

Testimony of
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Before the Joint Legislative Conservation Committee on the
Municipal Waste Planning, Recycling and Waste Reduction Act
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Chairman Hutchinson, and members of the Committee, thank you for the opportunity to appear before you today to discuss Act 101 of 1988, The Municipal Waste Planning, Recycling and Waste Reduction Act. The Department would like to thank the Committee for its long-standing support of Act 101 and interest in the Commonwealth's recycling programs. The Department appreciates the current efforts of the General Assembly to eliminate the January 1, 2020 sunset date of the \$2.00/ton recycling fee provided under the Act. This will allow the Department to continue supporting successful recycling and planning programs implemented by local governments, without interruption.

Act 101 represented a landmark legislative effort when it was enacted July 28, 1988. It strengthened waste disposal planning due to the impending crisis in landfill capacity and initiated the source separation of marketable recyclable materials on a statewide basis to minimize waste disposal and return the economic and energy value of those materials.

In 1988, Pennsylvania had about 1,500 local municipal dumps, many that had reached capacity, had no clear local government responsibility for planning, and had overlapping authority for waste disposal planning. Today, every county has developed plans and has adequate disposal capacity for municipal waste generated within its boundaries. Act 101 is commonly known as the Recycling Law, but it also corrected a lack of adequate municipal waste planning.

The provisions of the Act sought to decrease the amount of solid waste disposed in landfills. The annual quantity of Pennsylvania municipal waste disposed initially increased by over 1.9 million tons from 1988 until 2004. However, since 2013, the annual quantity of Pennsylvania municipal waste disposed has leveled off at approximately 14 million tons.

Today, about 90% of the Commonwealth's population has access to some type of recycling. Most of these mandatory and voluntary programs collect more than three of the eight materials required to be collected by Act 101. In 2015 alone, Pennsylvania recycled over 10.3 million tons of materials.

Recycling is more than an environmental program; it is interwoven into the fabric of our economy and into the behaviors of our citizens. After 30 years, there is a whole generation who never knew a time when you didn't separate recyclables and place them at the curb or look for separate recycling containers in schools, public spaces, and offices. Economically, in 2015, Pennsylvania's recycling industry directly employed over 66,000 people while stimulating close to 110,000 indirect and induced jobs. For every direct job within the recycling industry, an additional 1.7 jobs are supported in Pennsylvania.

After 30 years, it is important—and the Department supports—an effort to review our recycling and municipal waste planning programs and modernize the requirements in Act 101 where necessary. The Department holds that a thoughtful and thorough process with all stakeholders and the citizens will identify, focus, and prioritize the steps we can implement to advance the future of waste management and recycling in the Commonwealth.

To that end, the Department offers the following views of the current state of affairs:

- Today, municipal wastes are managed in modern, permitted facilities; however, illegal dumping continues to be a significant problem across the Commonwealth in both urban and rural areas. To reduce illegal dumping, we need to ensure every Pennsylvanian has access to waste disposal and recycling. Access can include rural drop-offs and transfer stations for municipal waste and recyclables.
- The \$2/ton disposal fee established by Act 101 was an essential tool in developing waste and recycling programs and will continue to be an important asset in the future. We need to assess the present value of the fee and reevaluate how the revenue generated should be

used to stimulate advancements in integrated waste and recycling programs. Recycling Fund revenue has decreased from \$47.1 million in 2003 and has leveled out to \$38 million over the last 3 years. Based on the current cost of living index, the \$2/ton fee established in 1988, adjusted for inflation, is currently worth \$.97/ton.

