NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

Statement of

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On behalf of the National League of Cities

Before the House Committee on Appropriations,
Subcommittee on Interior, Environment, and Related Agencies

"Strengthening Community Recycling Programs: Challenges and Opportunities"

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Good afternoon, Chairwoman McCollum, Ranking Member Joyce and Members of the Subcommittee. I am Daniel Corona, Mayor of West Wendover, Nevada. I am the President of the Nevada League of Cities and Municipalities, which serves as the state's primary champion of local government. West Wendover is a small city of about 5,000 residents located on Nevada's northeastern border with Utah. We are about a 90-minute drive from Salt Lake City, Utah and over 300 miles from either of Nevada's two metropolitan areas—Reno and Las Vegas.

I am here today on behalf of the National League of Cities (NLC), which serves as the voice of America's cities, towns and villages, representing more than 200 million people across the country. NLC's mission is to strengthen local leadership, influence federal policy and drive innovative solutions. Working with the 49 state municipal leagues, NLC is a resource to and advocate for the 19,000 cities, towns and villages across the country, at least 95% of which are small cities with a population under 50,000.

I am honored to have this opportunity today to share with you the challenges that cities, towns and villages like West Wendover, and others across Nevada and the country are facing on recycling and the opportunities for improving local recycling programs, upgrading recycling infrastructure and protecting the environment.

History of Recycling

The modern recycling industry and many municipal recycling programs can trace their roots to the environmental movements of the late 1960s and the first Earth Day in 1970. At that time, the mounting problem of waste management was straining communities around the country, the

need for waste reduction helped mobilize millions of Americans, and Earth Day even featured a design competition that generated the triangle recycling logo we are all familiar with today.

Back then, local and federal government worked cooperatively to address these concerns. The Solid Waste Disposal Act (SWDA) in 1965 sought to address growing concerns about human health and environmental impacts caused by the solid waste industry and landfills. It led to safety regulations, designated solid waste management as a local responsibility, and established goals for waste reduction.

Two subsequent amendments to the SWDA, the Resource Recovery Act (RRA) in 1970 and the Resource Conservation and Recovery Act (RCRA) in 1976, increased the federal government's role in solid waste management and provided funding to the U.S. Environmental Protection Agency (EPA) for programs focused on waste reduction, recycling, recycling technologies and hazardous waste disposal. RCRA also directed EPA to provide assistance to local, state and tribal governments, and to invest in research for the advancement of waste management, waste reduction, recycling and sustainable materials management.

Since that time, local governments have driven growth and participation in recycling programs, but it has not always been easy. When Woodbury, New Jersey became the first city to mandate recycling in 1980, residents protested by throwing garbage on the mayor's lawn. But within three months the city had an 85% participation rate and became the national model for what we now know as curbside recycling.[1]

The SWDA and RCRA led to many positive outcomes and a dramatic shift in the solid waste industry. The national recycling and composting rate for municipal solid waste has grown to 35 percent, and 12.7 percent of waste is now utilized in waste-to-energy recovery systems. In 2017, recycling, composting and waste-to-energy recovery saved over 184 million metric tons of carbon dioxide equivalent, comparable to taking 39 million cars off the road.

Now, as we approach the 50th anniversary of Earth Day, the industry is struggling worldwide. Recycling is personal. It can and should be one of the simplest acts that an individual can take to keep garbage out of local landfills, preserve our lands, and maintain cleanliness of our waterways. Instead, Americans are losing faith that it works at all.

National Sword Policy

This loss of faith began as a result of import restrictions on recycling from China and many other countries.

Over the decades, recycling followed a path of globalization just like other industries. In the 1980s the cargo ships that came to the U.S. full of merchandise were returning virtually empty. At the same time, Chinese manufacturers were desperately searching for more and more material to make their products. This presented an opportunity to sell our collected material to China as they built a large recycling processing industry, and many nations in Southeast Asia followed suit.

[1] A Brief History of Household Recycling, CityLab. Available at: https://www.citylab.com/city-makers-connections/recycling/#slide-1970

China has handled roughly half of the world's recyclable waste since 1980.[2] By 2016, the U.S. exported 16 million tons of material worth $5.2 billion, and half went to China alone.

This arrangement led to two important characteristics about the economic model for recycling. First, for lots of communities and certainly all of the larger cities, selling materials paid for nearly all of the cost of collection. Only a small portion of the service required taxes or other service fees. Second, lax standards for labor and environmental cleanliness in China meant we could sell them nearly anything and they would sort out what was valuable from a lot of other trash and contamination. This is why most cities in the '90s started to promote single-stream systems with one blue bin for everything. Cities wanted as much participation as possible so they could sell it.

