

Written Testimony of
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Before the
Environment and Climate Change Subcommittee
Hearing on "Reduce, Reuse, Recycle, Reform: Addressing America's
Plastic Waste Crisis"
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2322 Rayburn House Office Building
Public Hearing

Chairman Tonko, Ranking Member Shimkus and distinguished members of the Subcommittee:

Thank you for the opportunity to provide testimony on behalf of the City of Los Angeles regarding the national waste crisis. In my capacity as Director and General Manager of LA Sanitation and Environment (LASAN) of one of the largest municipal solid waste operations in the nation I am uniquely qualified to offer an important perspective as we focus our collective attention on the compelling and urgent need to address the state of solid waste management in the US in light of the collapse of the recycling commodities markets in China and the particular challenges that the waste management of plastics presents.

While the City of Los Angeles has a long track record since its implementation of curbside recycling in its single-family sector in the early 90's, recycling as a formal service to the commercial sector was just recently implemented in 2018 under Mayor Eric Garcetti's leadership with our 'recycLA' program. Both programs collect "blue bin" recycling commodities on a uniformly consistent basis in terms of the types of items accepted.

LA Sanitation and Environment serves a population over 4 million and thousands of businesses in a large thriving metropolis. In addition to our services in producing clean water for reuse and watershed protections, we manage solid resources. As you can imagine the amount of material, we collect each day is enormous. The City of Los Angeles generates approximately 10 million tons per year of waste from all its sectors: single family residential, multi-family residential, institutional, commercial, industrial, and construction. As a region, Los Angeles County generates approximately 22 million tons per year, and the State of California generates over 77 million tons per year. The Los Angeles citywide recycling diversion rate has been hovering at over 70% and the California statewide diversion rate is at just under 50%.

The most visible recycling program in the eyes of the city residents is the single-family blue bin recycling program which has had the longest time in application, has matured in acceptability and has a high participation rate. We collect over 200,000 tons per year under this program, had generated over \$4 million per year in net positive revenue while ensuring that the recycled materials return to the global circular economy and diverting them from the landfill.

Today, the revenue generated from recycling has dissipated, and has been replaced with a cost to the City that is well over \$12,000,000 net negative annually and is jeopardizing the gains we have made in diverting recoverable resources from landfilling. Hard to recycle items like mixed paper and plastics number three (LDPE), four (HDPE), six (polystyrene) and seven (other) have become contaminants in the recycling stream and are now being disposed in landfills. This inversion of the market value of our recycling program in going from positive to negative is the essence of our sense of urgency for finding a rescue and recovery path forward. We will examine the reasons for this later on in our testimony, but Los Angeles is and will remain fully committed

to recycling as part of our environmental ethos, a commitment shared by the majority of other municipalities, and we know of some are reconsidering providing these recycling services if the markets do not recover in an urgent manner. Under Mayor Garcetti's leadership, Los Angeles has set into motion a number of strategies to address the downturn in the markets, including the fostering of market outlets domestically like the recycled paper mills that are located in the region and expanding markets within North America. We applaud your Committee's timely intervention in finding a strategy that protects our environment, ensures resource conservation and recovery, and provides for financial stability and sustainability for everyone who is in the supply and demand chain of products, and provides relief to consumers and ratepayers.

We know that nationwide, large quantities of reusable materials are being forever lost to land disposal; that some reclaimers and recyclers are under financial strain or out of business and perhaps even worse that many of these materials are not making it into any collection system at all and is ending up as pollution in our cities, waterways and oceans.

Los Angeles appreciates and thanks Congress for making recycling of solid waste a matter of national interest, a subject of environmental interest and also of interest to commerce. LASAN salutes Representative Tony Cardenas (D-CA) and Representative Larry Buschon (R-IN) for introducing the RECOVER Act - HR 5115- Bill which is a great step forward to address the recycling crisis on a national level, and we ask that the members of this subcommittee and your colleagues support this bill and urge Congress to take action and pass the RECOVER Act. A true circular economy is one in which every product that gets introduced into the marketplace has in it a reuse, repurpose, or recycling "DNA code" in it. A discourse facilitated by the federal government forging partnerships of local, state, and national participants from all sectors is critical in us being able to re-engineer our solid waste management systems for the 21st century.

