



February 21, 2024

Chair Hawj & Members of the Senate Environment, Climate, and & Legacy Committee:

Thank you for the opportunity to provide comments on SF 3561, the Packaging Waste and Cost Reduction Act, as amended.

The Minnesota Retailers Association is made up of 1,200 retail stores across the state, including main street retailers, regional/mid-sized retailers, and retailers with a national presence. Today's retail market is competitive, and consumers are mobile with many options for purchasing products, including across a state border, the country and in some cases even the world.

This past summer we had a small work group discussing extended producer responsibility (EPR) as we recognize the importance of such conversations. As a result of that work, we developed a dozen draft principles we deem important when considering any EPR program. To the credit of Sen. Morrison, SF 3561 meets some of those principles, however it has significant challenges in several areas, and as a result we are opposed.

Our main objections to the bill center on:

- The proposed framework stands to create a Minnesota-only approach, without harmony with other state initiatives. Without such uniformity with other states, Minnesota's consumers may face higher product costs, and retailers may be placed at a competitive disadvantage in today's competitive marketplace.
- Unlike the original bill, the DE does not prohibit consumer point of sale fees, and as such a consumer could end up seeing increased prices for products before and at the point of sale.
- The proposal leaves open the door for requiring consumer take-back at retail outlets. Consumer participation should be convenient and easy, and utilize existing outlets for recycling, however retailer participation should be voluntary.
- Related to cost-benefit, the rates and dates in the proposal are arbitrary and lack data to support whether they are reasonable or even achievable.

Retailers share your goal of being good stewards of the environment, and we hope you share our goal of fostering a marketplace where Minnesota's retailers can competitively serve their customers.

Sincerely,

Bruce Nustad
president