

**Presentation to House Natural Resources Committee
House Bill 5812 - 5817**

**Michigan Recycling Coalition
Kerrin O'Brien, Executive Director
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Link to Presentation - <https://prezi.com/view/gcXQPXeasY8fWHijQiif/>

S1 SOLID WASTE POLICY REFORM

Before I launch into this story, I want to frame the issue as simply as I can.

Current state solid waste policy was established when we were most concerned about having enough landfill space for all of our waste.

In 1987 the Mobro Garbage Barge went looking for a place to take New York waste after a landfill ran out of space. But no one wanted to take New York's waste. They drove that barge down the east coast only to drive it back up again.

This resulted in Federal legislation that required states to assure they had disposal capacity to meet the state need.

In Michigan we put that responsibility on each county through the solid waste planning process. This process is called for and paid by the state.

The crux of our policy, requires counties to assure that they have 5 ½ years of disposal capacity, either within the county or in explicit agreements with other counties.

If a county cannot assure at least 5 ½ years of capacity - then it must make way for the development of new disposal capacity.

But county planning hasn't been funded in twenty years. As a result, our waste policy is essentially just to make sure we can site and expand landfills.

The policy was a great success because now we have more disposal capacity ever. This over-capacity keeps the cost of waste disposal artificially low and depresses the growth of an economy that maximizes the value of the materials, eliminates waste, and circulates resources for continual productive use.

In spite of this policy and these economics, Michigan businesses and communities have been and continue to invest in recycling. Not only because it's the right thing to do but also because it's good business.

And this is who we represent.

S2 MICHIGAN RECYCLING COALITION

The Michigan Recycling Coalition (MRC) is a statewide association for recycling professionals and an advocate for recycling in Michigan. We host a conference and provide programming, education, and networking for members and represent their interests at the state level.

S3 MEMBERS

We have over 400 professional members made up of program managers, manufacturers, and service providers, equally representing the public and private sectors.

S4 THE WORK

Every business, institution, and household in Michigan generates waste so there are opportunities everywhere to reduce waste and its costs and make new products and packaging from the stuff already circulating in our economy.

Our members and sponsors recognize that they benefit from a circular economy that makes them and 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 want policies to support what they do. They are creating jobs, right here in Michigan, from Michigan recycling.

S5 RENEW FUNDING

We work together to help Michigan leaders understand the value of the materials we pay to throw-away every day.

The MRC identified the need to fund recycling 12 years ago.

It is in fact the support MRC receives from our public and private sector partners that allowed us to lead the effort to pass Renew Funding in 2018.

With funding secured, it's now time to adapt the policy framework to work to the benefit of Michigan communities, businesses, economy and environment.

S6 CIRCULAR ECONOMY

Before I get into the specific bills, I'd like to speak to what the recycling industry has learned recently -

S7 SUPPLY CHAIN

We're talking about a system that goes far beyond what's collected at your curb. The global pandemic showed us just how devastating supply chain disruptions can be. When recycling collection stopped, at the curb, the drop-off, and the store - the companies and employees that depend on those materials to manufacture their products suffered.

Recycling plays an important role in creating and sustaining a more resilient, local and state supply chain.

We all learned the importance of toilet paper as a result of this virus. Toilet paper is manufactured in Michigan from recycled milk cartons.

Light weight paper bags for fast food chains are made from recycled cardboard and paper in the UP, there's a clamor for the cans and bottles we recycle through the deposit law because they are high quality materials and in demand in a global marketplace.

The use of plastic is on the rise and is becoming problematic. Farmers are using massive quantities of plastic sheeting to reduce weeds but they're left with huge piles of dirty plastic sheeting that gets buried or burned. Boats in marinas across the state are shrink wrapped for storage every year. They want recycling services.

The yard waste that gets picked up at the curbside can be mixed with food waste to create a nutrient rich compost to make soils more productive. Soils amended with compost have a variety of benefits that we lose when organics go into the landfill.

Michigan manufacturers are actively seeking beneficial uses for their by-products because even though disposal is cheap, waste does not bring value to the company. If Michigan brands and businesses are to meet their own sustainability goals, they need the support of good services and policies too. It has become an important part of branding.

As recycling has advanced, I think we're finally awakening to the fact that recycling services provide feedstock for manufacturers to find that recycling is more than just saving landfill space. These materials have inherent value of their own. Again, they create jobs.

S8 MARKET DEMAND

And while you've likely heard that recycling markets are challenged right now, recycling isn't going away. Markets fluctuate based on a variety of factors.

Increasing the demand for recycled feedstock, products and packaging by domestic manufacturers and producing recyclables that can meet strict material specifications will grow that demand.

When China stopped taking much of our recyclables in 2017, the demise of recycling was reported far and wide but we are still here. Recycling has become part of the DNA of communities and businesses across the country and it is not going away.

Recycling is not just an urban issue. Emmet County is a nationally recognized rural recycling system because they've put policies and practices in place to deliver a steady supply of valued recycled feedstocks to Michigan manufacturers.

In fact, 90% of their recyclables are sold in-state. While it's not realistic to expect that all Michigan recyclables can be used here, but we can attract businesses to Michigan by assuring the supply of material they need.