There remains more to do and in our testimony LASAN will suggest a plan move America forward on recycling. Below is what we recommend to the Committee for its consideration:

- 1) It is time for Congressional leadership and significant Federal action on the recyclability of things, with a focus on plastics waste and single use products to recognize that sound waste management is vital for the conservation of resources, for the protection of our environment and for continued economic development and a thriving, secure and prosperous society.
- 2) As a nation, we must understand that a staggering portion of waste is not reused or recycled and it's causing an urgent and compelling national environmental crisis.
- 3) We must commit as a nation to anchor our solid waste management systems on resource recovery and away from landfilling.
- 4) Recognize that our reliance on China as our destination market for our recycling commodities exports has come to an end, and now focus on developing and fostering markets domestically within the US and in North America.

- 5) We must provide circularity to single-use items to the extent that we will continue to have them, as we can no longer afford to use an item once, or throw it on the ground or to not think about where that item will ultimately be disposed. This practice is just too costly in economic and environmental impacts.
- 6) For our communities to prosper as healthy and resilient places to live, governments must urgently invest. This is an opportunity to build a new economic sector. We must choose to pay for a robust and effective waste management system and actively participate in this transition to realize a healthy and sustainable society.
- 7) We must secure a full partnership with corporate producer responsibility and a national investment to ensure that the American solid resource management systems will keep the nation clean and healthy.

The Plan To Address “Too Much Trash”

- Buildup, Build Out and Strengthen the North American Recycling Markets
 - Secure product manufacturers as full partners in addressing this crisis through extended producer responsibility to capture and recycle more materials and use recycled content in new products.
 - Design recyclability into products in full partnerships with consumer goods manufacturers and the reclaimers and recyclers.
 - Improve the quality of the recyclable materials through standards.
- Secure a National Investment in grants for New Technology
 - Bring to the sector new collection and sorting technologies.
 - Explore new ideas around chemical and thermal conversion.
 - Bring new materials that readily break down with a catalyst key.
 - Set specification and coding systems to assure the quality of the recycled materials are ready for reuse.
- Supercharge the Circular Economy
 - Reduce single use products over time to zero or guarantee their recyclability.
 - Start a National Recovery Fee Incentive program. Fully fund and urgently restore the take back incentive programs on a national level that includes materials like bottles and cans, pharmaceuticals, mattresses and carpet, and tires.
 - Bring the garment industry fully into these recycle systems.

Non-Recyclable Waste.

The crisis arose from years of complacency and decades of overreliance on overseas markets and infrastructure which then recently became closed to American materials. The overseas markets in China primarily, had what seemed to be an insatiable demand for US recyclables and the system worked for thirty years. But as China began to generate more of their own domestic recyclables and their economy grew, China placed restrictions on the quality of recyclables starting with the

Green Fence policy of 2013 and culminating in the Sword policy of 2019 which became a virtual ban on US recyclables.

Here in Los Angeles, Mayor Garcetti's has a Zero-Waste goal to eliminate landfilling by 2050 which is the foundation for his solid waste management strategy. This plan provides Los Angeles with a clear road map to be fully anchored in resource conservation and recovery strategies, which are the tenets of a strong circular economy.

Achieving Zero-Waste requires a comprehensive set of programs and strategies, and legislated policies to tackle the complex array of waste streams generated by our national economy and the channels of commerce and trade. LASAN's purpose as a witness for this hearing today is to focus the considerable Congressional and national might on the recovery and resuscitation of these markets; to jumpstart the re-introduction of recyclable materials as valuable commodities to be collected from curbside "blue Bin" recycling programs: paper fiber, bottles and cans, aluminum, plastic, and other materials.

Angelenos, Californians, and Americans will always do our part to protect our environment. In the mid-2000's, Los Angeles introduced the innovation of automation and single-stream containerization to its curbside program in response to residents demands to make it more convenient and efficient. We witnessed in the broad and quick acceptance and adaptation to the ban of single use of plastic bags first in Los Angeles in 2016 and across California in 2018.

