
Committee Meeting

of

SENATE ENVIRONMENT AND ENERGY COMMITTEE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

“The Committees will meet to hear testimony on the state of recycling in New Jersey, particularly in light of changing market conditions, and ways to enhance recycling rates, strengthen the State’s recycling industry, and stimulate markets for recyclable materials and recycled products”

LOCATION: Toms River Municipal Complex
Toms River, New Jersey

DATE: August 15, 2019
10:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Bob Smith, Chair
Senator Linda R. Greenstein, Vice Chair
Senator Christopher ‘Kip’ Bateman

Assemblywoman Nancy J. Pinkin, Chair
Assemblywoman Yvonne Lopez, Vice Chair
Assemblyman John F. McKeon
Assemblyman Andrew Zwicker
Assemblyman Kevin J. Rooney



ALSO PRESENT:

Bryan A. Marco
Matthew H. Peterson
*Office of Legislative Services
Committee Aides*

Kevil Duhon
*Senate Majority
Nicole Sutterley
Assembly Majority
Committee Aides*

Rebecca Panitch
*Senate Republican
Thea M. Sheridan
Assembly Republican
Committee Aides*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***



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Chairman

LINDA R. GREENSTEIN
Vice-Chairwoman

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New Jersey State Legislature

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE ENVIRONMENT AND ENERGY COMMITTEE

FROM: SENATOR BOB SMITH, CHAIRMAN

SUBJECT: **COMMITTEE MEETING - AUGUST 15, 2019**

The public may address comments and questions to Matthew H. Peterson, Committee Aide, or make bill status and scheduling inquiries to Pamela Cocroft, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideSEN@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee will meet jointly on Thursday, August 15, 2019 from 10:00 AM to 12:30 PM in the LMH Room, Toms River Municipal Complex, 33 Washington Street, Toms River, New Jersey.

The committees will meet to hear testimony on the state of recycling in New Jersey, particularly in light of changing market conditions, and ways to enhance recycling rates, strengthen the State's recycling industry, and stimulate markets for recyclable materials and recycled products.

Issued 8/6/19

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New Jersey State Legislature
ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE
STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

FROM: ASSEMBLYWOMAN NANCY J. PINKIN, CHAIR

SUBJECT: COMMITTEE MEETING - AUGUST 15, 2019

The public may address comments and questions to Carrie Anne Calvo-Hahn, Committee Aide, or make bill status and scheduling inquiries to Christine L. Hamilton, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideAEN@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

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SENATOR BOB SMITH (Chair): Welcome to the annual tribute to the Shore of New Jersey, one of the most beautiful places in this beautiful state.

We try, every year, to have a hearing down here. We want the people in *Trenton East* -- which is what we call this Town Hall (laughter) -- to feel loved, and to let people down the shore know we're always thinking about them.

But today is an off-- It's shore-y, but it's not *that* shore-y. It's shore-y in the sense that recycling has a dramatic impact on what gets into the ocean. It's also true that we have municipalities all over the state that are now in great distress. When we originally started recycling, this was all viewed as--

(cell phone rings)

SENATOR SMITH: I just said "no" to the Senate President--

ASSEMBLYWOMAN NANCY J. PINKIN (Chair): So lifeguards are calling.

SENATOR SMITH: Yes, exactly. (laughter)

So it is shore-related; but we are hearing, from around the state, distress signals that recycling is not working the way it was originally intended. That this is now a huge line item in municipal budgets, or county budgets, because recycling -- where, at least for many of the years, we were breaking even. That's no longer true. We now have recycling materials, like plastics, building up in warehouses. Instead of materials being recycled, they are now going to landfills, which means you're paying tipping fees; and the system seems to be in trouble.

And this was identified to me by Chairwoman Pinkin, who said, "You know, we've got a real problem." That's why Chairwoman Pinkin and I decided that's what the hearing should be on today.

Let me introduce the Senate side of the equation; and then I'll turn it over to Assemblywoman Pinkin.

The ground rules, FYI: We have six sets of witnesses and we wanted to get their testimony. And then after that, it's everybody who signed slips -- up until noon. And at noon, we're breaking for a later event, which most of you know about.

So that being said, from the Senate side we are blessed with the presence of Senator Linda Greenstein, from the center of the state; and also Senator Kip Bateman, also from the center of the state; and Senator Smith, also from the center of the state.

Chairwoman Pinkin.

ASSEMBLYWOMAN PINKIN: Thank you; thank you so much.

Well, thank you, Senator, for again having this hearing.

So a number of years back -- quite a while ago -- I was doing a program, *Leadership New Jersey*. And at that time, we visited -- I think we visited Ocean County Recycling, and they were showing us that while we were doing all this recycling, there was a ton of recycling piled up in the warehouses, and it just really wasn't going anywhere.

So having served nine years at the municipal level as a Councilwoman, it's something that I paid attention to a lot. And now this past year, obviously, we've come to a real crisis with recycling.

