

Testimony of the New York State Conference of Mayors  
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Standing Committees on Environmental Conservation  
Hon. Todd Kaminsky, Chair  
Hon. Steve Englebright, Chair

Hearing on Recycling-Related Issues

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Thank you for affording NYCOM the opportunity to express our views related to the recycling issues and the status of recycling markets and alternatives for reinvigorating the State's recycling efforts. Our testimony, which is similar to that which we submitted last November for a related hearing hosted by the Assembly Standing Committee on Environmental Conservation, is informed by the experiences and input of our 575 city and village members throughout the State of New York.

### **Recycling Crisis**

According to the National League of Cities (NLC), municipal solid waste programs in the United States handle more refuse than any other country in the world. Additionally, nearly every municipality in America has implemented a recycling program to assist in the management and mitigation of solid waste disposal. In New York State, under General Municipal Law § 120-aa, all local governments are required to adopt a local law providing for source separation and the segregation of recyclable or reusable materials from solid waste. Until 2018, the collection of recyclables more than paid for itself for many cities and villages in the State. Unlike trash collection, which involves tipping charges to offset the expense of operating and maintaining landfills, recyclables are processed by material recovery facilities (MRFs) that sell the material on the open market and share a percentage of the proceeds with the municipality from which the material was collected.

However, the market for recyclable materials has shifted dramatically in recent years. While China has long been the primary purchaser of recycled material produced in New York and across the United States, China announced in January 2018 that it was implementing a new waste import policy that imposed strict limits on the

contamination that may be present on recyclable materials. The policy also established a ban on certain paper and plastic mixes, which are two of the most common types of materials processed by municipal recycling systems. The program complements China's domestic investments in developing its own recycling industry to manage the waste produced by its growing middle class. As stated in NLC's 2018 publication, "Rethinking Recycling," China cites environmental and human health concerns as its primary motivations for implementing the new policy, however, the country's economy benefits greatly from centralizing the industry and utilizing its own waste materials.

The increased standards and restrictions have resulted in a dramatic decrease in exporting American product and many in the industry believe that China intends to stop importing recycled materials by 2020. In contrast, NLC reports that China imported 4,000 shipping containers of recyclable material daily in 2016, totaling 16 million tons of materials worth over \$5 billion. While some recyclable materials are processed and reused in the United States, states like New York that do not have internal manufacturing markets have been hurt the most by these changes because they rely on exporting its recyclable material.

Even though the passage of time has allowed some municipalities to manage the market changes more easily, there are still many communities in which the material remains stockpiled and unused because it is too contaminated to meet China's requirements and no other markets are capable of absorbing the previous demand. Contamination ranges from the organic material that remains on the products when they are deposited to the glass fragments that become imbedded in plastic and paper materials due to single-stream recycling. Unfortunately, the materials most susceptible

to contamination (i.e., paper and plastics) are among the greatest in the municipal supply, and virtually all opportunities for receiving a reasonable return for these products have been eliminated. In 2018, only 35% of recyclables nationwide remained profitable according to Waste Management.

### **Recycling at the Municipal Level**

The problem for many cities and villages in the State of New York is balancing the policy-driven supply of recyclable materials with the market-driven demand. Due in part to the great efforts of municipal and State public awareness campaigns and the implementation of single-stream collection, recycling has become an integral part of the State's and local governments' shared environmental agenda, with most households participating in recycling programs. However, because recycling has become so ingrained in New Yorkers' lives, many participate in "wishful recycling." This is an attempt by well-intentioned residents to recycle materials that are either not processed by the local MRF, or not recyclable at all. Wishful recycling overloads the stream and contributes to contamination, making the processing of the materials more challenging and markedly less efficient.

Where the materials are being processed to remove the contamination to the acceptable levels, MRFs are facing increased costs in the form of slower treatment and increased labor expenditures. These expenses are exacerbated by lower revenues and the inability to sell the product in other markets. Additionally, MRFs face regulations imposed by the Department of Environmental Conservation that restrict how the product is treated, stored, and managed. Stockpiling the product is also detrimental to MRFs' profits because it can deteriorate the quality of the material.

Due to these market realities, NYCOM has learned that haulers are breaking their contracts with cities and villages and negotiating new contracts that impose charges in excess of landfills' tipping fees. Haulers would rather face breach of contract claims than operate at their current losses. In at least one instance, NYCOM was told that the hauler would breach the contract knowing that under competitive bidding they would likely obtain the new contract at a higher price because competition is so limited and alternative haulers are either too expensive or unavailable in certain areas.

As previously stated, the cost to process recyclable material is exceeding the tipping fees at landfills for some cities and villages in New York. The upending of the recyclable market is especially challenging for those local governments that had derived a small percentage of non-property tax revenue from the collection of recyclables. Local officials will not be able to provide residents with recycling service if the collection and processing of the material remains this cost prohibitive. Yet, eliminating recycling as a practice or returning to dual stream collection is as impossible as it is untenable. Recycling is a necessary component of any environmental policy and reversing years of education and outreach would further confuse residents and likely contribute to increased contamination. Similarly, while dual stream recycling has the advantage of reducing glass contamination, reverting to this previous system would extraordinarily complicate the current collection methods. Nearly every processing facility in New York State operates under single stream technology. Changing the system would require a complete overhaul of equipment, trucks, and education which is too costly and time consuming to pursue.

## **NYCOM Recommendations**

Modifying and developing the recyclables market in New York State is a long-term goal. However, cities and villages need assistance now. NYCOM supports legislation that changes the metrics by which the Department of Environmental Conservation evaluates recycling programs and MRFs. Evaluations of MRFs based solely on tonnage instead of quality of collection undermines the public policy behind municipal recycling programs. Cities and villages should be financially rewarded for creative problem solving that balances the public policy objective of recycling with current market conditions. Funding for municipal composting programs will also help keep organic material out of the waste stream and improve the quality of what is collected at the curb.

While single-stream recycling has dramatically increased the number of residents that participate in recycling programs, the collection of glass in the single stream is problematic. The market for recycled glass is not as robust as the markets for plastic and paper, yet glass damages the quality of both plastic and paper in the single stream. Expanding the Bottle Bill to include wine and spirits containers may help keep glass out of the stream so that the integrity of other recyclable materials is preserved and glass may be directed more easily towards niche markets. Alternatively, dedicated glass collection events coordinated by MRFs in cooperation with municipalities may help limit the amount of glass that enters the recycling stream.

Lastly, cities and villages need financial assistance to make investments in recycling infrastructure. Like much of the capital infrastructure in New York State, the infrastructure to sort and process recyclable material is old and outdated. Increasing

the efficiency of sorting and processing will reduce current costs, while investments in advanced cleaning technologies will increase the products' overall value.

### **Conclusion**

The decline and eventual disappearance of the Chinese recyclables market must be addressed through both long- and short-term actions. Although cities and villages are exceedingly resourceful in utilizing the little revenue they are able to generate, expenses like those presented through the recycling market crisis that are unavoidable and beyond municipal control dramatically deplete local budgets. Support for existing municipal recycling programs so that they are preserved as integral components to the State's environmental policy is as necessary as investing in alternative markets within the State. NYCOM looks forward to working with your committees to find the most efficient and cost effective solutions to the recycling challenges faced by the cities and villages in the State of New York.