



**Comments on the MPCA's
Draft Program Design for a Recycling Refund Program for Beverage Containers in Minnesota
Submitted on November 4, 2013**

As the trade association for the PET packaging industry, NAPCOR is deeply committed to maximizing the recycling of postconsumer PET. We support the efforts of states like Minnesota to develop beverage container recycling policy and analyze its impacts, both in terms of cost and performance. NAPCOR appreciates the state's efforts to take a fresh look at a controversial approach to increase beverage container recycling.

NAPCOR's decades of experience in designing and demonstrating recycling collection programs provides a unique perspective on beverage container recycling strategies. The following comments are offered to aid in the agency's analysis of impacts of the draft program design. NAPCOR does not take positions on new beverage container deposit legislation. These comments should not be construed as support for, or opposition to, the draft program plan or any beverage container deposit program that might result from it.

1. Innovative Approach

MPCA's draft program plan addresses many of the historical concerns with conventional beverage container deposit laws. By proposing to keep material revenues and unclaimed deposits in the system to finance the redemption infrastructure, not specifying handling fees, and facilitating industry management, the draft program plan would likely foster efficiency in the system. Enabling flexibility in development and operation of redemption centers, and allowing retailers to redeem containers voluntarily (instead of requiring that they do so) also addresses traditional concerns.

2. Definition of "Redeemable Beverage Container"

The draft program plan includes a broad scope of beverages "packaged for sale in redeemable beverage containers," but does not define "redeemable beverage container." It would be most fair and equitable if the program included a broad scope of containers, including non-traditional materials such as aseptic containers, cartons and pouches. If not, it will create an incentive for manufacturers to use those packages instead of the more readily recyclable PET, glass or aluminum containers, to avoid responsibility. Thus, it could lead to an increase in waste.

3. Governance structure of the Beverage Container Recycling Organization

Including several stakeholder groups in the governance of the BCRO is another innovation in the program plan that will likely yield positive results. One stakeholder group that is not represented is the collected materials reclaiming/end use industries. As the ultimate market for the materials collected, end users can have valuable input in collection strategies and efficiencies and could provide valuable input to the organization.

4. Redemption of containers collected through curbside recycling programs

Enabling existing recycling programs to benefit from the beverage container redemption program will be critical to its success. While the program plan notes that recycling programs can redeem their containers through the system, it does not describe the mechanism for that to happen. Requiring recycling programs to sort out redeemable containers and return them through a separate redemption system will be impractical in all but the smallest facilities. The plan should provide greater detail on how it envisions existing recycling programs will obtain the deposits for materials they collect.

5. Beverage Container Recycling Organization financing

The draft program plan retains the unclaimed deposits and material revenues to finance the collection system and sets out guidelines for how any excess revenue can be used. However, the draft plan does not specify who is responsible for financing the system in the event that the unclaimed deposits and material revenues are not enough to cover costs, or who is responsible for investing the start-up costs to seed the redemption network.