Now, President Trump made a change, and China stopped accepting our recycling. But that, in a way, was kind of -- it wasn't the real issue; it was really happening even before that. That sort of forced the issue, where we could no longer just, very easily, be lazy and just ship our garbage somewhere else and not really address our problem; not changing from a linear economy to a cyclical economy with recycling. In listening to the different municipalities, it became clear that they were struggling to address this.

Now, my concern was that each county, each town, was doing their own thing; and we really weren't working together enough to get up to speed quickly to try to figure out what best practices were and how do we address recycling. It has to happen at the individual level, in our own practices, as families; it has to happen at the municipal level and at the state level.

So we said, "Let's address this issue," because it does affect the water, it does affect the land; it affects everything we do. And it's just really-- We're from Middlesex County; if you look at the data, Middlesex County -- I have to give a shout-out -- we have a high level of recycling. Senator Smith and I are from Middlesex. And we need to do the best we can.

So that's why we appreciate all of you coming here to help us to work together to try to find solutions in a quick manner.

So we have with us Vice Chair Assemblywoman Lopez; we have Assemblyman Zwicker; Assemblyman McKeon, former Chair; and Assemblyman Rooney.

So I thank everyone, again, for coming today.

SENATOR SMITH: Great.

ASSEMBLYWOMAN PINKIN: And I think we're going to say -- did you say we're going to try to finish by 12?

SENATOR SMITH: Please.

ASSEMBLYWOMAN PINKIN: So every issue that people say is important, but we want to do it in an expeditious manner.

SENATOR SMITH: And to that end, Chairwoman Pinkin and I put together a list of six entities that we wanted to hear from first; and after that, we'll go to the people who signed in slips, and we'll go until noon on the others.

So first, Commissioner Catherine McCabe had planned to be here today. With the lead issue in Newark she, I believe, is in Washington today, trying to enlist the help of the Federal government.

And we are very happy to have the Deputy Commissioner, Debbie Mans, who used to-- In her old life, she used to be the Baykeeper.

Debbie Mans, if you would come forward and let us know the DEP's view on recycling.

D E B B I E M A N S, Esq.: Good morning, Chairwoman Pinkin and Chairman Smith.

You're correct; Commissioner McCabe sends her regrets. She is meeting with Administrator Wheeler this afternoon regarding the Newark lead situation.

SENATOR SMITH: So let me interrupt already.

MS. MANS: Yes.

SENATOR SMITH: Could we -- maybe we'll ask Ralph Zucker if he would go down to the Mayor's Office and see if we can get a live mike for the table so that everybody can hear the testimony.

That being said, we don't have to slow it down.

ASSEMBLYWOMAN PINKIN: Can we slow it down for one second?

SENATOR SMITH: Sure.

ASSEMBLYWOMAN PINKIN: We should do the Pledge of Allegiance first.

SENATOR SMITH: I'm fine with that.

ASSEMBLYWOMAN PINKIN: All right; please rise for the Pledge of Allegiance.

(all recite the Pledge)

SENATOR SMITH: Okay; all right.

So we're going to ask you to speak up as loudly as you can.

MS. MANS: Okay.

I do want to note, for the record, that I am wearing my shoes made out of recycled water bottles. So we're all trying to do our part.
(laughter)

ASSEMBLYWOMAN PINKIN: We'll leave it at the shoes.

ASSEMBLYMAN McKEON: Can we make that Exhibit A, please? (laughter)

MS. MANS: And we want to share with you the actions that the State of New Jersey has already taken to strengthen our recycling programs, and the steps we're taking moving into the future.

New Jersey is proud to be a national leader in recycling for over 30 years. The Statewide Mandatory Source Separation and Recycling Act, passed in 1987, was the first such law of its kind in the United States. And municipal and county programs have partnered with us to increase resident participation in curbside collection programs, allowing New Jersey to achieve a statewide municipal solid waste recycling rate that is consistently higher than the national recycling rate.

But the recycling process doesn't end when we put the bottle in the blue bin. For over 25 years, China was the largest destination for U.S. recyclable materials, where they were processed and sold as either raw material or new products.

By 2016, America was exporting approximately 700,000 tons of material to China. When presented with a convenient single-stream system, we put everything into the recycling bin -- greasy pizza boxes, shredded paper, garden hoses, among other things. I speak from personal experience. I have pulled out hardcover books, all sorts of plastic, wrap material out of our recycling bin at home. And we call this *aspirational* or *wishful* recycling. These unacceptable materials, also known as *contamination*, took time and energy to sort. Not only were contaminants clogging the machinery and decreasing efficiency, they were posing health and safety risks to workers.

For decades, China was willing to accept our contaminated recycling stream. But in 2017, China announced it would begin restricting the materials it accepted, and they set standards of very low contamination. By the end of 2018, China took in less than 1 percent of its 2016 totals. Secondary markets, such as Vietnam, Malaysia, and Thailand, became

overwhelmed with the resultant influx of materials diverted from China, and some announced caps on their imports as well.

Almost overnight, communities across the United States found themselves without a market for their recycled materials, and the cost of recycling increased. What's more, the problem of contamination did not go away. Each of New Jersey's 21 counties established its own recycling program and decided what materials to accept, and the municipalities followed suit. Therefore, what's acceptable material at home may be considered contamination at work.

