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***Testimony to the New York State
Joint Senate/Assembly Environmental Conservation Committee***

Submitted by Andrew J. Radin

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and*

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***NY Municipalities (outside of NYC) to Pay an Estimated \$59.3 Million
in 2020 to Maintain Local Recycling Programs
Due to Severely Depressed Commodity Market Conditions***

- My name is Andrew Radin and I want to thank you for the invitation to appear before you today to discuss the significant toll the Recycling Recession is taking on local recycling programs throughout NY State, and how leadership in the legislature can help fuel New York State's Recycling Renaissance.
- Most importantly: the investments in municipal recycling must be maintained and additional resources must be allocated to sustain municipal recycling programs statewide in the wake of unprecedented depressed commodity markets.
- I'm here today wearing a few different hats. First, I'm here as the Director of Recycling and Waste Reduction for OCRRA, the Onondaga County Resource Recovery Agency. OCRRA is a public benefit corporation, created under the state's Public Authorities Law, serving the 465,000 residents in Onondaga County with an award-winning solid waste and recycling program.
- Secondly, I'm here as the Chair of the New York Product Stewardship Council. On behalf of the Council I want to sincerely thank you for your leadership in passing the NY Paint Stewardship Bill, which we hope is signed into law very soon by Governor Cuomo.
- Thirdly, I'm honored to represent our state's premier solid waste and recycling associations – NYSASWM, NYSAR, and SWANA – NY. The members of these associations are on the front line of the state's recycling crisis. This hearing sends a strong message to us that we are not in this fight alone. NYSASWM, NYSAR, and SWANA-NY have collaborated to conduct a statewide survey to provide you with an

estimated cost impact to local municipalities struggling in the wake of severely depressed recycling market conditions.

- The good news is that recycling isn't dead—many of the commodities placed on our curbside continue to have value, despite severely depressed market conditions. But the over-reliance on off-shore markets and now their closure is inflicting immediate and sustained harm to effective recycling programs from the Long Island Sound to the shores of Lake Erie.
- The truth is, residents – your constituents – don't want their recyclables to be trashed. And New York State does not have the disposal capacity to send 4 million tons of residential and commercial recyclables to landfills and waste to energy facilities. Recycling is fundamental to managing solid waste in NYS.
- So, what are we going to do? The following four Action Items are aimed at stabilizing the current situation, and creating a new recycling approach that improves material recovery, reduces municipal costs, and supports green sector jobs.

Action Item 1)

Municipalities need short-term state funding support until markets improve. The statewide cost impact of the recycling market crisis is truly staggering; it is threatening the very existence of local recycling programs throughout our state. Merely maintaining existing funding levels for recycling is not enough for municipalities to ensure recycling continues during these abysmal market times. Why? Because these costs are so much higher than ever anticipated. For example, in 2017, OCRRA netted over \$120,000 from recycling; most NY municipalities also generated a bit of revenue.

- That all changed as China's National Sword policy came into effect: In 2018, OCRRA spent over \$700,000 to keep recycling on track. In 2019, OCRRA's costs for recycling market support will be close to \$2 million dollars, and in 2020, we project a \$2.5 million cost impact.
- We are one county struggling to keep our award-winning program afloat and we are not alone.
- **A recent statewide survey of municipalities estimates the cost impact in 2020 – EXCLUDING NEW YORK CITY – at over \$59.3 MILLION . . . this represents a 50% increase from 2019 costs, which are estimated at \$40 MILLION.**
 - This is what municipalities outside of the 5 boroughs are projected to collectively pay to have some **800,000 tons** of curbside residential recycling materials sorted, baled, and shipped to market.
 - Please know that these are all new, additional costs thrust upon local municipalities; 24 months ago, most of these communities were actually receiving some revenue for these materials. Now, in 2020, they are facing a \$59.3 million bill to maintain their programs.

