

The County Perspective
Responding to the Recycling Crisis

Testimony submitted by the
New York State Association of Counties



to the
**Senate & Assembly Standing Committees on
Environmental Conservation**

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Introduction

Thank you, Chairman Kaminsky, Chairman Englebright, and members of the Senate and Assembly Standing Committees on Environmental Conservation, for holding a hearing to examine recycling-related issues. I appreciate the opportunity to submit testimony about how market restrictions have impacted county governments.

Counties play an important role in sustainable waste management in New York State. However, the future of these operations is threatened by global market volatility that has resulted in unsustainable cost increases. We will need the State Legislature's support to maintain recycling efforts that are essential for conserving natural resources and keeping unnecessary waste out of landfills.

Background

China began implementing import policies in 2017 – often referred to collectively as National Sword – that restrict the importation of foreign recyclables. For years, China has been the United States' largest customer for household recyclables. However, under National Sword, China established a 0.5% contamination standard for plastics and fiber that we cannot meet.

Contamination is an industry term used to describe items that either do not belong in the recycling bin or are disposed of in the wrong way. We estimate that 15 to 30 percent of the recycling stream is contaminated. Top contaminants include glass, Styrofoam, plastic bags, batteries, single-use items, textiles, and single-serve coffee pods. In this testimony, I will ask the State to address this problem by adding additional glass containers to the Bottle Bill and increasing the state match for recycling education and equipment upgrades.

The County Impact

Counties have been hard hit by China's National Sword policies, especially in the mixed paper market. New York has been more severely impacted than other states (particularly those in the Midwest and South) because we have historically exported our paper to China and have less capacity within the state and region to process and consume recyclables. Many localities have seen more than a 1,000% increase in their recycling costs since 2017 due to the paper market recession. Counties have responded by transferring funds from other departments to cover budget shortfalls; restricting the types of recyclables they receive; increasing tipping fees; and attempting to negotiate better rates with private partners. Some counties are even questioning whether recycling is fiscally sustainable. This is a step in the wrong direction.

To truly understand the impact of recycling budget shortfalls, we must put them in context. In 2011, you enacted a property tax cap that caps our levy increases at two percent. At the same time, costs out of our control have risen. Most counties do not have discretionary funds to cover financial losses or make the substantial education and equipment investments that are needed to ride out this market downturn. We will need additional state support in both the short and long term.

State Support Needed for Local Recycling Programs

The following section details how New York State can support local recycling operations during the ongoing recycling crisis. We urge state lawmakers to increase the state match for education and equipment grants, pass product stewardship legislation, promote market development, expand the Bottle Bill to include additional glass containers, and renew state support for electronic waste (e-waste) recycling.

Education

We have a recycling contamination problem all across New York State. Unfortunately, residents simply do not know how to recycle properly. On one end of the spectrum, there are people who are not motivated to recycle. On the other end are aspirational recyclers, also known as wishful recyclers or “wish-cyclers,” who try to recycle items that are not recyclable and, in the process, contaminate the recycle stream.

We need to do a better job of educating the public about what is recyclable, what is not, and why. The State should invest in a “cradle to grave” education campaign, implemented locally, to demystify what happens when waste leaves the curb and help residents to understand the importance of producing clean recyclables. New Yorkers need to be made aware of the economic and environmental consequences of contamination.

Ultimately, we need residents to pay attention to what they can and cannot recycle the same way they pay attention to what they can and cannot bring through TSA. Most of us fly less frequently than we use a recycling bin, yet we have a better idea of what belongs in our suitcase than what belong in the blue or brown bin. The State should create and maintain a searchable “What can I recycle?” database, modeled after TSA’s “What can I bring?” database, that residents can use to determine whether an item is recyclable or not. New York City has shown this is possible, as they maintain their own “How to get rid of...” page where city residents can search for how to dispose of virtually any item. The State should take over maintenance of this database and expand it to include the entire state, as most local governments do not have the capacity to create and maintain such a website themselves.