Since the Recycling Act was first passed in 1987, the world has changed. You need only walk down the aisles of your local supermarket to see the vast array of new products and packaging now available. The busy public is seeking more convenient ways to work, shop, and eat; and the advent of online shopping has changed consumer behaviors, resulting in increased shipping materials, and a consumer electronics market that has exploded.

The time has come to consider how and when to reduce, reuse, and recycle the products and materials we use every day. Today, we find ourselves faced with the challenge of creating recycling programs for both new materials and materials that may not yet exist. It is critical our statutes possess the flexibility to adapt to a changing market, and this requires us to take an in-depth look at all aspects of our recycling program, not just one commodity or product.

As a leader in recycling, New Jersey must holistically examine our recycling statutes, programs, and practices. And as we take that

comprehensive look, we must make decisions based on law, the best available science, and current data.

In the case of recycling, much of that data is not readily available. Recycling centers that aggregate and process what is today known as *Class A recycling materials* -- paper, glass, cardboard, and some plastics -- have not been required to report information to the Department regarding recycling markets. This includes the markets' availability, location, or cost. They have also not been required to report data on recycling contamination, either in its content or percentages. Without this data, it is difficult to understand the changing marketplace, the fluctuations in costs, and the current needs for public education. We must identify appropriate means to fill these and other data gaps as identified. In partnership with our local officials, the legislature, and industry experts, the State can develop a stakeholder process to identify and prioritize the key challenges facing our recycling programs, as well as the knowledge gaps to be filled to identify and work towards long-term solutions.

Further considerations may include the best measures for success and DEP's role in market development. It will require all our efforts to identify strategies to reduce waste where recycling is not appropriate, or not enough, and increase public participation and education.

Traditionally, our statewide recycling goals have been based on weight -- tonnage of materials recycled -- compared to total tonnage of waste recycled and disposed. But over time, heavier products such as glass and newspaper have become less common. Plastic and metal manufacturers are *lightweighting* their materials, such as producing thinner drinking water

bottles. This means that when we recycle the same number of plastic bottles, because the newer bottles weigh less the recycling rate goes down.

In addition, some reports of material collected are based on volume estimates, then converted to weight. They are not ground-truthed weights passed across the scale. We must consider how we define our recycling goal, as basing it on weight will continue to present challenges. While the Act includes requirements on pounds collected for recycling, there is limited actual data on the pounds that go from collection to recycling markets. Data on the final destination of these markets will allow us to better quantify progress towards meeting our goals and to identify market trends more quickly.

We must act to ensure the continued success of recycling. Because, despite the many challenges, we see firsthand the benefits of promoting both waste reduction and increased recycling.

Landfills are the third-largest source of methane in the country, releasing greenhouse gas and contributing to climate change as organic waste breaks down. Burning trash releases emissions, presenting air quality challenges for communities that may already be environmentally overburdened. Recycling programs preserve expensive landfill space, save energy, and support local recycling businesses. When it comes to recycling in the United States, it's time to think outside of the plastic box.

According to research conducted by the Ad Council, only 52 percent of Americans say they are “very” or “extremely knowledgeable” about how to recycle properly. To that end, DEP has already begun outreach on recycling standards. In 2018, DEP contracted to provide statewide access to *Recycle Coach*, an app for smart devices available for all

residents to download for free. In partnership with municipalities, the app makes recycling simple, clear, and accessible by uploading information about collection days and acceptable recycling materials specific to their community.

In addition, DEP launched the *Recycle Right New Jersey* social media campaign, available for local governments to use on Twitter, Facebook, and Instagram. And we see a role of DEP as providing clear and simple educational materials that be can be used by the many great NGOs here today, that you'll hear from, as well as the communities.

Facing these challenges is not only a case of better sorting and education on regulation; it is a cultural shift. To make those changes, we need to consider relevant data and evaluate our past standards. While our goals to increase recycling and reduce waste remain the same, our targets and measurements need to reflect the changing world around us.

To further our understanding, the Department is preparing to announce grant opportunities to be funded under the Recycling Enhancement Act. The grant opportunities will be open to New Jersey institutions of higher learning in four general project areas: the role of government in recycling market research and development; performance of a municipal solid waste composition study; research, design, implementation and analysis of a solid waste or food waste reduction, reuse, and recycling project at the institution; and creation of a public outreach campaign to educate and motivate reduction of food waste in New Jersey. The results of these grant opportunities will help reduce our data gap and inform our decisions as we move forward.

So thank you very much for calling this hearing and directing attention on this important matter. I think public education is a key component of this; and moving forward, we look forward to a strong partnership with the Legislature, the industry, municipalities, county officials, as well as, again, our really great non-profit organizations that can really expand our outreach on this and shape the future of New Jersey's recycling program.

I'm happy to answer any of your questions, if you have them.

SENATOR SMITH: Just two quick comments, if I might.

Number one, you mentioned that methane is the third-largest-- Landfills are the third-largest source of methane. Currently sitting on the Governor's desk is the Food Waste Bill.

MS. MANS: Yes.

