



**TESTIMONY OF LYNN HOFFMAN
CO-PRESIDENT & CEO OF EUREKA RECYCLING**

BEFORE THE

**HOUSE ENERGY AND COMMERCE COMMITTEE
SUBCOMMITTEE ON ENVIRONMENT AND CLIMATE CHANGE**

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Chairman Tonko, Ranking Member Shimkus, and members of the committee, thank you for taking the time to address this important issue, and making the often over-looked connection between consumption and climate.

I am one of the co-presidents and CEO of Eureka Recycling, a non-profit social enterprise - recycler based in the Twin Cities of Saint Paul and Minneapolis of MN. With a mission to demonstrate that waste is completely preventable, we employ 110 amazing people with living-wage jobs who collect, sort, and market 110,000 tons of curbside recycling ever year. With an operating budget of \$14 million dollars per year and the two largest residential recycling contracts in the state for the cities of Minneapolis and Saint Paul, we use the proceeds from our contracts to advocate and educate about Zero Waste. We are on the front lines of waste reduction, holding a strong belief in our bold vision for a world without waste while we wrestle with the day to day challenges facing recycling today.

When China stopped buying American recyclables two years ago¹ and implemented its National Sword policy, the resulting tight domestic recycling markets and depressed commodity values presented real challenges for us and the communities we serve, as they have for recyclers and municipalities across the country.² We lost almost 50 percent of our revenue, and the cities we serve went from receiving thousands of dollars per month in revenue share that they used to offset the cost of recycling to paying thousands of additional dollars just to cover the base-level processing costs. This has required a real-world reckoning with the values we hold around clean water, breathable air and a more stable climate, with the responsibility of the balance sheet.

While this may sound like today's news is all grim, I am here to tell you that this time also offers opportunity to harvest important lessons and rebuild a recycling system that actually delivers on its potential to address climate change, mitigate the inequitable impacts of waste, and support healthy regional economies and good green jobs. I'd like to briefly share six lessons we've learned through our experience, in the hopes that it will inform the Subcommittee's ongoing work in this area.

¹ Cheryl Katz. March 7, 2019. *Piling Up: How China's Ban on Importing Waste Has Stalled Global Recycling*. <https://e360.yale.edu/features/piling-up-how-chinas-ban-on-importing-waste-has-stalled-global-recycling>

² Waste Dive. *How recycling has changed in all 50 states*. <https://www.wastedive.com/news/what-chinese-import-policies-mean-for-all-50-states/510751/>

Lesson One: Metrics of Success

To identify the most important lessons to gather from the National Sword experience, we need to examine what led to China shutting its doors to imported and highly-contaminated American recyclables. Put simply, America was measuring the success of recycling with the wrong metrics. With communities setting important and aggressive waste reduction goals, we became hyper-focused on “diversion”. Meaning, if we got an item out of the trash cart and into the recycling cart, and someone somewhere was willing to buy it, we ticked the box and called it a success. This resulted in a push to put more and more kinds of material (recyclable or not) into the recycling cart, with little transparency or traceability through the supply chain. We didn’t follow whether or not all that material was actually being turned in to another product in a way that provides economic **and** ecological benefit. National Sword pulled back the curtain that, for the most part, we did not know what was happening to this material. Now that we know, we need to track where our recycling goes and what it’s being made in to and what the total impact is before we can actually count it as a beneficial act. Because of our mission, Eureka Recycling has been tracking where our material goes and what it gets turned into for years, but there has been little market reward for doing so. We need standards and certifications across the industry that bring both transparency and traceability to the recycling supply chain.

Lesson Two: Prioritize Investments

Our domestic recycling infrastructure needs investment, especially in what is known as “end markets” – the manufacturers using recycled content to make new goods. However, we need to be smart about creating the right criteria to prioritize where we are spending those much-needed dollars.

We need to start with the low hanging fruit – materials that are currently authentically recyclable, in high demand, and being lost by the millions of tons to landfills and incinerators.

For example, #1 PET bottles (mostly water and soda bottles) are highly recyclable and, in theory, in great demand. More and more brands are recently making public commitments to use more recycled bottles to make their new bottles, which currently only use an average of 2% recycled content. Yet right now, only one in ten PET bottles are recycled³, and prices for PET on the market remain far too low, because we are competing with cheap, heavily-subsidized virgin ethylene derived from fracking and other extraction.⁴ Policies like recycled content mandates and thoughtfully designed container deposit legislation, as well as investments in education, collection and processing have proven to be able to get many more bottles out of the trash and displace the need for virgin petroleum.

Now compare the case of PET bottles to other plastics in our trash that have less or no value, no end markets, and major challenges to collect and sort, such as #6 polystyrene, #3 PVC, black plastic, and plastic film. Rather than spend the billions of dollars needed up front to create new systems to successfully recycle these items, we can pursue strategies such as product or material fees and bans which would drive the redesign of these products towards materials that readily work within the existing systems. This approach will reduce carbon emissions and be far less costly.

³ Trevor Nace. *We're Now At A Million Plastic Bottles Per Minute - 91% Of Which Are Not Recycled*. <https://www.forbes.com/sites/trevornace/2017/07/26/million-plastic-bottles-minute-91-not-recycled/#47fc833d292c>

⁴ CIEL. *Plastic & Climate: The Hidden Costs of a Plastic Planet*. <https://www.ciel.org/plasticandclimate/>

Lesson Three: Who Pays?

