

**MN EPR for PPP Elements Summary – WORKING DRAFT**  
May 13, 2022

ELEMENT	MN MODEL
<p><b>1. COVERED MATERIALS/ PRODUCTS</b></p> <p>Materials/products that are subject to the EPR program</p>	<p><i>Note: Materials are covered regardless of recyclability, compostability, material type, etc.</i></p> <p><b>Packaging</b></p> <ul style="list-style-type: none"> <li>• Primary (touches the product), secondary (second layer), and tertiary (shipping/handling) consumer packaging</li> <li>• Service packaging (carry-out bags, takeout &amp; home delivery food serviceware)</li> <li>• Primary, secondary, and tertiary packaging used at Commercial, Institutional, and Industrial (CII) facilities</li> </ul> <p><b>Single-Use Materials &amp; Products</b></p> <ul style="list-style-type: none"> <li>• Packaging-like items (cutlery, straws, etc.) provided to customers at point-of-sale</li> <li>• Single-use products sold to customers (e.g., box of plastic forks)</li> </ul> <p><b>Paper Products</b></p> <ul style="list-style-type: none"> <li>• Printed paper (flyers, newspapers, magazines, etc)</li> <li>• Office paper (copy paper, writing paper, etc.)</li> </ul> <p><b>Exemptions:</b></p> <ul style="list-style-type: none"> <li>• <b>Packaging exemptions:</b> reusable containers are exempt from fees, but not exempt from the program entirely (i.e., there is a strong incentive to use reusable containers because they will not be subject to material fees, but producers will still need to report on how many reusables they introduced into the market each year)</li> <li>• <b>Paper exemptions:</b> bound books, “dirty” paper (tissues, TP)</li> </ul>
<p><b>2. COVERED ENTITIES</b></p> <p>Stakeholders that may use the EPR program.</p>	<p><b>The program will include recycling collection from:</b></p> <ul style="list-style-type: none"> <li>• Single &amp; Multi-Family Residences</li> <li>• Depots/drop-offs/transfer stations</li> <li>• Public places (parks, trailheads, downtowns, municipal offices...)</li> <li>• Commercial, Institutional, and Industrial (CII) facilities</li> </ul> <p><b>As well as processing of covered materials at:</b></p> <ul style="list-style-type: none"> <li>• MRFs</li> <li>• Some composting facilities that accept compostable covered materials (based on the results of the statewide Needs Assessment)</li> </ul>
<p><b>3. COLLECTION &amp; CONVENIENCE</b></p> <p>The minimum level of collection convenience that a stewardship plan must provide to Covered Entities</p>	<p><b>Recycling services:</b></p> <ul style="list-style-type: none"> <li>• Existing recycling services shall continue throughout the state</li> <li>• All “covered entities” (above) shall have access to collection services, either through a municipality or tribe, or through the PRO</li> <li>• Recycling collection services statewide must be as convenient as the collection of trash in each jurisdiction</li> </ul> <p><b>Recyclable materials list:</b> MPCA to publish a statewide list of recyclable covered materials with input from PRO/Advisory Council/REC/MNCC/RAM and other relevant stakeholders – consistent across the state and updated each year or as needed. The list will be based on work that has already been done by MN stakeholders. PRO to communicate the list to all participating producers and anyone receiving reimbursement, as well as to the general public. All covered materials on the statewide list must be collected for recycling in all jurisdictions.</p> <p><b>Alternative collection programs:</b></p> <ul style="list-style-type: none"> <li>• For specialty materials, the PRO or an individual producer may develop an alternative collection program, if approved by the state (e.g., in-store drop-off for plastic bags)</li> </ul>
<p><b>4. RESPONSIBLE PARTY (“PRODUCER”)</b></p> <p>Defines who is responsible for funding and managing the EPR program</p>	<p><b>Producers are (in order of applicability):</b></p> <ul style="list-style-type: none"> <li>• Manufacturers of packaged goods who sell under their own brands (e.g., Unilever, who manufactures shampoo and sells it in its own branded packaging)</li> <li>• Brand owners who <i>aren’t</i> product manufacturers (e.g., Wal Mart, who sells store-brand dish soap that someone else manufactured)</li> <li>• Importers/distributors into the state (e.g., Sydney’s Fine Cheeses, who imported a fancy cheese from France that was already packaged in France)</li> </ul> <p><b>For online sales:</b></p> <ul style="list-style-type: none"> <li>• Primary/secondary packaging (directly touching/protecting a product – added by the brand owner) follows same tiers as above</li> <li>• Secondary/tertiary packaging (used for shipping to the consumer) is the responsibility of the <i>sender</i> (e.g., Amazon adding extra packaging to a Unilever shampoo)</li> <li>• Importers/distributors (whoever first introduces the packaging into the state)</li> </ul> <p><b>For paper products:</b></p> <ul style="list-style-type: none"> <li>• The publisher of printed paper (e.g., MN Star Tribune)</li> <li>• The manufacturer of copy/office paper who sells under its own brand (e.g., Hammermill)</li> </ul>