SENATOR SMITH: And one of the great things about our legislative process is that the Governor has the ability to conditionally veto legislation. And I'm certainly hopeful that the DEP will get its licks in on how that Bill could be modified. You know, my name is on it; but I personally wasn't thrilled with the final version that had to be done to get it out of the Legislature. We have a chance to correct it; so if the DEP would weigh in, that would be great.

The other thing I heard in your testimony is that you need data; that in order to form better policy you need data, and you can't -- you're not in a current position to get it.

Would you send a memo to Chairwoman Pinkin and myself, indicating what the DEP needs in the way of data, from what sources, and maybe the best way to do it -- whether it's a reporting requirement, or

whatever. But we need a little guidance from you on what you need in order to get you the data that you want, all right?

So those are my two comments.

Chairwoman, anything you want to throw in?

ASSEMBLYWOMAN PINKIN: Well, I just want to thank the DEP for all the hard work they've been doing lately.

There have been so many big issues that we have had to address, and it is just sort of all coming together as the perfect storm.

So, you know, we just want to thank you and all of your staff, for dealing with the lead level, dealing with the storms, dealing with the environmental crisis, the recycling. There are so many issues, and it's been a big job to get up to speed to be able to address all of that at the same time.

So thank you for all of that.

MS. MANS: Well, I have some of my colleagues here, and we're grateful to hear that. Sometimes it's really challenging, and we'll certainly let the rest of our colleagues know, at DEP, the support that you guys give.

ASSEMBLYWOMAN PINKIN: Thank you.

SENATOR BATEMAN: Just one quick question, if I may.

SENATOR SMITH: Sure, Senator Bateman.

SENATOR BATEMAN: First off, thank you very much for coming.

Obviously, it's a problem for the entire nation. Are there other states doing things differently than New Jersey? Is there a best practice approach right now? I mean, everybody's in the same boat. If China

doesn't accept it, I mean-- What are other states doing; anything different than us?

MS. MANS: You know, that's a good question. I don't have a ready answer for you. I know Gary Sondermeyer is coming up later, and he might have a better answer.

But we can -- I think that's one of the things we have to start looking at.

SENATOR BATEMAN: Okay.

MS. MANS: That's a fair question.

SENATOR BATEMAN: Thank you.

ASSEMBLYWOMAN PINKIN: Okay.

MS. MANS: Okay, thank you.

ASSEMBLYWOMAN PINKIN: Next we're going on to the Association of New Jersey Recyclers.

We have Frank Brill and Gary Sondermeyer; and we have Allen Weston from the New Jersey Association of Counties.

If you could come up.

Paul Maticera, do you want to come up with them, or-- You're good? Okay.

F R A N K B R I L L: Hi; my name is Frank Brill. I provide counseling to the Association of New Jersey Recyclers.

I'm going to be very brief, because someone else is going to handle our testimony today.

But we are very happy to have the person who is going to provide our testimony; because it is Gary Sondermeyer, who is very well-known in the state, in environment areas. And there is probably nobody

better prepared today to talk to this group about recycling than Gary, because he was at DEP for more 30 years; certainly during the whole time when recycling came into vogue, and he was crucial in the development of regulations and legislation that brought us to the point where we are now.

After his retirement from DEP, Gary, not surprisingly, went into the recycling business; and he is working now for one of the most progressive recycling companies in the state, and they're trying to do a lot of things.

He is the expert; he's the person who drove the testimony that you have before you. We gave you advance copies of this.

And without further ado, I'm going to turn it over to Gary.

GARY SONDERMEYER: Thank you very much, Frank; and thank you to the leadership and the Committee members for this wonderful opportunity.

This is exactly what we need -- we need to have a statewide dialogue on how we can sustain recycling and keep the incredible programs that we've developed through the years going, and going in a terrific way.

We really want to provide testimony that's concise; so I'm not going to go to the long testimony that we submitted, as Frank alluded to, and just want to hit the high points very quickly today.

The main message that we want to provide and convey is, recycling remains an extremely important part of New Jersey's economy and, really, a way of life. Twenty-seven thousand jobs are dedicated to recycling in New Jersey. We have over 160 processing facilities that take the material from the curb and prepare it for going into market. And we contribute \$6 billion dollars annually to the State economy.

Beyond that, recycling is really the epicenter of sustainability, and a way of life, and an ethic that we've built over the past 32 years since this Legislature developed mandatory recycling in 1987.

So it's extremely important that we keep moving on. This is certainly not a time to panic; it's a time to come together and develop consensus positions, still moving forward.

So what we tried to focus on is a menu of recommendations; we have 14 of them. I promise I'll go really fast to go through them, but we really wanted to come with constructive recommendations today.

First one, procedurally, the State has a quality council that was called for in the New Jersey Solid Waste Management Act, which is the Advisory Council on Solid Waste Management. That body has been inactive for six years now, and we really need to bring that body back. There should be a standing body that's giving expert advice to the Department, and Deputy Commissioner Mans, and the Commissioner, and to the Legislature.