All that came to an end when China's National Sword Policy, enacted January 2018, began restricting import of most plastics and other materials. The policy upended both of the characteristics that I just mentioned. Without China purchasing materials in the global recycling market, the value of these commodities plummeted. Many local governments have found their service model under water. Additionally, we have also been forced to confront the fact that we do a poor job of recycling in this country. Single-stream recycling simplified recycling for residents and increased recycling in the early years, but has also led to an increase in contamination. Contamination in recycled materials, whether from plastic bags, batteries, food, and even things like small appliances or soiled diapers, not only increases costs, but also damages equipment and reduces the quality of the material – potentially making it completely unrecyclable. On average, at least a quarter of the material collected in single-stream recycling programs is too contaminated with food, trash, and other material to be recycled. We no longer have the luxury of making our trash someone else's problem.

Local Government Responses to the National Sword Policy

Nevada

Many small, rural communities in Nevada, like West Wendover, do not have recycling programs, which is largely due to the cost of establishing and maintaining programs in a way that makes economic sense for residents, businesses and communities. For example, in my city the costs to restart recycling compostable materials (a program the city cut in 2012 due to cost and challenges we faced with sorting) are upwards of $1 million. We have explored other options such as contracting with recycling companies, but costs again become a major barrier in order for it to make economic sense for those companies, and the city would have to pay a premium because the materials would have to be transported over 100 miles to the Salt Lake City area to be processed. Even if this was a feasible option for our community, it would remain difficult to find a partner in the current market environment.

These cost challenges are amplified when coupled with the prevalence of low-wage jobs and the high-cost of housing in the state. While our economy is booming in Nevada, the gap between wages and housing greatly affects our residents. Given the current uncertainty in the recycling market, many small, rural communities do not have the economic base to establish cost-based recycling programs.

[2] Katz, Cheryl, "Piling Up: How China's Ban on Importing Waste Has Stalled Global Recycling," YaleEnvironment360 (March 7, 2019). Available at: https://e360.yale.edu/features/piling-up-how-chinas-ban-on-importing-waste-has-stalled-global-recycling

Some larger cities in Nevada are weathering the uncertainty better, making small changes to their recycling programs, and even increasing their recycling rates. For example, Carson City (pop. 55,439) instituted mandatory curbside waste pickup in July 2019 and saw their recycling numbers double over a nine-month period. Under a long-term agreement with Waste Management, they do not expect to see much impact from the Chinese policy.

The City of Henderson (pop. 302,539) is exploring education and outreach efforts with their servicer to improve recycling quality in hopes of avoiding a surcharge on residents and businesses.

The City of Las Vegas (pop. 641,676) recently approved a 74 cents per month rate increase as requested by their franchisee, Republic Services, due to the economic circumstances associated with China' National Sword Policy, such as increased processing costs and decreased revenues. The rate increase was necessary to help the city achieve its sustainability goals and reach their contractual goal of achieving a 25% recycling rate, which is in line with the state's goal (the city's recycling rate was 21.4% as of June 2019). While the city has not experienced some of the issues that other communities nationwide have experienced, Republic Services has indicated that it may only be a matter of time based on what happens at a global level or how fast or when a secondary domestic market emerges.

The City of Reno (pop. 248,853) has seen its recycling rate drop from a high from 34% in 2017 to 25% today. In 2013, the city entered into an exclusive solid waste franchise agreement with Waste Management, which provides greater protection against fluctuations in the marketplace than if the city were to have an open system of collection with multiple service providers. In Reno, China's recycling import policy changes have resulted in lower prices for cardboard and paper, glass is no longer being recycled, and only plastics #1 and #2 are being recycled with other types of plastic going to the landfill. The City of Reno has calculated a 15% reduction in municipal solid waste recycling due to these market changes.

Additionally, there has been some interest at the state level in addressing the recycling challenges facing our communities. In 2019, a bill was introduced in our state legislature to create a pilot program for municipal beverage container deposits. This program would have allowed certain municipalities to collect a five cents deposit on all single use beverage containers sold within their municipality to help fund recycling projects. However, a provision in the Nevada Constitution requires a two-thirds majority vote on any new taxes, and unfortunately, the measure did not get enough votes to pass.