The environmental and social impacts left by solid waste management practices from our past were heavily felt in communities of color. In the City of Los Angeles, these practices are changing due to the actions of our distinguished Congressman of the 29th District Tony Cardenas and Los Angeles Council President Nury Martinez, whose personal experiences have forged them into being champions for Environmental Justice.

Recycling Markets Collapse – a Municipal Crisis.

The burden of paying for wastes without markets falls on municipalities. Industry has long expected taxpayers or ratepayers to absorb the burden of throwaway items and to pay billions of dollars for a system that's being crushed under the weight of the problem. The systems are now failing everyone, including consumer brand owners and the plastics industry. The entire waste infrastructure to date has been funded by rate bases that no longer provide adequately for the waste system. The state legislatures across the country which are attempting to address the plastic waste crisis continue to pass new mandates for recycling while using the existing systems and rate structures that are inadequate and increasing stressed is not sustainable.

In the US, the recycling operations have been hit hard. While most continue to operate, rising costs and falling incomes are forcing some to shut down or have stopped accepting all plastics or have suspended curbside pickup. Residents in some municipalities now must travel to collection

points, sometimes in distant locations, if they want to recycle. Inevitably, some people just toss their recyclables in the trash instead.

Revenues in decline and getting worse. Prices for recyclables have dropped to a fraction of what China once paid, and are often far below the cost of gathering, processing and shipping the material. Bales of mixed paper that previously sold for over \$150 a ton barely fetch \$10 now. Recycling is now shifting from the artificial situation that China created, in which recycling more than paid for itself as a commodity, to the new reality of recycling as a cost to municipalities.

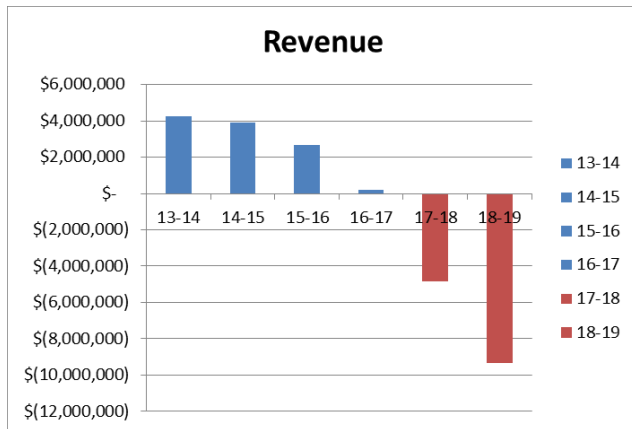


Figure A. Recycling revenue over time City of Los Angeles.

Recyclable materials waiting for new markets or recovered markets that are sitting in filled warehouses are now being disposed of in landfill. These recyclable commodities free up space for the newly collected recyclables as the waste continues to pour in.

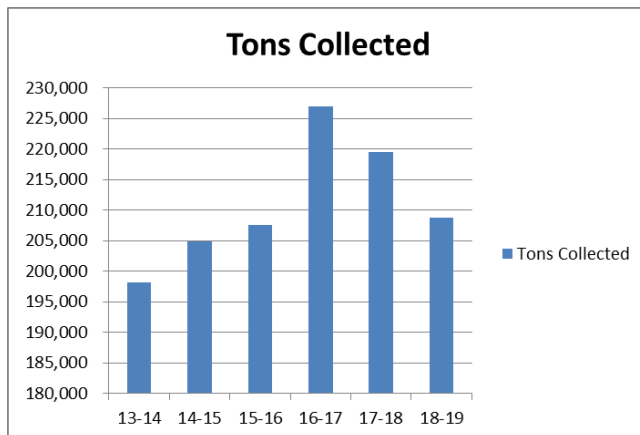


Figure B. Recycling quantity collected over time City of Los Angeles.

Solutions and Opportunities.

There are some recent events that may change the trajectory of the waste crisis and strengthen the industry. Consumers are changing their preferences for products. They are seeking to reduce purchases of single-use products and are looking for products with recycled content. Like other products that fall out of fashion, changes in perception or to what is socially acceptable will usher in the demand for more recycled content.