The State should also invest in local educational campaigns through expedited grants. Many counties have campaigns ready to be launched as soon as funds are made available. State funds can support the production of signage, newsletters, videos, mailers, and other educational materials. While there is also need for a statewide campaign, it cannot be a substitute for local education because recycling is not standardized across the state. Haulers in different municipalities accept different items. Local governments are in a better position to communicate what is accepted within their municipal boundaries than the State.

If grants for education are to require a local match, the match should be set at no more than 35 percent. This will allow more municipalities take advantage of state funding than the number that currently can under the 50 percent match required for the Municipal Waste Reduction and Recycling (MWR&R) program.

We also encourage NYSDEC to launch its own campaign to raise awareness about proper recycling habits. We should follow the example of other states and municipalities that have enlisted celebrities to promote recycling via commercials and signage in airports, malls, and

other public spaces. New York State should consider a celebrity who is a known environmentalist with a residence in the state, such as Leonardo DiCaprio. Changing behavior will require constant reminders and encouragement to recycle properly.

Equipment

New York State's recycling infrastructure is aging and in need of upgrades to capture more materials and access higher-value markets. Many materials recovery facilities (MRFs) were developed more than two decades ago. We need to make the capital improvements necessary to bring our recycling infrastructure up to modern standards and capabilities.

State lawmakers should consider creating a Solid Waste Infrastructure Act, modeled after the \$2.5 billion Clean Water Infrastructure Act of 2017, to support local governments in upgrading facilities, maximizing efficiency, and collecting additional materials. At present, we have no choice but to landfill recyclable materials that we do not have the technology to deal with, such as black plastic lids or items that has been contaminated by broken glass shards. This should not be acceptable in a state that prides itself on being an environmental leader.

State infrastructure investments should be focused in the areas of glass, plastics, and organics recovery. If monies made available to local governments require a local match, the match should be set at no more than 35 percent. As was noted in relation to education funding, many counties are unable to take advantage of equipment funding that is currently available through the MWR&R program because they cannot provide the 50 percent match.

Extended Producer Responsibility

The concept of extended producer responsibility (EPR) should be central to all recycling discussions. EPR is good product stewardship and is helpful for reducing the environmental impact of their products and packaging. Producers that put products in the marketplace should be responsible for the entire product management lifecycle, including the post-consumer phase. Through this product stewardship, we can reduce the financial burden on municipalities and regional solid waste authorities. EPR is especially needed for packaging and printed paper. It should also be considered for batteries, mattresses, and other products that are hard to dispose of.

New York lags behind other states and countries when it comes to product stewardship. We ought to require business to comply with making products that MRFs can easily process and seek public-private partnerships for recovering materials that we cannot. MRF operators can make valuable recommendations as to where EPR is most needed and should be included in all state-level discussions related to product stewardship.

Market Development

Domestic processing capacity in the United States resides principally in the Midwest and South because of lower land, labor, and energy costs. The industry has largely disappeared from the Northeast because of these processing cost discrepancies and overseas competition.

Nationwide, there is insufficient capacity to process even half of the total materials we collect.

China's restrictions present a unique opportunity for us to revisit market development in New York State. In doing so, we can reduce our dependency on international markets while growing

our economy. Market development attention should be focused on mixed paper. Counties are scrambling to find companies to take their paper fiber and pay good money for it. By the time counties ship paper as far as India and Southeast Asia, it often ends up being a net cost because of the high cost of transporting materials overseas. Market development would benefit our state and the entire Northeast region.

We must also create markets for recycled products by incentivizing manufactures to use recycled materials. The State should consider requiring the same of state agencies. For example, state lawmakers could require a certain percentage of processed glass in all NYSDOT asphalt projects.