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	<ul style="list-style-type: none"> <li>The brand owner of the copy/office paper who sells paper that someone else made (e.g., Staples)</li> <li>The importer/distributor of copy/office paper (e.g., Sydney’s Paper Imports, who imported fancy copy paper from China that was already packaged in China)</li> </ul> <p><b>Exemptions:</b> Producers with less than 100 full-time equivalent employees; and an after-tax annual profit of less than \$500,000</p>
<p><b>5. GOVERNANCE</b></p> <p>Defines roles for program operations, administration, multi-stakeholder input, oversight, and enforcement</p>	<p><b>Producers</b> form one or more PROs. Any PROs must be registered 501(c)(3) non-profit organizations. If multiple PROs form, they must coordinate to ensure seamless services for residents across the state and easy oversight for the state &amp; advisory council.</p> <p><b>MPCA</b> is the state oversight &amp; enforcement agency. MPCA must approve the PRO/s’ stewardship plan/s before they can be implemented, and can require changes to the stewardship plan/s at any time (for good cause). The PRO/s must report annually on progress and performance to MPCA. MPCA will make stewardship plans and annual reports available for public comment prior to approving them, and will facilitate robust ongoing opportunities for the public to provide feedback on the program. MPCA also appoints a multi-stakeholder advisory council (see below).</p> <p><b>Advisory Council:</b> Appointed by MPCA, the Advisory Council represents up to 26 people from across the supply chain and across the state. The Council provides guidance to the PRO/s on <i>all</i> program elements, from the needs assessment to the stewardship plan to annual reports, and makes recommendations to MPCA about when to require program changes. The process is formalized, with the Council providing recommendations to the PRO/s and MPCA in writing, and both parties required to provide responses in writing. The PRO/s must provide all comments from the Council to MPCA along with their stewardship plans, annual reports, etc. Advisory Council representatives must be representative of all geographic regions of the state and must represent:</p> <ul style="list-style-type: none"> <li>2 manufacturers of covered materials (or national trade associations)</li> <li>2 manufacturers of PCR material (or trade associations)</li> <li>2 manufacturers of virgin covered materials (or trade associations)</li> <li>2 MRFs – one public, one private</li> <li>2 waste haulers – one large, one small</li> <li>2 county or muni gov’t waste management programs</li> <li>2 retailers or statewide association</li> <li>1 statewide environmental org</li> <li>1 community based or EJ org</li> <li>2 transfer stations/drop-off centers – one public, one private</li> <li>2 organics processing facilities – one urban, one rural</li> <li>2 reuse-oriented businesses or orgs</li> <li>2 open seats for rotating representation as appointed by MPCA</li> <li>1 non-voting liaison from each PRO</li> <li>1 non-voting liaison from MPCA</li> </ul>
<p><b>6. FUNDING INPUTS</b></p> <p>How funding enters the EPR system</p>	<p><b>Producers must pay fees on all covered materials</b> they introduce into the state. Fees are set by the PRO/s, and must include <b>incentives</b> to encourage reduction of environmental impacts across the full lifecycle of each material, based on the following criteria (in order of priority to the extent feasible):</p> <ul style="list-style-type: none"> <li>Improving reusability</li> <li>Optimizing packaging sizing (using least material necessary) while maintaining recyclability</li> <li>Improving recyclability, then compostability where appropriate</li> <li>Incorporating PCR content</li> <li>Incorporating sustainably and renewably sourced material</li> <li>Eliminating toxic substances</li> </ul>