Additionally, Congressional action and assistance is vitally and urgently needed in addressing these issues. We greatly appreciate the timely proposals and look forward to relief through these bills:

- Senator Tom Udall (D-NM) & Rep. Alan Lowenthal (D-CA) - *Break Free From Plastic Pollution Act of 2020* which calls for Extended Producer Responsibility for all materials used to make single-use products, not just plastics.
- Representatives Tony Cardenas (D-CA) & Larry Bushon (R-IN) & Greg Stanton (D-AZ) – *Realizing the Economic Opportunities and Values of Expanding Recycling (RECOVER) Act* which would allocate \$500 million in matching federal grants to eligible states, local municipalities, and tribal governments to invest in improving their recycling infrastructure, programs, and education efforts. In fact, if the grants were available today, Los Angeles would immediately apply for a match for our Recycling Ambassador Program where LASAN ambassadors visit with residents door to door to explain what is recyclable, what is a contaminate and the broader value of recycling.

At the state level in California we have a number of bills that continue to make their way through the legislature to address single use and plastic waste including this ballot proposal which contains some novel approaches including a pollution fee:

- The *California Recycling and Plastic Pollution Reduction Act* which would give the California Department of Resources Recycling and Recovery authority to require that producers of single-use plastic packaging and foodware make their products "reusable, recyclable or compostable" by 2030. Task producers with reducing the amount of single-use packaging and foodware at least 25%. In addition, expanded polystyrene food containers would be banned statewide and retailer take-back programs would be established for relevant items. Finally, it would apply a sliding scale "Plastic Pollution Reduction Fee" of \$0.01 or less to select products starting in 2022 as a way to pay for a range of new projects.

There are other opportunities to increase the agility of the supply chain to recycle. We acknowledge that extended producer responsibility is coming either through government legislative action or from C-Suite board-room decisions and pledges as consumers demand social and environmental accountability. We urge corporations to bring their entrepreneurial,

technological and environmental stewardship to bear in finding solutions for sustainable solid waste management systems.

Sustainable waste management going forward must capitalize on private/public collaborations and partnerships to include the coordinated development and sale of products with the plastic manufacturers and the reclamation and recycling partners. This will provide for products that were designed to be recycled, products that include a coding and specifications to identify what it is and how it will ultimately get reintroduced into the marketplace.

The recyclers need long-term commitments, either voluntary or mandated by law, that consumer goods companies shall buy recycled plastic and materials. This commitment provides assurances that investment in their own facilities to make more recycled plastic will be sustainable. Recognizing that new infrastructure does not go up overnight, there will be a transition period and a need for temporary solutions which Congress should also look at addressing. The formal waste management sector in North America is seeking innovation. We are looking to the academics, the entrepreneurs and the industry heavyweights for new solutions. Waste management uses science, technology and engineering, humanities, business studies and information technology to be a powerful catalyst for economic growth. In the end, it must work for the consumers and the residents.

The feedstock for an industry based on waste is plentiful and now it needs to be valued. To increase that value there is a need for new technology and updates to effective strategies:

- Improved sorting and handling technology
- Updated Chemical and thermal conversion technology
- New materials that break down with a catalyst key
- Establishing a specifications board, specifications and coding system
- Update and implement the take back incentive programs

Lastly, Congress should consider taking advantage of our integrated economies to create a single North American recycling market. Leveraging, the recently passed United States-Mexico-Canada Trade Agreement (USMCA), or other forms of international economic cooperative processes to build capacity including infrastructure and encouraging trade and recycling markets in North America could prove beneficial in address the recycling crisis. Another idea for international cooperation could be working with the North American Development Bank to give preference to the financing of projects related to environmental infrastructure relating to water pollution, wastewater treatment, water conservation, municipal solid waste, stormwater drainage, non-point pollution, and related matters. There are many reasons to open plastic markets to recycled materials in Mexico and Canada which are the two largest trading partners for the U.S. plastics industry.

I hope that this information is helpful for the Subcommittee's consideration, and I would be glad to answer any questions.

Respectfully submitted,

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