Glass-Only Bottle Bill Expansion

The recycling crisis has exasperated problems with glass in the recycling stream. Glass is a problem because it is expensive to transport and contaminates other materials (like paper) when it breaks. Placing a deposit on glass containers through a glass-only Bottle Bill expansion would increase glass recycling, lower municipal recycling costs, and reduce contamination in the curbside bin. Counties support expanding the Bottle Bill to include wine and liquor bottles, hard cider bottles, and non-alcoholic glass beverage containers.

It is estimated that extending the Bottle Bill to include wine and liquor bottles would divert over 150,000 tons of glass to the deposit system. This revenue could be used to bring recycling infrastructure up to modern standards and capabilities and support local education and environmental initiatives. As New York State's craft beverage industry continues to grow, we have an opportunity to dramatically reduce present and future glass contamination.

Counties oppose adding additional plastic and aluminum containers to the Bottle Bill, as this would take critical revenue away from local recycling programs. Adding sports drinks, energy drinks, fruit and vegetable beverages, and ready-to-drink coffees and teas to the Bottle Bill would place an undue burden on municipal recyclers by removing as much as 50 percent of plastic and aluminum containers from the recycling stream. This would result in an additional loss of revenue for solid waste programs at a time when global market changes have already made it difficult for local entities to continue providing these environmentally-beneficial programs.

E-Waste Recycling

In 2010, New York adopted legislation to assist local governments with managing the electronics waste stream by requiring electronics manufacturers to fund e-scrap recycling programs that relieve municipalities of recycling and end-of-life management costs. However, once manufacturers have met their performance standard goal (which, in many cases, is midway through the year), they no longer provide financial support to continue their collection programs, thus shifting management costs to cash-strapped local governments.

The SFY 2016-17 Budget made \$3 million from the Environmental Protection Fund (EPF) available to reimburse up to 50 percent of expenses incurred for the collection/recycling of e-waste. This funding has now run out, but local governments remain responsible for the costly responsibility of collecting and disposing electronic waste. We urge you to help alleviate the financial and administrative burden on municipalities who are dealing with these electronics

by appropriating \$3 million in the SFY 2020-21 Budget for continued reimbursement of expenses incurred collecting and recycling e-waste. NYSAC also urges the State to reimburse local governments that were approved for less than 50 percent reimbursement in 2019 due to the depleted appropriation. New regulations are needed to ensure the burden of e-waste collection and disposal remains with the manufacturer.

Opportunities for Inter-State and State-Federal Partnerships

New York State has been acutely impacted China's import policies because of our reliance on international markets; however, we are not alone. China's actions have impacted all 50 states to some degree. There are opportunities for New York State to partner with other states, as well as the federal government, to develop solutions to this problem.

NYSAC, in consultation with other county associations across the nation, identified the following actions that states can take together and with the federal government to help alleviate the financial burden on local solid waste programs:

- Support public education at the federal, state, and local level to reduce the volume and toxicity of municipal solid waste;
- Establish an extended producer responsibility (EPR) framework approach to address a product's lifecycle impacts from design through end-of-life management;
- Enact legislation in support of environmentally preferable purchasing, including incentives for reusable products; and
- Create incentives for the development of strong, stable private markets for recyclable commodities.

Conclusion

Thank you again for the opportunity to submit testimony about how China's market restrictions have impacted county governments. Solid waste entities have put forth a lot of time, effort, and money to maintain compliance with state and local recycling initiatives. We must work together to improve recycling in New York State at a time when some localities are considering bringing these programs to an end.

In the short term, counties would benefit from additional grant funding for education and equipment upgrades to improve the quality of the recycling stream, more product stewardship measures, a glass-only Bottle Bill expansion, and renewed funding for e-waste collection. In the medium and long terms, the State should work with federal and regional partners to encourage market development and extended producer responsibility. With cleaner recyclables, better technology, and greater capacity for in-state processing, New York will be less susceptible to future market downturns. Investing in local recycling programs is an essential way to reduce waste and protect our environment.