



## MINNESOTA GROCERS ASSOCIATION

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October 10, 2013

Commissioner John Linc Stine  
Minnesota Pollution Control Agency  
520 Lafayette Road N  
St. Paul, MN 55155

Dear Commissioner Linc Stine,

On behalf of the Minnesota Grocers Association, we would like to voice our concerns on the recycling refund program for beverage containers proposed by the Minnesota Pollution Control Agency.

As active members of our local communities, the Minnesota Grocers Association and its members are at the forefront in supporting a sustainable environment in Minnesota. The retail food industry is a leader in providing voluntary, innovative tools to allow our customers a variety of ways to make environmentally friendly choices.

We have a lot to be proud of; Minnesota is second in the nation when it comes recycling at tons per capita per year. The Minnesota Grocers Association Foundation has partnered with the Recycling Association of Minnesota (RAM) to work in collaboration with our convenience store members to provide easy access to recycling opportunities, which increases recycling, creates awareness, and educates the public on recycling initiatives.

Proven initiatives, such as single sort recycling, work within existing structures to expand on our successes, allowing consumers greater ease and access to recycling, while promoting an efficient system with tangible results.

Comprehensive recycling programs that leverage investment in current programs are convenient, cost-effective, and sustainable. The continuation of established successes is the logical strategy to achieve higher recycling rates.

The proposal on beverage containers poses strong concerns that duplication of efforts for a small portion of the waste stream will create unintended consequences. We believe that creating an entirely new system moves Minnesota in the wrong direction. Higher costs to consumers, damaging current recycling infrastructure, and significant border issues, in relation to fraud and competitive disadvantages, are just a few of the foreseeable consequences a bottle deposit program will create in Minnesota.

Forced deposit programs with increased regulation create direct and indirect costs on consumers and disincentivize an already working system. This burdensome, expensive, and complicated proposal will counteract current recycling efforts by taking resources away from already successful recycling programs. Statistics show that a bottle deposit refund on beverage containers encourages criminal activity and fraud, with our border communities at the highest risk. This would create severe fiscal consequences on the industry and state.

Approximately 90% of all Minnesotans live within one and a half hours from a bordering state; consumers will make the choice to drive across the border to purchase beverages at a lower price. If this proposal advances, Minnesota's retail food industry will be put at a distinct competitive disadvantage.

Higher costs of goods will shrink consumer's basket size, hurting Minnesota families, businesses, and our state's economic vitality. Incentivizing consumers to shift their purchasing trends will be detrimental to Minnesota and counterintuitive in promoting sustainability. The retail food industry typically operates on a profit margin around one percent. The loss of revenue would severely affect the retail food industry's ability to succeed in this challenging marketplace.

We appreciate the opportunity to voice our opposition to this recycling refund program for beverage containers proposal, and look forward to being included in any further discussions. If we can be of any assistance to you on any issue, please do not hesitate to contact us.

Sincerely,

Jamie L. Pfuhl  
President

*The MGA is a state trade association representing the retail food industry since 1897. We have over 200 retail members with nearly 1,100 stores statewide, as well as approximately 115 distributors and manufacturers. Our member companies employ over 125,000 union and non-union Minnesotans. We actively advance the common interest of all those engaged in any aspect of the retail food industry as a leader and advocate in government affairs.*