Closely coupled with that is, we really need a standing Recycling Market Development Council. Recycling is really complicated. Folks sometimes, I think, think it's simple. It is the floor of the New York Stock Exchange. It is commodities exchange, and there are folks who are experts in that area and should be part of something that we put together, hopefully legislatively, as a standing Recycling Market Development Council.

Third, the State Recycling Fund needs to remain whole each year. Each year there are portions of the fund that are diverted to other uses, and we need to get every dollar that we can to towns and counties -- in

particular -- that are the boots-on-the-ground that make recycling work in New Jersey.

Fourth, we need to examine collection practices. There's been a lot of debate about single-stream versus dual-stream. Single-stream has been more convenient for residents to participate in, but it represents problems. We get material at Bayshore that, at times, is already decomposing because everything has been mixed together, and it's wet and it's not the best circumstance.

At the same time, there is not one solution to that; some towns have heavily invested in single-stream, and that will need to continue, as well as some processing facilities. So we need to really talk about what's best and, I think, prepare a guidance document to guide towns on making an informed decision about dual- or single-stream.

Three: Related or inter-related aspects of recycling that are problematic. One is contamination. I can't even put into words the stuff we get at Bayshore. We have a 1,000-ton-a-day Class A processing facility. We could open a sports store for all the sports equipment we get -- pitcher's-- Balls, bats, footballs, everything. We get pool liners; we get stuff that's problematic, like shopping bags full of needles and syringes, you know, from at-home diabetics who look at it and say, "Well, this part is metal and this part is plastic. It has to be recyclable."

Contamination is really a problem, and you deal with that through our next point: public education. So coupled with contamination, we also have to try to find a way, as a community, to make recycling less confusing. It is extremely confusing: "Caps on, caps off? Can a pizza box go in, can't it go in? Can I recycle 7 plastic, or can't I?" We need to come

up with some programs in education and a common message to take away some of the confusion.

We also should have a discussion about standardization of designated materials. The way the law has worked, which I'm sure you know, since the inception, counties can designate materials for recycling. Those 21 lists are different; they're not all the same. We're not saying they all should be the same, but we should be talking about that, because that might help in the marketability of material if we really concentrate on materials that have market value.

Eighth: Plastic bans. We'd like to applaud ANJEC and Clean Water Action for maintaining a list of towns that have developed bans around the state. We really support them, as ANJR. We have 32 towns that have taken an action, through ordinance, through either a ban, or some form of a fee, or a hybrid. To date, we have 23 others that are in the queue. But obviously, what we really need is a statewide piece of legislation that can get through, like A-4330, S-2776; and that to be passed in as broadly and applicable form as is feasible. That would certainly be the goal -- to have a statewide program, as opposed to each town developing a differential ban.

Number nine: Incentives for processing capacity. What we really need is to re-tool our capability domestically to process the materials at markets. So we need new outlets and markets. Back when the original recycling law was passed in 1987, the recycling tax dedicated a full 35 percent to business recycling loans that would jumpstart companies coming into New Jersey to invest and develop. So we need to look at that again. We did it once before, and that seems to make a lot of sense to us.

Tenth: There's a very critical link in recycling that we realized in the early 1990s -- procurement; the purchasing power of government can make a big difference. At the national level, 21 percent of the gross domestic product comes from government purchasing. And back -- not to show my age -- back under Governor Florio, we had Executive Order 91, which was absolutely amazing and groundbreaking in drawing that link between government purchasing, and to buy for recycling, recyclability, and for recycled content. And we really, I think, should be looking at that in either an executive order or some legislative enactment to look at that critical link to drive markets with procurement.

Eleven: Product specifications. We can also drive markets through, like, Department of Transportation, and how much glass they can take. Glass is a problem today. Is there a possibility to re-examine the specifications to take more glass into glassphalt? Can we use concrete asphalt in more expansive ways? We should be looking at that and talking about it.

Meaningful food waste recycling. After 32 years of mandatory recycling, 25 percent of what's left in the garbage can is food. We want to applaud the Committees and the Legislature for the passage of S-3027 two years ago, the Food Waste Reduction Act. DEP, just last week, came out with the implementation plan, in draft form, for public hearing in September. It's excellent; it's excellent. It provides a roadmap to feed hungry people. We know this; we sit in the second-most affluent state in the United States of America, the most affluent country in the world, and still have 11 percent of our population that's underserved in the provision of food. So compliments for sending us down that course.

Conversely, we unfortunately don't support -- we oppose S-1206, because we need something that is more meaningful to get out the next increment of food -- for composting it, as opposed to landfilling and then surveying it. And we have asked the Governor's Office to conditionally veto that measure.

Thirteen -- I'm almost done -- research and development. One of the frustrating things, working in recycling -- I get exposed to all kinds of high technology solutions where we could really get at almost recycling everything. But the problem is, we can't get these technologies off the ground, up and running, and available as markets for material.

Incubators -- like the Rutgers EcoComplex -- at colleges and universities-- We have the best in the world, and we really could use them better, I think, for developing more research and development dedicated to recycling, and opening new outlets for material.

And finally, 14. Just a commercial -- that recycling remains mandatory and is the law of the land. And just because we have bad markets, landfilling of materials that should be going to recycling facilities should be rigorously, rigorously enforced.

