

**Testimony of March 19, 2019**

**Senator Rick Outman &  
Members of the Environmental Quality Committee**

Dear Sen. Outman & Members of the Environmental Quality Committee,

The Michigan Recycling Coalition (MRC) is a statewide association for recycling professionals and an advocate for recycling. We have over 500 members made up of program managers and service providers, equally representing the public and private sectors. GM, MSU, City of Lansing, Wayne County, Republic Services are just a few represented on the Board of Directors. We will host our 37<sup>th</sup> annual conference May 14-16 in Ann Arbor. This year we expect over 400 professionals to attend. The program can be viewed here - <https://www.michiganrecycles.org/wp-content/uploads/2019/03/2019-Program-Web-1.pdf>

The work of our members makes Michigan more economically and environmentally resilient. They are leading the way, turning the wasteful practices of the past into the business opportunities of the future. We work together to help Michigan leaders understand the value of the materials we pay to throw-away every day. We live a materials-based economy and at the end of the day we benefit by finding ways to productively manage those materials at the end of their useful life. In spite of years of little progress, local and state public and private sector investment in recycling and composting continues.

We successfully demonstrated to the previous administration that the state needed to lead the recycling effort because of the capital investment and leadership required to divert our waste from disposal to productive use. By funding long-overdue county planning activities and providing grants to spark local investment in infrastructure development, market development, and education we will be more effective at extracting value from all of the material that circulates in our economy every day. At the end of last year, the Governor made funding for his Renew Initiative a high priority and seed funding is now available to fuel these opportunities.

This year we have another important task to accomplish. For at least 3 years, 2 stakeholder groups, the Governor's Recycling Council and the Solid Waste and Sustainability Advisory Panel met to identify needed updates to Michigan's 40-year-old law solid waste law or Part 115 of NREPA. The GRC and SWSAP recommendations were the foundation for a bill that was introduced at the end of last year by Rep. VerHuelen, HB 6483.

While my colleagues and I are still discussing the finer points of the bill, I believe that the policy changes that will be represented in this Part 115 update are key to unlocking even more significant private investment and shifts in spending in the \$1 billion materials management industry in Michigan that will allow us accomplish our goals. If we can increase our recycling rate, we can shift costs to grow an industry that currently employees 93,000, generates \$5.7 billion in annual labor income, and creates \$24.3 billion in economic input. Imagine what doubling or tripling our recycling rate would do.

But current solid waste law is all about assuring adequate disposal capacity for our solid waste. We need to expand the goals of County Planning far beyond disposal based on the knowledge that recyclables have value to markets in Michigan, in the Great Lakes region, in this country, and internationally. One of the stars of recycling in Michigan is Emmet County. They sell 90% of the material they sort and separate to Michigan manufacturers.

We also know that markets fluctuate based on a variety of factors. If you've been reading the news lately, you know that China is not buying a lot of recyclables right. Not because they don't want them, but because they don't want the garbage that comes with them. For too long they've received low

value, highly contaminated loads from U.S. recyclers. Now we need to work to meet their new and much stricter material specifications.

So there's glut of material on the market right now, which keeps market prices for recyclables low. At the same time, recycling costs are going up because processors are having to slow down lines to reduce contamination and work harder to compete and meet stricter specifications for material. These are challenging times but recycling isn't going away.

Funding and policy corrections are necessary to align priorities and opportunities to benefit Michigan communities and businesses. The recycling industry has worked to advance these initiatives in the face of policy that has worked against us for decades. But now, residents expect that recycling will be included in the suite of public services available to them. Businesses need comprehensive recycling services to be competitive and achieve their own sustainability goals. We must assure those services are accessible and match them with an educational campaign that drives informed participation. We must do better because landfills are no place to store usable, recyclable material.

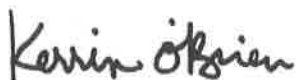
Stakeholders have mostly agreed that we must enable communities to make smart plans to achieve goals that work for them; that serve their residents and businesses and create economic opportunity.

- ✓ County Plans will assure that everyone has convenient access to recycling whether they live in rural or urban communities;
- ✓ Counties will be funded to facilitate the local and regional materials management planning process;
- ✓ Municipalities and townships will be active players in the process;
- ✓ Planning will prioritize local control of facility siting, but also assure that these facilities can get sited if they are needed;
- ✓ The process will foster public/private partnership to meet local and regional infrastructure and service needs; and
- ✓ Grant funding will support the development of needed local and regional programs and infrastructure.

For too long we've sold recycling as free, but it's not. We pay for the service of having our waste picked-up at the curb and disposed of in the local landfill or incinerator. Collectively, we pay the cost of monitoring and cleaning-up landfills. The cost of having recycling picked up at the curb and having it sorted, baled, and sold to market costs and is being paid, either by the value of that material on the market or by us, through taxes or fees for services.