<p><b>7. FUNDING ALLOCATION</b></p> <p>How EPR program funds are spent</p>	<p>Program funds collected by the PRO are spent on the following:</p> <ul style="list-style-type: none"> <li><b>Statewide Needs Assessment:</b> takes place before the PRO can submit a stewardship plan; conducted by an independent third party but funded by the PRO. Evaluates funding needs; reuse, recycling and composting access; existing collection, hauling &amp; processing systems for covered materials; existing end markets and gaps; consumer education needs; and current recovery, reuse, recycling, and composting rates in the state for covered materials. Identifies what investments are needed to reach required performance goals.</li> <li><b>Recycling System Costs – “Hybrid” Model:</b> The PRO reimburses local or tribal governments who run recycling programs for all recycling costs – collection, transportation, sorting, processing, marketing materials, etc. based on a <b>reimbursement formula</b> that has been developed in consultation with the Advisory Council and approved by MPCA. The formula will include incentives for efficiency to keep costs manageable. Where there are no municipal or tribal recycling programs in place, the PRO must step in to ensure services are provided to residents that are as convenient as the collection of trash, by working directly with service providers. Recycling costs include sorting out recyclables from WTE/landfills before disposal and removing contaminants from MRFs.</li> <li><b>Infrastructure Investments:</b> The PRO will make direct investments into reuse, recycling, and composting infrastructure in the state, based on the results of the Needs Assessment. For recycling infrastructure beyond mechanical recycling, the PRO must propose investments to MPCA as part of its stewardship plan, along with information about potential environmental impacts and processing efficiency. <b>For reuse and composting, the PRO must explain in the stewardship plan how it will set aside program funds</b> to be either directly invested, distributed through grants or reimbursements, or to fund technical assistance to help producers with design change or implementation of reuse/refill systems, based on the results of the Needs Assessment.</li> <li><b>Market Development:</b> The PRO will also invest in end markets for covered materials throughout the state and regionally as appropriate.</li> </ul>

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	<ul style="list-style-type: none"> <li>• <b>Outreach &amp; Education:</b> The PRO will fund both direct outreach and will reimburse munis and tribes for their own outreach &amp; education to residents pertaining to covered materials. See Element 10 for details.</li> <li>• <b>Administrative Costs:</b> The PRO will raise enough money to cover costs to run the PRO in a fiscally prudent manner, and will also reimburse MPCA for all administrative costs to oversee &amp; enforce the program.</li> </ul>
<p><b>8. DESIGN FOR ENVIRONMENT</b></p> <p>Provisions beyond eco-modulated fees that minimize environmental and health impacts of Covered Materials</p>	<p>The PRO will minimize environmental and human health impacts from all covered materials. The stewardship plan will incorporate design for reuse, recycling, composting, and reduced toxicity as program objectives.</p> <p>Producers must comply with all existing state laws on toxics in packaging. The PRO will provide information and technical assistance to help participating producers comply with such laws.</p>
<p><b>9. PERFORMANCE STANDARDS</b></p> <p>Requirements and metrics to gauge the success and progress of the EPR program</p>	<p>The <b>Statute will include:</b> overarching targets for reduction, reuse, recovery, and recycling of covered materials. “It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded covered materials.”</p> <p>The <b>stewardship plan will include:</b> material-specific targets for all statutory targets as well as PCR content.</p> <p><i>See Element #15 for details of performance targets in the context of the timeline.</i></p>