So thank you for your indulgence on our list of 14. Again, we greatly, greatly thank you for this wonderful opportunity to come and testify, to really bring this whole community together, to talk about how we can move forward in the most progressive way.

A L L E N W E S T O N: Thank you, Chairs; members of the Committee.

My name is Allen Weston; I'm the Legislative Director for the New Jersey Association of Counties, and also for the Government Finance

Officers Association of New Jersey. So we have the unique perspective of bringing some financial numbers to the table here, both at the municipal level and at the county level.

I know that the League was also invited, and they will be speaking. But I promise you that our testimonies will be complementary and not overlapping.

So I'm going to run through some of the financial impacts that shows just, kind of, the need -- the urgency that we're facing at the property taxpayer-level right now.

Starting with the county level -- based on the current market conditions, Burlington County's regional recycling program, which costs approximately \$10 million annually to operate and provides collection and processing to all 40 of the municipalities within the County, has seen their revenues cut in half. Revenues in 2019 were barely above \$3 million, compared to \$6 million in 2017. Additionally, the program's annual operating costs have risen by over \$400,000, in that time, due to having to add more sorting staff and slow down processing speeds to meet new stringent market requirements.

So in Burlington County alone, the hit, in the last two years, is \$3.5 million, based on the current market conditions.

Camden County has submitted their own written testimony, expanding on the circumstances surrounding their multi-year contract, which is currently in litigation.

Cumberland County Improvement Authority is currently paying \$60.59 per ton for the month of August. They are looking at a total processing charge in excess of \$600,000 for 2019, and are budgeting

\$850,000-plus for 2020, which is an increase of more than 33 percent, year-over-year, in that line item. Neither of those figures include loading and transportation costs provided by the Improvement Authority, which does four loads of day to their vendor, Omni; and the Improvement Authority has yet to pass any charges on to the municipalities, but cannot continue to operate that way indefinitely -- taking that kind of financial hit, year after year.

Morris County has an audited, ultra-low 5.57 percent contamination level, which is certainly the best in the state. I would think it would rank pretty high up there, in terms of nationally, as well.

Despite this, the MCMUA's contract with Republic has resulted in single-stream costs in the upper \$70 per ton, which is kind of close to the cost of what it would cost to dispose of solid waste. Over the last three months, since 2018, they have been in a negative market situation. The MCMUA's contract only covers 19 of the County's 39 towns; however, it is estimated that the Republic contract will cost the 19 municipalities operating under it \$1.21 million for 2019.

For comparison's sake, the 2018 contract cost \$653,000, or half of what they were paying. And 2017 profit was realized on that same contract.

The MCMUA contract with Republic terminates May 30, 2020. This is the only in-county single-stream MRF that is privately owned and funded. And the viability of this facility without that contract, post May 30, 2020, has been questioned. So as we get to this point with more of these contracts starting to expire, and the counties and municipalities are not willing to go to prices that the vendors are offering, more of these

facilities are going to be closed; which is going to continue to drive up the prices of the facilities that are still taking the loads -- if we even have the capacity for how much we generate. Because we do have a very high recycling rate in the State of New Jersey, which we've talked about before and everyone has worked very hard to achieve.

In Sussex County, the SCMUA hauls their Class A material to market themselves, which has helped them keep prices down. Although, already, their unanticipated hits on operating budget due to market changes is around \$4,000 monthly, not including loading and transportation. Obviously, they're a smaller county with a smaller population.

They've traditionally received monthly quotes on the materials at market, and those same recyclers are increasing their charge rates at least every other week, or politely refusing to provide quotes for certain materials altogether. Towns that contract in the County for a private hauler for recycling collection have received notices of new recycling processing fees, typically \$2,000 to \$5,000 per month, per town. Towns such as Sparta have increased municipal budgets to help offset these additional charges. Other towns, such as Franklin Borough, are refusing to pay the additional charges, choosing litigation as their route instead.

Additionally, within the past six months, the towns that contract with a private hauler for recycling have received letters notifying them of retroactive contamination fees that have not been budgeted for. Some towns have paid these bills; others have referred them, again, to their town or county counsels.

On the municipal side, they're actually taking a bigger hit; because at the county level, we often have engaged in long-term educational

programs to try and educate our residents in terms of what can and can't go into the recycling streams to try to get some of those plastic bags, specifically, out of there. So we get, sometimes, at the county level, a slightly better rate per ton than you would get at some of the municipal levels.

I believe you're going to see, from some of these numbers, that the municipalities are taking just an absolutely huge hit, year-over-year.

In Berkeley Heights, in Union County, they received just one response for their 2019 recycle bid, from Giordano. They were forced to absorb a 142 percent year-over-year cost increase from the previous year.

Clinton Township in Gloucester County, in July, paid more than \$86 a ton, which is more than they paid for the cost of solid waste disposal; which is, again, a disincentive to recycle, unfortunately.

In Monmouth County, municipalities are each paying between \$90 and \$120 per ton to dispose of comingled, single-stream recyclables. It was noted that not having a central processing facility in the County of Monmouth has put them at a disadvantage.