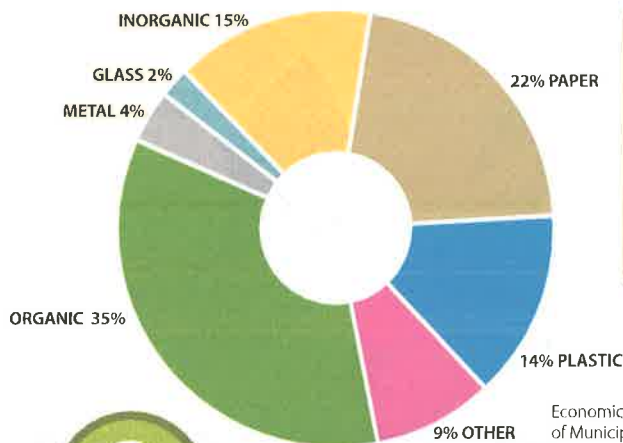
And, while it's unfortunate, the cost for managing waste and recycling is going up. In spite of the volatility of the marketplace, every Michigan resident, business, and institution has something to gain by being better stewards of these materials, by finding productive uses for these materials we create new services and feedstocks to drive business. We need policies that set us up to turn our liabilities into assets.

Sincerely,



Kerrin O'Brien  
Executive Director  
Michigan Recycling Coalition  
(517) 974-3672

**MICHIGAN MUNICIPAL SOLID WASTE COMPOSITION (mean% by weight)**

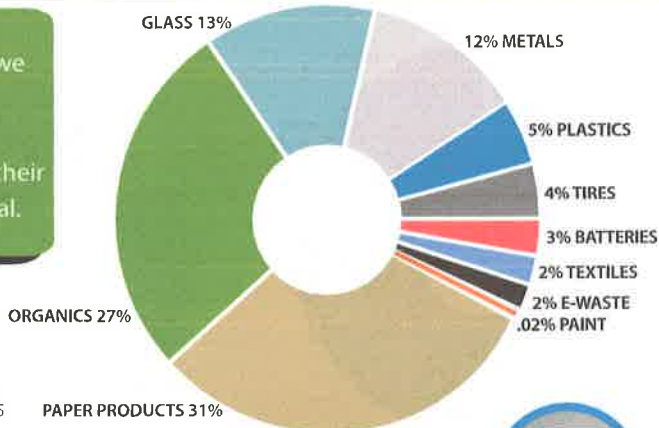


Economic Impact Potential and Characterization of Municipal Solid Waste in Michigan 2016

Michigan's move from open dumps to modern landfills forty years ago represented an important shift in environmental protection and remains the foundation of Michigan solid waste policy today. That policy, however, requires counties to assure adequate disposal capacity for waste, with little regard for the value of the materials being discarded.

Forty years later, we know more about the materials we pay to throw away. When diverted from disposal – collected, processed, and sold as commodities to manufacturers – those commodities have value and their repurposing reduces costs and the impacts of disposal.

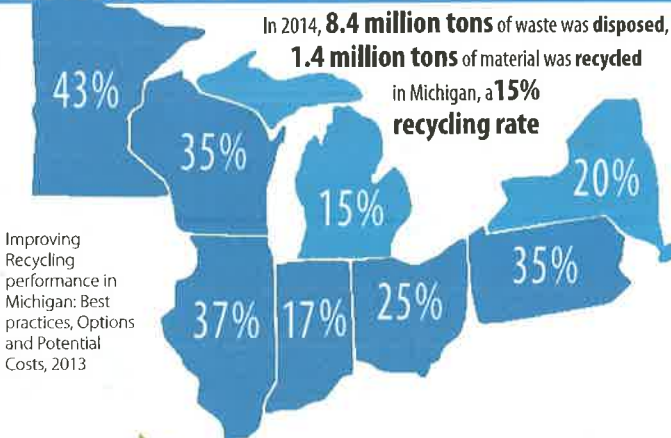
**COMPOSITION OF CURRENT RECYCLING STREAM**



Measuring Recycling in the State of Michigan, May 2015

Michigan lags behind most Great Lakes states in recycling. We must create an environment where Michigan businesses, industries, and residents can accomplish their own sustainability goals and contribute to a financially and environmentally sustainable future, creating resilient communities across the state.

**RECYCLING RATES FOR GREAT LAKES STATES**



Improving Recycling performance in Michigan: Best practices, Options and Potential Costs, 2013



The deliberations of the appointed members of the **Governor's Recycling Council (GRC)** and Department of Environmental Quality led **Solid Waste and Sustainability Advisory Panel (SWSAP)** have culminated in the development of two separate but complementary reports and sets of recommendations.



