the importance of recycling. Our members have financially supported and facilitated the collection and recycling of consumer electronics across 24 states and the District of Columbia. Our industry has almost two decades of experience in state level producer responsibility programs. The patchwork of state level electronics producer responsibility laws, each one varying in scope, has proven costly and inefficient across jurisdictions as the electronics industry has spent well over \$1 billion complying with these various state laws. CTA strongly cautions against a state-by-state approach especially for packaging, which is a vastly larger and more complex waste stream with potentially thousands of responsible producers.

It is also worth noting that producer responsibility programs do not equate to a no-cost recycling system for consumers. Where manufacturers can, consumers end up paying for the system through the cost of the products they purchase plus premium markup as products move through distribution and retail channels.

Needs Assessment

CTA supports the inclusion of a robust Needs Assessment as outlined in Section 11 [115A.1450]. As written in Subd. 3 of Section 11, the needs assessment includes an evaluation of the current recycling system infrastructure as well as the levels of packaging being received in the state of Minnesota. CTA supports proposed potential performance targets that are based on this evaluation from the needs assessment, as is currently proposed in the bill.

Additionally, the bill states that the needs assessment serves as a baseline for performance targets. While we agree with this statement, we believe that an evaluation of previous actions taken by producers to reduce their packaging and achieve better environmental outcomes should be included as part of the needs assessment. The technology industry has already made strong commitments over the past several years to packaging reduction and should not be punished for being proactive in their design innovation.

Performance Targets

CTA agrees with the statement in Section 12 [115A.1451] Subd.6 Performance Targets, stating that established performance targets shall be based on the needs assessment for any stewardship plan and must cover a variety of targets including waste reduction, reuse, recycling, composting, and postconsumer recycled content for covered materials. Additionally, we agree with the statements on source reduction on page 21, that explain source reduction targets must not go “beyond what is necessary to efficiently deliver a product without damage.” Consumer technology products have unique protection needs – screen protection, protection against shock and vibration for sensitive components – that dictate and severely limit the packaging material types and amounts that adequately protect these products. CTA does not support broad source reduction targets across all industries because our packaging material demands have unique characteristics that are not shared by other industries. We believe that source reduction targets should consider the amount of material needed to protect consumer electronics from breakage.

CTA opposes the mandatory statewide goals outlined in Section 12 [115A.1451] Subd. 7. Statewide Goals. We believe this section is contradictory to the previous statements on the intent of the Needs Assessment as outlined in Section 11. Subd. 4 of Section 11, states, “When determining the extent to which any statewide requirement or performance target under this act has been achieved, information contained in the needs assessment must serve as the baseline for that determination.” CTA agrees that performance targets need to be connected to information collected through the needs assessment and that the mandated goals should be removed from the bill.

Additionally, while we agree that the transition to refillable or removable packaging can be an important component to increased resilience in our recycling and solid waste management systems, we do not agree that these requirements can be applied to the electronic industry in the same manner as other traditional consumer packaged goods brands. The durable goods industry is a small contributor to packaging waste overall and CTA would support packaging reduction strategies specifically tailored to our industry, not arbitrary goals mandated in statute that will hinder innovation.

Toxic Substances

CTA disagrees with any prohibition of toxic substances contained within this bill because it goes beyond the scope of reducing packaging waste. The scientific evaluation of chemicals to be determined as toxic is complex and requires extensive expertise. Any regulation of toxic substances should be handled separately via Department conducted risk evaluations to determine if a material is toxic based on its risk

CTA Comments on HF 3577 – OPPOSE

February 28, 2024

and the exposure from the actual packaging material. The Federal government is leading in chemical regulation under the Toxic Substances Control Act at the Environmental Protection Agency (EPA).

CTA believes chemical regulations should be based on sound science conducted through a peer-reviewed risk evaluation. The potential for an entire material type to be designated as “toxic” and therefore banned from the recycling system is not the best path forward for encouraging the recycling and proper handling of packaging material. Instead, it will lead to an increase in disposal of these material types. Designation of “toxic substances” that should be banned from packaging should be handled separately outside of a producer responsibility system based on a risk assessment approach.

Covered Materials Pollution and Cleanup Study

CTA agrees with the intent of Section 25 that aims to reduce covered products becoming litter and to clean up litter in Minnesota. However, we do not agree with section (3)(c) that the PRO must cover the costs of the recommended actions identified in the study.

Conclusion

CTA appreciates the opportunity to provide written testimony on HF 3577 and welcomes further discussion with the Committee. We strongly encourage a comprehensive stakeholder engagement process on the development of these policies in order for a successful program to be implemented. As written, we do not believe HF 3577 is the solution for packaging waste and cost reductions in Minnesota and respectfully oppose this legislation. Please do not hesitate to contact me with any questions or requests for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Ally Peck". The signature is fluid and cursive, with the first name "Ally" and last name "Peck" clearly distinguishable.

Ally Peck

Senior Manager, Environmental and Sustainability Policy

apec@cta.tech

(703) 395-4177