Beyond just prioritizing the investments, we also need to consider where the money is coming from.

Back at our place back in Minneapolis, Minnesota, we just invested 2 million dollars into equipment in order for our facility to keep up with the changing and evolving composition of packaging and products that we get, especially the ever increasing amount of plastic. Just like all the other recycling facilities in the country, we need to make more and more expensive investments to provide the services that our communities require. The burden of this investment is falling entirely on the individual tax payer. As it stands today, producers have no skin in the game when it comes to the end of life of the products and packaging they create. To remedy this imbalance, we need strong Extended Producer Responsibility (EPR) legislation that requires all stakeholders to pay their fair share to help local entities perform recycling and disposal services and create the reuse solutions we need.

Lesson Four: Standardize Packaging

There is more and more pressure on recyclers to accept more products and packaging, and to standardize education and programs across the country. But with the moving target of a constantly evolving discard stream, increasing the pressure on recyclers to add more is squeezing at the wrong end of the tube. We need to be looking up-stream and standardizing packaging so that recyclers are more efficiently and effectively able to sort and market valuable materials. Our current system is leaving it up to individual brands and companies to solve these design solutions. And, without federal leadership the brands will have to address this state by state with a patchwork of requirements. However, no recycler can sort by brand. If one brand of toothpaste is now in a technically recyclable tube, we can't educate consumers to that level of nuance, nor can we sort to that specificity when we're sifting through 400 tons of material per day. We need policy solutions that will regulate, educate and incentivize manufacturers and packaging designers to all play by the same rules so that it's easier for both the consumer and recyclers to have the positive impact we desire.

Lesson Five: Role of Technology

When applied appropriately, technology can play a significant role in developing and implementing effective solutions. At Eureka, we have been exploring the use of technology to create efficiencies and safer work environments for our drivers and sorters, as recycling is one of the most dangerous industries in the country. We are also working on new methods to apply artificial intelligence to build the transparency and traceability systems needed in the supply chain. We have committed to bringing our staff along with us in this process through training and career development so that people aren't left behind.

Federal policy that supports such research and investments can result in both a better and more impactful recycling system and support the further development of good green jobs. However, with the explosion of emerging technologies, it is important to be cautious of false solutions that are sold under the banner of recycling. If a technology ultimately destroys the resources it is processing, such as creating a fuel that will be burned, it is not recycling, and it is not preventing the further extraction of resources or reducing impacts on the climate. The lines of inquiry about new technology need to draw a wide circle around impact and ultimately remember why we started recycling in the first place. I urge you to consider *all* the externalized costs of wasting when we're comparing strategies,

including the more difficulty-to-quantify inequitable impacts on vulnerable and marginalized communities.

Lesson Six: Recycling is Just a Part of the Solution

Perhaps the most important lesson of all following the wake of the China National Sword, is that we cannot recycle our way out of our consumption and climate crisis. Recycling is *one* important and viable solution for a *few* products and packaging. Yet to enact the kind of bold solutions we need to address the crisis at hand, we need to employ all the tools at our disposal. A majority of products and packaging we discard, including much of what we currently process in our facility, will be best addressed through reduction and reuse strategies. Another portion of our discards that are authentically able to fully biodegrade will be best addressed through composting.⁵

The size of the problem and the potential of authentic waste reduction solutions should not be overlooked. OECD has calculated that flow of materials through acquisition, transportation, processing, manufacturing, use and disposal are already responsible for approximately 50 percent of greenhouse gas emissions.⁶ While we rightly need to be concerned about the climate and human health impacts of burning and burying our discards, that is only the tip of the iceberg. According to the World Resources Institute, for every can of garbage at the curb, there are 87 cans worth of materials that come from the extraction industries—such as timber, agricultural, mining and petroleum—that manufacture natural resources into finished products.⁷ The more we buy and throw away, the more “consumption emissions” we generate making new stuff, and the faster climate change accelerates. If instead we can reduce that demand, by meeting some of it with recycled materials, we can head off the massive acceleration of greenhouse gases, create jobs and protect our natural resources.

One last note, Eureka Recycling is part of a growing community of Zero Waste advocates and organizations that have been addressing these issues of consumption, discards and their impacts through the lens of environmental justice and climate change for decades. We are also members of the Alliance of Mission Based Recyclers, whose members have important knowledge to share and leadership to provide at this critical time. Please consider us and our colleagues your partners and resources as you develop policy in this critical area. Thank you very much for your time, leadership, and consideration.

⁵ US Environmental Protection Agency. *Advancing Sustainable Materials Management: 2017 Fact Sheet*. https://www.epa.gov/sites/production/files/2019-11/documents/2017_facts_and_figures_fact_sheet_final.pdf

⁶ The Organization for Economic Co-operation and Development (OECD). *Greenhouse Gas Mitigation and Materials Management*. <https://www.oecd.org/env/waste/ghg-materialsmanagement.htm>

⁷ Eco-Cycle. *Zero Waste: The Choice for a Sustainable Community*. <https://www.ecocycle.org/zero-waste-general?start=5>