Cities, Towns and Villages Across the Country

NLC's municipal action guide, Rethinking Recycling: How Cities Can Adapt to Evolving Markets, describes the impact that the National Sword Policy has had on cities, towns and villages across the country, highlights a few communities that are continuing to embrace robust recycling programs, and provides recommendations for local governments to boost the resilience of local recycling systems and achieve long-term sustainable waste management goals.[3]

Unfortunately, as a result of the National Sword Policy, at least a few dozen local recycling programs have been shut down, mostly in small cities. Faced with the new market realities,

[3] Available at: https://www.nlc.org/sites/default/files/2018-09/CSAR_Recycling-MAG.pdf

older infrastructure, or a limited number of partners who can haul and process their materials, they made the tough decision to end curbside recycling.

On the opposite end of the spectrum, some communities, particularly larger urban areas, are doubling down on their commitment to recycling. These larger cities, such as Phoenix and San Diego, are making investments in new facilities, attempting to develop their own regional markets for recyclable products, and expanding into new materials such as textiles or food waste. Moreover, we continue to see cities like Seattle and San Francisco remain committed to zero-waste goals as part of their overall climate action or sustainability goals.

The majority of cities, towns, and villages seem to be treading water and holding out for a change in the market. They are keeping their system on life-support by redirecting general funds, imposing temporary surcharges, or finding other ways to wait in the hope that markets can recover, or at least stabilize enough that they can commit to a long-term solution. Public education campaigns to raise awareness of the proper way to recycle in playing a large role in these communities.

Solutions and Next Steps

All of this—from global trade restrictions to the peculiarities of local recycling systems—creates an opportunity for local governments and our federal partners to lead with urgency, just as we did 50 years ago. Local governments, as well as private haulers and operators of materials recovery facilities, are being forced to reevaluate their operations and policies in order to adapt and maintain viable municipal materials management systems. Working together, we can create a better system for our communities and our residents.

National Framework for Advancing the U.S. Recycling System

In 2018, the National League of Cities was proud to support the America Recycles Pledge, which was led by EPA and brought together the public, private and nonprofit sectors in committing to work together to address the challenges facing our recycling system.

Over the past year, stakeholders, including local government representatives, collaborated, as the pledge states, “to build on our existing efforts to address the challenges facing our nation’s recycling system and identify solutions that create a more resilient materials economy and protect the environment.” The National Framework for Advancing the U.S. Recycling System is the outcome of that effort, and NLC is pleased to lend its support.

The framework focuses on four key areas: promoting education and outreach, enhancing materials management infrastructure, strengthening secondary materials markets, and enhancing measurement. These action areas have been continually underscored and reaffirmed by local governments and other stakeholders as the primary areas of need to address the challenges facing our recycling system.

National League of Cities CEO and Executive Director Clarence Anthony commented on the release of the Framework, saying “As we approach the 50th anniversary of Earth Day, it’s important to celebrate what municipalities have accomplished over the years, while also understanding how much more work still needs to be done. With the changes in recycling markets and the uncertainty we see in today’s industry, it is a critical time for public, private and nonprofit sectors to double down on new solutions.”

Winning on Reducing Food Waste Federal Interagency Strategy

An emerging area that local governments are struggling with is organic material and food waste. EPA estimates that over 76 billion pounds of food each year reaches landfills and combustion facilities - more than any other material in everyday trash, constituting 22% of discarded municipal solid waste. With landfills representing the third largest source of U.S. methane emissions, a powerful greenhouse gas, reducing food waste is a great opportunity for local governments to not only help meet their greenhouse gas reduction goals, but to better manage and utilize the limited landfill space. Furthermore, the economic value of food loss is estimated at over $161 billion annually, according to the U.S. Department of Agriculture (USDA), and represents a missed opportunity to address food insecurity among those in need, as well as a missed opportunity to improve the environment.

NLC is pleased to support the USDA, EPA, and the U.S. Food and Drug Administration in an interagency effort, Winning on Reducing Food Waste Initiative. The Initiative coordinates federal action and prioritizes action areas to reduce food loss and waste such as: education and outreach, research, community investments, voluntary programs, public-private partnerships, tool development, technical assistance, event participation and policy discussion on the impacts and importance of reducing food loss and waste. These efforts will have a multitude of benefits for our communities, economy and environment.

NLC Solid Waste Policy

NLC supports and applauds these efforts, but we must also stress that they are not enough to meet current challenges in the industry and manage waste in a manner that protects public health and environmental sustainability for the long-term. While solid waste management is a local issue, the federal government must support local programs by developing a national solid waste management policy that takes an integrated approach. Such a policy should couple source reduction, volume reduction and resource recovery with protecting the environment.