In New Providence, in Union County, they were paying \$130,000 annually to have recyclables collected and marketed. When they went to bid most recently for the same service, they only received one bid; that was for \$396,000, which is three times what they had previously been paying. They rejected that bid and made a great effort to get additional bids. They went out and tried to convince other -- before a second RFP, tried to convince more people to come in for competition. They went out for that second RFP, and still only one bid. The new bid, \$290,000, was

also rejected. The town eventually directly negotiated with the vendor and agreed upon \$285,000, which is more than double their previous costs.

And finally, the town of Westfield, in Union County -- their price of curbside recycling, year-over-year, 2015-2016, was \$244,000; 2017-2018, \$325,000; and for 2019, over \$600,000. It is \$670,000 per year. So this is obviously not a sustainable rate that we're seeing these prices increase.

So without some kind of suggestion, a testimony is pretty empty. So one of the things that we've, kind of, noted from our Municipal Coordinators is that we've talked about education; and education can help to clean up the stream and can help to drive down the rates. One thing that the Municipal Coordinators have talked about is, perhaps-- And I know we have *Recycle Coach*, and that was discussed before, and that's been a great app. And some counties have used it, but it's been difficult to get that kind of good rate down to the municipal level for all the towns within every single county. So what some of the Municipal Coordinators have asked for is, perhaps, the State to put together -- almost like a downloadable press kit. So instead of each town in every county putting out their own flyers and their own information packets, if we could get something centralized and uniform from DEP that our municipalities could just download and utilize, it would save them time and resources and get a uniform message out. So that was one of the recommendations that we received.

Additionally, multiple county officials recommended -- and I hate to use this term in the current political climate, but -- some *economic incentives* to help attract new recycling capacity, or mills, into the State of New Jersey, or even into the greater Northeast Region at large. Which,

again, will help us with these capacity issues, and help bring more bidders to the table. Specifically, if we can get them in New Jersey, we think that would be a big help.

So those are our couple of recommendations now; I'm sure we'll have more.

I'd be happy to take any questions that anybody has.

SENATOR SMITH: Please send in your cards and letters; we're trying to get solutions. Some of your ideas were terrific.

ASSEMBLYWOMAN PINKIN: Can I just ask one question?

SENATOR SMITH: Sure.

ASSEMBLYWOMAN PINKIN: Do you have all of this data together in a white paper, or a report?

MR. WESTON: Unfortunately, Madam Chair, with about a week to go before the hearing, we did the best we could to collect it for today. I can absolutely try to get more data. I would have liked to have gotten more data specific to the members of the Committee and your specific constituencies. This is what we were able to get in short notice, but I would be happy to try to work on something and get you a white paper.

ASSEMBLYWOMAN PINKIN: Thank you.

SENATOR SMITH: That would be terrific.

ASSEMBLYMAN ZWICKER: Can I ask a question?

SENATOR SMITH: Go ahead, Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: You talked before about contamination. I just want to burrow down a little bit more into that.

And specifically, can you talk about basically what the contamination rates are, and how does it differ, if you know, between

single-stream -- those are sorted-- And in the end, what does that mean about the total amount of material that's taken in, versus the total amount that's actually recycled?

MR. SONDERMEYER: Thank you; that's a great question.

ASSEMBLYMAN ZWICKER: Thanks. (laughter)

MR. SONDERMEYER: So what happens at the curbside level? You have to think about it when it's dual-stream, you're keeping all the fiber -- the plastic, the chipboard, the paper -- separate from the bottles, and cans, and everything else. If we were to mix that all together -- and I don't mean to be gross -- but if you think about a birthday party, a graduation party, you have a whole group of people. You have wine, beer, you have soda; all that stuff. Do people really clean out all those containers? I'm sorry, they don't. So you mix all that together with the fiber, and what happens is the fiber is contaminated. By the time it gets to a processor, the value of it is already very low.

Like any other market, you want to be marketing high-quality material. So when you have stuff that's wet and compromised, it's very difficult to market it.

The contamination, really, is more back to the issue of clarity and what is and isn't a designated recyclable material. And it's education; it's what you had said -- you know, I love the idea of some kind of a kit. Back when we started recycling, the State actually did a massive public relations campaign, through a firm called Keyes, Martin, that sent-- You know, radio, TV, billboards. Oh, you remember -- right, sir?

ASSEMBLYMAN McKEON: We are both old together.
(laughter)

MR. SONDERMEYER: Yes; but it was effective, you know? It really was. And that's the kind of stuff I think we need to do again, because the message is too confusing.

And the wishful recycling -- you know, we're victims of our own success, right? The public thinks everything is recyclable; and unfortunately, it's not.

ASSEMBLYMAN ZWICKER: So would it be in our best interest, as a state, to stop commingling?

MR. SONDERMEYER: Well, you know, it becomes complicated, because the state -- the country is really going down the direction of single-stream and mixing everything together for convenience. And some of our towns have really invested, big time, in special processing equipment, collection equipment. And for them to go back to dual-stream would be really hard. So it's not a one-size-fits-all.