- Revenues from the sale of curbside recyclables previously covered processing costs at material recovery facilities; also known as MRFs. That is no longer the case in the wake of China's National Sword policy.
- Short-term funding support from NYS is clearly needed until commodity markets for paper, metal and plastics rebound. Short of that temporary funding support, local recycling may disappear, and the 800,000 tons of material will be at risk of requiring disposal in landfills or waste to energy facilities.
- Not one cent of these projected costs are currently eligible for financial support through the state's Environmental Protection Fund.
- The bill to municipalities outside of NYC is already coming due, as this year alone, we're collectively paying an estimated \$40 million to keep recycling going.
- NYS, over the past 30 years, has invested hundreds of millions of dollars in recycling programs through the Environmental Protection Fund. **Please don't abandon that investment. Help us preserve local recycling infrastructure and provide temporary funding in the 2020 budget.**

Action Item 2)

Adding wine and liquor bottles to the State's Returnable Container Act will reduce municipal costs, and increase recycling

- Of the 800,000 tons of curbside residential recyclables processed at MRFs outside of New York City annually, about **140,000 tons is glass**; and very little of it actually gets recycled into new glass containers.
- It costs municipalities an estimated \$15 million annually to send this glass to landfills for use as daily cover and as road base in the landfill setting.
- Once this glass becomes part of the curbside recycling stream, it contaminates other materials and creates equipment problems due to its abrasive quality.
- **But there is a solution; much of this glass could be added to the state's bottle bill; clean Bottle Bill glass has in-state markets and would support NY jobs.**
- About 50% of this glass -- **over 70,000 tons** (outside NYC) -- is wine and spirit bottles; wine bottles alone comprise 40% of the curbside glass. We should join with other Bottle Bill states, including Vermont, Iowa, Hawaii, and Oregon, and make wine and spirit glass part of the NY Returnable Container Act.
- The economic and environmental benefits would be significant: thousands of tons of glass recycled annually; municipal costs reduced by millions of dollars, and green jobs supported in NYS.

- Adding additional plastic and metal beverage containers to the bottle bill, would further undermine the financial viability of local recycling programs as they are some of the few valuable materials remaining in the curbside recycling stream.

I'm going to conclude with Action Items 3 and 4, which focus on Extended Producer Responsibility.

Action Item 3)

It's Time for the Legislature to Update *New York State's Electronic Equipment Recycling and Reuse Act* on the Act's 10-year anniversary in 2020

- Since 2010, **over 500 million pounds** of so-called e-waste has been collected for recycling and reuse as part of the state's e-waste recovery Act; that's the good news.
- However, the legislative intent of year-long, **no cost drop-off** has not been achieved.
- Throughout NYS, many municipalities continue to support the costs of the program for their residents. And the state funding to support this – which shouldn't be necessary in the first place under the legislative vision – is running out this year.
- And we are nowhere near the number of convenient drop off locations that are required by the Act. The whole system is teetering.
- **On behalf of the New York Product Stewardship Council, we urge you to update the statute in 2020; the Act's 10-year anniversary.**
- The Product Stewardship Council has 13 suggestions for you to incorporate into a 2020 statutory revision that will ensure the Act's convenience standards are achieved, and that all New Yorkers have convenient, no-cost access to drop off their obsolete electronic goods.

Action Item 4)

NYS Should Take a Leadership Role in Securing the Long-Term Viability of Recycling through a Product Stewardship System.

- New York municipalities are asked to manage the end-of-life supply chain of a wide variety of waste materials that they did not create, and had no input in ensuring those materials would have a market for recycling. Manufacturers simply tell consumers to recycle the material, whether there is a market or not, and municipalities and tax payers bear the costs for processing and disposal.
- That is a fragile, unfair, and unsustainable approach to materials management. The local municipalities have shouldered that burden for more than four decades. The achievements have been impressive thanks to support from the State and efforts on the local level, but a new vision is needed.