<p><b>10. OUTREACH &amp; EDUCATION REQUIREMENTS</b></p> <p>Provisions to ensure that consumers, retailers, and other key stakeholders are informed about the EPR program</p>	<p>The PRO must create and use consistent, easy-to-understand educational materials on how to treat all covered materials that are customizable and available for all participating local governments and service providers to use. The PRO must also maintain a public website that provides information about the program, stewardship plans and annual reports, and the needs assessment. All materials must be available in languages spoken by communities across the state.</p> <p>The PRO shall describe in the stewardship plan how it will both run statewide education campaigns and provide funding for local education efforts. The stewardship plan must also include a description of how the PRO intends to assist participating producers in using and improving on-product labels, over time, to educate consumers about proper end-of-life management for covered materials, including any relevant information on how the PRO may work towards consistent labeling or a labeling standard at the national level.</p> <p>The PRO’s website includes a way for residents to contact the PRO with questions, and includes a directory of participating local units of govt/tribes, as well as service providers where the PRO is providing services directly, so that residents know who to contact with any questions the PRO can’t answer.</p>
<p><b>11. EQUITY AND ENVIRONMENTAL JUSTICE</b></p> <p>Components that encourage equitable and just practices</p>	<p>MPCA will conduct a study of equity in the state’s recycling system to assess: worker conditions, wages, and benefits, opportunities &amp; barriers in reuse, recycling, and composting for women &amp; minority individuals, recycling access and education.</p> <p>To be eligible for reimbursement/payment from the PRO, service providers, both public and private, must ensure that collected materials are provided to responsible end markets – meaning they are environmentally and socially responsible. The PRO must provide technical assistance to ensure this requirement is met.</p> <p>To be eligible for reimbursement/payment from the PRO, local/tribal governments must use service providers that have sufficient health, safety, and wellness conditions for employees.</p>
<p><b>12. ENFORCEMENT AND PENALTIES FOR VIOLATION</b></p> <p>Measures to ensure compliance with the EPR law</p>	<p>No one may sell or distribute covered materials into the state unless they are registered with MPCA (either individually or through a PRO) and participating in an approved stewardship plan. Anyone in violation of this requirement is subject to civil penalties.</p> <p>If performance targets are not being met, the PRO must submit a revised stewardship plan and take corrective actions to adjust the program. MPCA can require a stewardship plan to be amended at any time, especially if it appears from annual progress reports that the PRO is not on track to meet performance targets. The Advisory Council can also recommend to MPCA anytime to require an amended plan (with justification).</p>
<p><b>13. STEWARDSHIP PLAN CONTENTS</b></p> <p>Minimum components of a stewardship plan describing how Responsible Parties will implement the EPR program</p>	<p><b>The stewardship plan covers five years of program operation.</b> The plan must include:</p> <ul style="list-style-type: none"> <li>• Contact info for the PRO</li> <li>• List of participating producers</li> <li>• Proposed <b>performance targets by material type</b> (paper, metal, plastic, glass, etc.) – to show how the producers intend to meet or exceed the overall performance targets set in statute. <ul style="list-style-type: none"> <li>○ Targets must be for: PCR content, source reduction, reuse, recovery, and recycling rates</li> </ul> </li> <li>• Proposed fee schedule (incl. eco-modulated fees) to collect funding from producers and how these fees will incorporate design for reuse, recycling and composting, and reduced toxicity as factors</li> <li>• Proposed reimbursement formula to distribute funding to local govts/tribes for provide recycling services; and description of how the PRO will work with existing haulers, MRFs, etc. where no govt program</li> <li>• Description of how the PRO plans to invest in reuse, recycling, and composting programs and market development – using findings from the statewide needs assessment</li> <li>• Proposed outreach &amp; education plan – how the PRO will provide funding and customizable resources to local govts, <i>and</i> how the PRO will spend additional funding on direct outreach &amp; education statewide</li> <li>• Description of any comments/input provided by the Advisory Council and how/whether those were taken into account; including justification for any suggestions <i>not</i> taken</li> <li>• How the PRO will provide info and technical assistance to producers on the Toxics in Packaging law and other state toxics/env’t design-related laws</li> </ul>
<p><b>14. ANNUAL REPORT CONTENTS</b></p>	<p>PRO/s report annually to MPCA on the program; Advisory Council reviews annual reports &amp; provides recommendations to the PRO &amp; MPCA on whether/how the program should be amended. <b>Annual reports are public</b></p>