- \$15 million/year is expended on Recycling Development and Implementation (Section 902) Grants. These grants are awarded to local governments to reimburse for the costs of developing and implementing recycling programs. Applications for 902 Grants regularly exceed available funds. The Department had to modify this program by prohibiting communities from applying and receiving this grant in successive years and by reducing the maximum award from \$2 million in 1998 to the current \$250,000. This has reduced the annual competition for these grants and spread the funding in a more equitable manner.
- \$20 million/year is expended on Recycling Performance (Section 904) Grants. These grants are awarded to local governments based on recycling performance. The formula for these grants has also been modified to bring spending in line with current revenues.
- \$4 million/year is spent on Public Education and Technical Assistance; \$1.6 million is spent on County Recycling Coordinator (Section 903) Grants; \$2 million/year is expended by County Planning (Section 901) Grants; and \$1.1 million/year is spent on administration of the program and other grants.
- Act 101 currently mandates recycling in 475 municipalities, representing 68% of the Commonwealth's population, and over 586 additional municipalities have voluntarily implemented recycling collection programs. Combined, over 91% of the Commonwealth's population has access to public recycling programs. However, many rural counties have had to scale back or eliminate their recycling programs. Susquehanna, Pike, Cambria, Perry, Carbon and Blair Counties are a few counties who have eliminated or modified their programs based on financial factors.

- 30 counties have annual household hazardous waste (HHW) collection programs and 11 municipalities have annual HHW collection events. There are 75 municipal curbside HHW collection programs and 4 permanent collection sites.

As we look at recycling and waste management across Pennsylvania, it is important to recognize the role counties and regions have in implementing successful integrated waste management programs that go above and beyond the requirements of Act 101. These programs manage recycling and waste management as a single program; ensure uniform curbside collection of recyclable materials; and provide drop-off sites that compliment curbside programs. These programs also provide collection events for household hazardous wastes and electronics. Examples of successful integrated waste management programs include those run by the Centre County Solid Waste Authority, the Lancaster County Solid Waste Management Authority, and the Greater Lebanon Refuse Authority.

The keys to a successful integrated program are: the management of recycling and waste management as a single program; establishment and maintenance of strong public/private partnerships for the collection, processing and management of materials; the ability to generate revenue through operation of a disposal/transfer facility and/or public private partnerships; and appropriate fees that cover the cost of collecting, processing and disposal of all materials.

The reduction in investments from the Recycling Fund has prompted focused investment by the private sector. However, this has left the more rural areas of the Commonwealth in a financial bind as private investment typically focuses on urban and suburban areas.

The Department has also established and financially supports the Pennsylvania Recycling Markets Center (RMC), which undertakes projects to stimulate the demand for recyclable materials. The Center also performs valuable market studies and analysis. For instance, an RMC study found that most rural recycling programs desired to sell materials on the spot market rather than building longer-term securities through individual or regional contracts. It was also determined that most of the rural programs use brokerage services and depend upon the contract

structures of those brokers for return on commodities. Subsequently, various recycling managers were paired with material processors or each other to gain a return in material values.

There is still work that needs to be done to bring Pennsylvania's recycling and waste management programs into the 21st century. There are still large quantities of marketable materials that continue to be disposed of, and based on annual recycling reports, there are still counties with low levels of recycling. We should strive to ensure that every Pennsylvanian has convenient access to recycling programs for materials with established markets and expand recycling to under-served areas.

What steps should we take to advance integrated waste and recycling management, maximize recycling and reuse of material, and divert waste streams for maximum environmental benefit? Here are a few ideas this Committee may want to consider in its deliberations:

- A Statewide Waste Composition Study can be completed to identify and focus resources on what the waste stream looks like now;
- Expand the mandatory recycling requirements;
- Modify the list of materials communities are required to recycle;
- Expand the role and utility of county plans to reflect integrated waste management principles (identify disposal points and recycling and reuse outlets; evaluate the potential for private contracts that effect integrated waste management plans and actions);
- Expand and support the responsibilities of county recycling coordinators to include functions that facilitate integrated waste management programs;
- Incentivize private sector investment in designing recyclable containers and products;

- Provide incentives for manufacturing and commercial entities who implement their own recycling programs in the Commonwealth to facilitate the capture of more materials; and
- Renew focus on waste reduction programs.

Chairman Hutchinson, and members of the committee, I thank you for your attention and look forward to your thoughts, questions, and the opportunity to continue these discussions.