- Recycling is at a crossroads, and the path ahead will continue to be fraught with financial uncertainty and supply chain inefficiencies until manufacturers are brought into the equation.
- Extended Producer Responsibility – also known as EPR – is the model in Canada. EPR is the model in Europe. And, EPR is the model currently being explored in several other Northeast states, including Maine, Vermont, and Connecticut.
- New York needs to take a leadership role in exploring how EPR could increase recycling, reduce municipal costs, and support green sector jobs. An EPR approach for product packaging would establish an efficient, powerful system that would be a model for the rest of the country, and could effectively work in tandem with the Bottle Bill.
- I'm pleased to advise that the New York Product Stewardship Council is working on such an approach for NYS. And, we will have our recommendations to you within the next few weeks.
- If packaging EPR is not the answer to \$70/ton material processing costs, I'm not sure what is. We should not let this opportunity pass by without taking a hard look at how packaging EPR could improve material recovery rates and insulate municipalities from market risks and their unpredictable ups and downs.
- Product manufacturers should have some skin in this game. And currently, they do not. Packaging EPR would change that.
- We sincerely appreciate your interest in exploring this with us as we work together to establish a recycling renaissance; a materials management economy that improves recycling, reduces municipal cost burdens, and envisions new green sector jobs.
- **In conclusion**, I want to highlight Onondaga County as a great example of resilient recycling – a portion of our recycle bin is used locally. In Solvay, NY, a nearby mill buys close to 1,000,000 tons a year of cardboard. This cardboard comes from streets in my neighborhood and from throughout NYS and beyond. It is recycled into new cardboard which could deliver your next Amazon purchase. OCRRA then takes the by-products of the cardboard recycling process and recovers metal and generates electricity from them. This type of “strong loop” thinking builds resiliency for New York industry, reduces waste and ensures strong commodity markets for our curbside recycling.
- Opportunity clearly exists now to support local manufacturers that reprocess paper and other recyclables; this gives these items another useful life, while growing the local economy. This opportunity can only be realized with an investment by NYS that keeps recycling going and supports industries that use the plastics, paper, glass and cardboard sorted from the recycle bin.

- While no one wants to trash recyclables, in truth that isn't a viable option. The strategic takeaway here is that NYS does not have the capacity to trash recyclables. Onondaga County does not have the capacity between our Waste-to-Energy Facility and our relationships with regional landfills to throw away 38,000 tons of recyclables annually.
- The same holds true statewide, which lacks a disposal capacity to otherwise manage the close to 4 million tons of commercial and residential materials recycled annually. Recycling is fundamental to managing solid waste.
- I implore you, please make sustaining recycling in New York a top priority this budget year. In addition, there are a number of good policies to adopt, such as expanding the bottle bill to include more glass containers like wine and spirits, updating the state's E-Waste Law, and requiring producers to take responsibility for their packaging and products.
- In the short term, what this state needs more than anything is direct municipal financial support until markets improve. This will ensure that recycling programs built over these past decades continue to preserve vital disposal capacity and advances New York's recycling renaissance.

Thank you.

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The New York State Electronic Equipment Recycling and Reuse Act (Act) was implemented to manage the recycling costs associated with the fast-growing electronics waste stream. Although the Act has succeeded in increasing electronics recovery, the requirements for manufacturer collection are not keeping pace with the amount of e-scrap being collected. This results in unexpected costs to local governments and discontinuation of permanent collection sites. Insufficient manufacturer support is causing instability in the electronics recycling market, which is eroding the law's intent to provide free and convenient collection to all NYS residents. These solutions, developed by the **New York Product Stewardship Council**, address the critical issues needed to stabilize New York's electronics recycling system:

1. Establish a performance standard of five (5) pounds per capita through 2020 and revert to the formula of the current statute after 2020.
2. Eliminate Business-to-Business material from the performance standard formula.
3. Direct the Department of Environmental Conservation (DEC) to set performance requirements based on two years prior data to the subject year.
4. Allow recyclers to petition DEC for mediation/arbitration if manufacturers do not cover the full cost of recycling.
5. Include provisions prohibiting manufacturers or their representatives from charging municipalities for e-scrap management.
6. Set a standard for items that weigh greater than 20 pounds that mail back programs alone do not constitute convenient collection from consumers.
7. Clarify that the convenience requirements for a geographic area shall be considered achieved if one manufacturer provides year-round support for collection that meet the requirements, provided that the collection site does not charge consumers a fee, or limit types of incoming e-scrap without providing other free collection accommodations for any e-scrap for which limitations are imposed.
8. Clarify that manufacturers are required to provide year-round, consistent support for collection sites included in their plans, regardless of whether their performance target has been met.
9. Establish in any county of 60,000 people or less, five (5) collection events per year can be considered to meet the convenience requirements.
10. Clarify that manufacturers are required to report to DEC when collection sites included in their electronic waste acceptance program (as provided in annual reports) cease collections or begin to charge for any CED as "material changes" to their programs.
11. Require e-scrap recyclers operating in the state to obtain third party certifications.
12. Delineate clear responsibilities for outreach and education including that manufacturers be required to implement outreach and education programs, in collaboration with their collection partners, and in cooperation with the DEC; such programs should be submitted to DEC for approval as a part of the annual reporting process.
13. Require that manufacturer annual reports provide the same information from out-of-state recyclers managing materials collected in New York as required from in-state recyclers.