So, what we really need is to get down to the business of solving the economic problems that prevent us from maximizing the value of the materials already circulating in our economy.

S9 ALIGNED FOR CHANGE

Many of you have been hearing about the need to update solid waste laws for years. But in the past 6 years, stakeholder groups met formally to identify needed policies and updates to Michigan's almost 30-year-old solid waste law.

In 2014, the Governor's Recycling Council (GRC) began its work to identify good policies that would grow recycling. 15 members - including waste and recycling experts

Very shortly after, the then DEQ appointed representatives to the Solid Waste and Sustainability Advisory Panel (SWSAP) that was charged with reviewing and updating Part 115. Lots of representation here. The Department will say more this process and the stakeholders. MEC, counties, communities, the State Chamber, the Farm Bureau, the waste industry and more.

The bills you have before you today are the result of years of work and consensus building. Through this process, we have addressed and resolved the majority of issues that stakeholders identified.

The policy changes represented in this update to Part 115 are key to unlocking significant private investment.

Currently Michiganders collectively spend more than \$1B annually to manage our solid waste. By updating the framework within which we make decisions about materials at the end of life - we can shift that spend to more effectively divert materials to productive use.

By tripling our recycling rate, we can create 138,000 new jobs, generates \$9 billion in annual labor income, and creates \$34 billion in economic input.

By funding and finally overhauling county planning we can spark local investment and transform the way we think about and manage waste.

We can foster productive use of these resources to the benefit of communities and businesses.

S10 PROPOSED CHANGES

So these large and very diverse groups of stakeholders have been working to shore up and modernize Michigan policy - based on the knowledge that recyclables have value to markets in Michigan, the Great Lakes, in this country, and internationally.

Renew Funding and policy amendments are necessary to align our priorities with new 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.

So let's get into the specifics of the bill package...

Stakeholders have 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 from all the materials we manage.

HB 5812

1. Definitions

Sustainable materials management has come a long way definitions now reflect that.

The move from solid waste to a focus on materials management - represents a significant change in thinking. Seeing materials used in every sector at the end of their useful life, as resources brings opportunities and goes far beyond recycling at the curb.

Goals

The State established a 45% recycling goal with an interim goal of recycling 35% by 2025.

County Planning is the framework within which coordinated progress takes place. Benchmark recycling standards for service provision is how we achieve our goals.

1. Making curbside recycling available to 90% of urbanized residents
2. Making drop-offs available - in counties with population less than 100,000 at 1/10,000 pop. and in counties with population greater than 100,000 at 1/50,0000
3. Counties are incentivized to make progress to benefit from some aspects of grant funding
4. Counties can also make their own beneficial use goals,
5. For all of these goals and standards, counties will determine for themselves the best ways to achieve them

HB 5813

Disposal Areas

1. Updates licensing requirements and increases fees based on inflation
2. Updates gas management requirements to address odor and other nuisances
3. New landfill post-closure requirements to ensure public health and safety
4. Provides flexibility to reduce or extend post-closure timing based on operations, management

HB 5814

Financial Assurance - Sets aside money/insurance upfront so problems that come up later can be responded to in a meaning way

1. Updates financial assurance requirements to cover for inflation - intended to better reflect cost to remediate problems and save taxpayer funds
2. Intent is to assure taxpayers aren't left holding the bag if these operations fail. I.e. Richfield Landfill went bankrupt before closing - closing and monitoring costs are significant...30 years of post-closure that will be paid by taxpayers

HB 5815 - Miscellaneous

Hauler requirement to provide services in absence of county plan (put in county plans)

Incinerators & Open Burning; Enforcement; Funds & Grants; Beneficial Use

HB 5816 - Materials Utilization Facilities

1. Provides increased oversight for compost facilities, material recovery facilities, (recycling plants), anaerobic digesters
2. Elevates and legitimizes these facilities for investment and acceptance
3. Counted as assets and developed in conjunction with county and region goals
4. Increased regulations of compost facilities decreases the problem of bad actors - only in it for the tip fee - composters have been involved and asking for this, a need to level the playing field

HB 5817 - Materials Management Plans - The crux of it all

1. Counties will be funded to facilitate the local and regional materials management planning process;
2. Municipalities and townships will be active players in the process;
3. Plans will be developed to make progress toward goals and be customized to meet local needs and interests
4. Counties can meet material management requirements through more than identifying disposal capacity
5. And a key benefit for haulers and landfills is that material can move freely around the state, there are no import or export authorizations required
6. Planning will prioritize local control of facility siting, but also assure that these facilities can get cited if they are needed;
7. Planning intended to foster public/private partnership to meet local and regional infrastructure and service needs; and
8. Grant funding will support the development of needed local and regional programs and infrastructure.

Instead of paying for disposal and then managing landfills forever, we can invest in collecting, sorting, baling, and selling materials in a way that does not harm the environment and in fact, strengthens our economies.

Just as the volume of waste is ever increasing so is the cost of waste. Every Michigan resident, business, and institution has something to gain by being better stewards of these materials, by finding productive uses for them we create new services and feedstocks to drive business. We need policies that set us up to turn our liabilities into assets.

We are poised to make the shift. We have funding in hand. The vast majority of stakeholders support these updated policies. Now is the time.