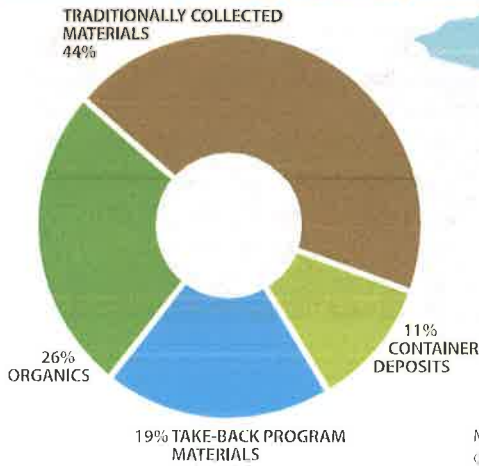
SWSAP Report



GRC Report

These separate stakeholder advisory groups have been recently joined together and make up the Solid Waste and Recycling Advisors. Their collective charge is to guide the state's solid waste, sustainability, and recycling goals especially as it relates to the development of legislative language.

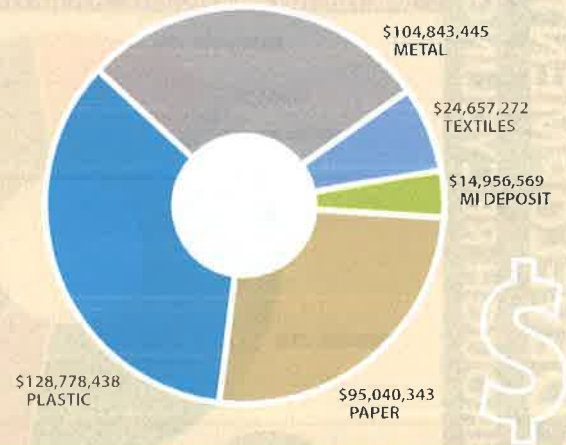
## MATERIAL RECYCLED BY CATEGORY IN 2013



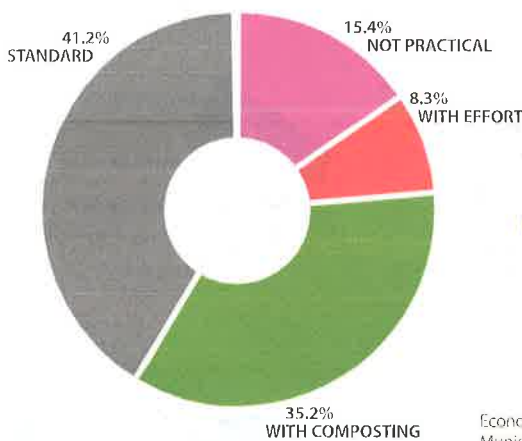
More than  $\frac{1}{2}$  of Michigan's **15%** recycling rate is the direct result of state policy

Measuring Recycling in the State of Michigan, May 2015

## POTENTIAL VALUE OF MI MSW MATERIAL DISCARDED

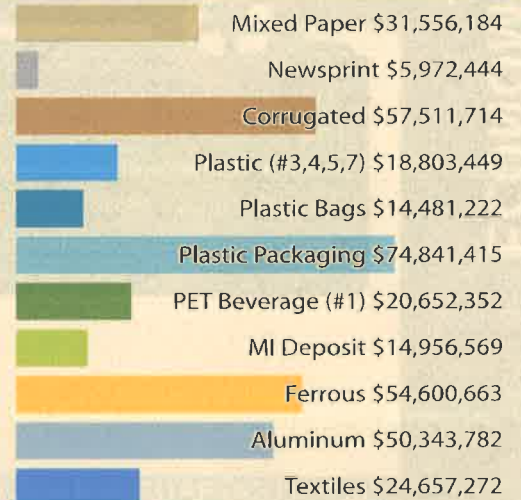


## MICHIGAN MSW MATERIAL BY EASE OF RECYCLING



Economic Impact Potential and Characterization of Municipal Solid Waste in Michigan 2016

## POTENTIAL VALUE OF MI MSW COMMODITIES DISCARDED



## EMPLOYMENT AND TOTAL FINANCIAL EFFECT OF INCREASED RECYCLING

Potential Value of Reclaimed Materials	Jobs Multiplier	Jobs Created	Total Effect Multiplier	Total Economic Impact
\$368,276,066	7.11	2,619	1.08	\$398,732,497

Economic Impact Potential and Characterization of Municipal Solid Waste in Michigan 2016

*"The resources and services provided by our ecosystem are indispensable to economic activity. Consequently, economic activity that serves to extend the productive life of natural resources and minimize the waste byproducts of the economy's productive activity must be a cardinal element of any lasting economic system. Recycling represents one of those unique opportunities in which both public and private investment can cooperatively promote robust and sustainable economic activity while concurrently supporting environmental protection."*

Mike Csapo, General Manager, RRRASOC

By meeting the Governor's recycling goals and capturing material that's otherwise discarded, Michigan would experience a positive economic impact of **\$400 million** annually.

2011 State of Recycling in Michigan

In Michigan, there are an estimated **2,242** establishments in the recycling and reuse industry with receipts of **\$11.6 billion**, a payroll of about **\$2.06 billion**, and employment of **61,700**.



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#RecycleMI

The Michigan Recycling Coalition fosters sustainability by leading, educating and mobilizing business, government, nonprofits, and individuals to advance their own and collective resource recovery initiatives in Michigan.

[michiganrecycles.org](http://michiganrecycles.org)