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<p>Minimum components of an annual report that Responsible Parties will submit to the state</p>	<p><b>documents.</b> Require MRFs, haulers, munis, etc. to provide any necessary data to the PRO while protecting proprietary information.</p> <ul style="list-style-type: none"> <li>• Contact info for the PRO</li> <li>• List of participating producers</li> <li>• Quantity of covered materials supplied into the state in the prior year, broken down by material type</li> <li>• Progress toward all performance targets</li> <li>• Description of how all funds were spent/distributed and revenues earned by the PRO, with independent financial audit</li> <li>• Description of outreach &amp; education efforts, including samples</li> <li>• Proposed updated fee schedule &amp; reimbursement formulas for next year</li> </ul>
<p><b>15. IMPLEMENTATION TIMELINE</b></p> <p>Schedule for the submission, review, and approval of stewardship plans</p>	<p><b>Assumes law enacted ~June 2023</b></p> <ul style="list-style-type: none"> <li>• Jan 1, 2024 (~6 months after law enacted): MPCA appoints advisory council</li> <li>• July 1, 2024 (~1.5 yrs after law enacted): Producers register with MPCA (either individually or as part of a PRO); registration includes description of needs assessment that will be undertaken and upfront registration fee to MPCA to start covering some state admin costs. [MPCA has 30 days to approve or reject proposed needs assessment]</li> <li>• <b>Annually by July 1:</b> all producers/PROs register with MPCA &amp; pay fees to cover state costs</li> <li>• Oct 1, 2025 (~2.75 yrs after law enacted): needs assessment completed; stewardship plan based on results of needs assessment submitted to Agency for approval, including comments from advisory council. [MPCA has 90 days to approve or reject stewardship plan]</li> <li>• <b>Jan 1, 2026 (~3 yrs after law enacted, immediately after plan approved): plan implementation begins. Sales prohibition for non-compliant covered materials kicks in.</b> <i>Note: This doesn't mean money has to start flowing out of the PRO right away. But gov'ts should be eligible for all expenses incurred from Jan 1, 2026, onward.</i></li> <li>• May 1, 2027 – and every May 1 thereafter: PRO/s submit annual report/s, including comments &amp; recommendations from the advisory council.</li> <li>• Jan 1, 2028 (2 years into plan implementation): min. 55% of all covered products are reused or recycled, with min. 5% reused</li> <li>• Jan 1, 2029 (~5.5 years after law enacted): MPCA completes recycling equity study &amp; publishes results – informs next 5-yr stewardship plan</li> <li>• Oct 1, 2030 (5 years after first stewardship plan submitted): new stewardship plan/s submitted to MPCA for next 5-yr cycle. [Plans approved or rejected within 90 days, implementation of new 5-yr plan begins by Jan 1, 2031, and every 5 yrs thereafter.]</li> <li>• Oct 1, 2030 (4 years into plan implementation): all covered materials to be reduced, to the maximum extent practicable, and by not less than 25% per capita, statewide, as measured by the amount of discarded covered materials delivered to waste and recycling facilities</li> <li>• Jan 1, 2031 (end of first 5-year plan cycle): all covered materials must be reusable, recyclable, or compostable</li> <li>• Jan 1, 2031 (end of first 5-yr plan cycle): all performance targets in stewardship plan met and implementation of new stewardship plan begins.</li> <li>• Jan 1, 2031 (end of first 5-year plan cycle): min. 75% of all covered products are reused or recycled, with min. 10% reused</li> </ul>
<p><b>16. ADDITIONAL COMPONENTS &amp; DEFINITIONS</b></p> <p>Legislative provisions to ensure the EPR law is compatible with existing laws, and essential terms to define in the EPR law</p>	<p>“Housekeeping” Items:</p> <ul style="list-style-type: none"> <li>• Limited anti-trust protection for PRO, only to the extent that the PRO must be able to set material fees for the program</li> <li>• Nothing in the law preempts local authority in other matters (e.g., banning a specific material)</li> <li>• No one shall make any proprietary information public</li> </ul> <p>Key Definitions:</p> <ul style="list-style-type: none"> <li>• Mechanical recycling – does not alter the molecular structure of the material being recycled</li> <li>• Recycling – does not include incineration, energy recovery, or conversion to a fuel</li> <li>• “Readily recyclable” - see standardized recyclables list in Element #3</li> </ul>