To relieve local governments and taxpayers of the financial burden of product and packaging management and to reduce greenhouse gas emissions, the federal government should:

- Develop policies that promote product stewardship and create incentives for manufacturers to design and produce products created with less energy, materials and toxins;
- Create incentives for local governments and producers to develop systems to collect, compost, reuse and recycle products;
- Promote material exchange markets;
- Support research and development on conversion technology, packaging materials, biodegradability and techniques to minimize solid waste;
- Support public participation and education programs to provide a better understanding of source reduction (reduce, reuse, recycle) and disposal options; and
- Promote the recycling of materials for federally funded projects.

To support municipal recycling initiatives, NLC encourages EPA to develop a clearinghouse to share best practices among cities, towns and villages on delivering efficient recycling programs and to create connections that foster collaboration between waste producers and users. EPA's Recycling Framework is a step toward this goal.

Additionally, Congress should encourage the development of long-term stable markets for recycled products, hard-to-recycle products (such as plastics) and non-recyclable products. NLC supports federal funding for:

- Research and development and pilot programs to assist local governments in demonstrating of new recycling techniques;
- Research and development for conversion technology for recycled materials, including products from tires and batteries; and
- Fair and appropriate tax incentives to target problematic waste streams from recycling processing centers.

Finally, electronic waste is a growing concern. It is more difficult to recycle, and if not handled properly, can harm public health and the environment. NLC supports federal efforts to educate the public on minimizing electronic waste and associated risks to health and the environment. Additionally, NLC urges Congress to develop a system to maximize the reuse and responsible recycling of used electronics and create a viable financing mechanism. Congress should investigate the use of appropriate incentives to:

- Ensure that used electronics are recycled in a sustainable manner, such as through an accredited third-party certification program;
- Promote green electronics as a source selection preference;
- Reduce toxicity by limiting the use of hazardous materials in electronics manufacture; and
- Increase recycled content and improve efficiencies in development and operation of electronic products.

Recycling Authorizing Legislation

China's environmental focus is about reducing contamination in the materials they receive. Therefore, public education and outreach plays a critical role in being able to maintain and grow the recycling systems in our communities. At this time of uncertainty and instability in the markets, the federal government is an important partner for local governments. Therefore, NLC supports legislation introduced in both the House and Senate to help local governments improve their recycling infrastructure, develop and improve recycling programs, and build community awareness.

In the House, H.R. 5115, the bipartisan Realizing the Economic Opportunities and Value of Expanding Recycling Act (or RECOVER Act), sponsored by Reps. Tony Cardenas (D-CA), Larry Bucshon (R-IN) and Greg Stanton (D-AZ), would establish a competitive grant program to improve recycling infrastructure and recycling programs. Whether communities choose to focus on residents and businesses or on municipal facilities, technologies or operations, these grants would mean that communities across the country would be able to expand, maintain and reimagine how recyclable materials are managed and reused for the benefit of our economy and environment.

In the Senate, S. 2941, the bipartisan Recycling Enhancements to Collection and Yield through Consumer Learning and Education Act (or RECYCLE Act), sponsored by Senators Rob Portman (R-OH), Debbie Stabenow (D-MI), Ron Wyden (R-OR), Susan Collins (R-ME), and Todd Young (R-IN), would establish a consumer recycling education and outreach grant program in an effort to decrease contamination. Educating residents about the proper ways to recycle will go a long way toward improving the effectiveness and efficiency of local recycling

programs, and potentially make America's waste more marketable both domestically and in other foreign markets.

We urge Appropriations Committee members to support funding for the important programs that these bills would establish if they become law.

Local Government Interior-Environment Appropriations Priorities

We would like to thank members of the House Appropriations Committee, and in particular the Interior-Environment Subcommittee, for their support for the essential programs that help local governments provide clean and safe water for residents and businesses, revitalize communities, and reduce air pollution.

As President Trump prepares to release his FY21 budget next week, we hope that members of this committee will continue to support programs such as the Clean Water and Drinking Water State Revolving Funds, WIFIA, water infrastructure workforce development grants, sewer overflow and stormwater management programs, Brownfields and Superfund programs, and the Land and Water Conservation Fund.

Additionally, it is critically important that the federal government continue to fund efforts to restore essential waterbodies, such as the Great Lakes and the Chesapeake Bay, and address drinking water contamination from lead, PFAS and other contaminants.

Together, the programs supported by this subcommittee contribute exponentially to the health, well-being and safety of our residents, support economic growth and productivity, and make our communities great places to live, work and thrive.

Conclusion

In closing, on behalf of the National League of Cities and the City of West Wendover, I thank you for the opportunity to submit this testimony on a most timely issue. I look forward to your questions.