California, as an example -- they do have pending legislation that would push all the towns back to dual-stream; so some states and localities are looking at that. It's pretty complicated. It's really-- Unfortunately, it's a whole bunch of stuff that's a package. There aren't individual, one-solution answers. It's really a package of measures to clarify the whole thing. And, in fact, they go back to a lot of the stuff we did back in 1987, when we started from the ground floor. We did it then, we can do it again. We just have to look at all the things that we need to do.

Thank you for the question.

ASSEMBLYMAN McKEON: Just following up on that point, through the Chair.

But if you don't commingle, then the amounts go down. I mean, that's why, you know, it's obviously easier, from a processing perspective. But then, isn't it as much as 20 to 30 percent difference, as it relates to the bulk, when you commingle?

MR. SONDERMEYER: That's really the trade-off. And I guess, from our experience as a processor -- Bayshore, as I mentioned, takes up to 1,000 tons a day of this stuff from about 40 different municipalities representing 700,000 people. So we get a lot of stuff, and we get both dual-stream and we get single-stream; and we see such a difference in dual-stream that we think that that is a better option, at least for Bayshore as a processor, so we can market the stuff.

ASSEMBLYMAN McKEON: I would imagine, as a processor. But net for the State -- bigger picture -- does that extra 30 percent outweigh the contamination issues and value?

MR. SONDERMEYER: And I think that's-- I think it becomes a town-by-town issue, to your point. And there is not a one-size-fits-all, unfortunately. But we should be talking about it. And I like the idea, similar to what you had said -- some kind of a tool kit -- to help towns go back to dual-stream if that works for them, and not have some kind of a mandate but make it case-by-case, by town.

MR. BRILL: Some of these rising costs that you heard about -- it's probably going to drive that discussion at the local level, even in those towns where they do have single-stream.

MR. WESTON: Could I just expand on that--

ASSEMBLYWOMAN PINKIN: Yes, quickly.

MR. WESTON: --very briefly?

Just to expand on that -- if the county level increased (indiscernible), we were very reluctant for the reasons that Assemblyman McKeon said. And also, it would be kind of like going back to pumping your own gas, from full service, after we taught the constituency that--

ASSEMBLYWOMAN PINKIN: Let's not get crazy now.
(laughter)

SENATOR SMITH: Hey, let's not get crazy. (laughter)

MR. WESTON: I know it's a sensitive subject, right? Once somebody is used to something, it's hard to take it back away from them. But with that being said, it will be on the table coming up, if that is something that will be able to drive more competition to get more bids, more responses to the RFPs out there.

So it's not being dismissed out-of-hand.

MR. SONDERMEYER: I should have stepped out of this, because Frank triggered it, and so did you.

You know, the economics are another driver; and you're right -- the convenience and the participation is one end. But the going rate for single-stream material is \$65 a ton, \$75 -- even higher than that -- which is now at or exceeding the cost of disposal. For dual-stream material, it's more like \$30. So there is a huge difference, because you have better stuff coming in, and the process -- you get a better value for it. So that's the combination of the trade-offs: the convenience, the level of material, the participation, versus the economics.

ASSEMBLYWOMAN PINKIN: Assemblywoman Lopez, you had a question?

ASSEMBLYWOMAN YVONNE LOPEZ (Vice Chair):

Thank you; thank you for your testimony.

And Gary, this question is for you.

I understand that recycling material is extremely expensive, especially for the smaller recycler. Do you feel that subsidies would be helpful to the smaller recyclers so they can recycle more materials?

MR. SONDERMEYER: You know, it's very difficult for small recyclers right now that are not diversified to, frankly, stay in business. Because they really can't make any return on investments. So I think that's another point that was not in our testimony that we should be looking at, in terms of incentives.

Clearly, I think we have to bring more processing capacity back to the state. And the idea of at least evaluating business recycling loans, or something to attract more people to come to New Jersey as we have processing capacity, and to keep the ones that we have, is really at the very center, along with education, of this whole discussion.

ASSEMBLYWOMAN LOPEZ: Thank you.

ASSEMBLYWOMAN PINKIN: Thank you.

SENATOR SMITH: Senator Greenstein.

SENATOR LINDA R. GREENSTEIN (Vice Chair): Thank you.

You know, actually, I didn't realize, until your testimony, that so much of the recycling was being done by individual towns. I guess because in Middlesex, it's a County function.

How many of the 21 counties do it as a county function? I assume, in Middlesex, the towns just join in. I wonder--

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) Five.

MR. WESTON: About five do it county-wide.

MR. SONDERMEYER: Yes, it's not that--

SENATOR GREENSTEIN: Which are the five?

MR. WESTON: Burlington is one--

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike)
Atlantic, Burlington--

MR. WESTON: Morris--

MR. SONDERMEYER: Somerset--

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) Cape
May.

MR. SONDERMEYER: Cape May; Morris does 19 of 39
towns--

MR. WESTON: We have a number of counties that don't do
the entire county, but have a co-op where a majority of the towns go
through the county program. But still individual municipalities do it on
their own.

SENATOR GREENSTEIN: And again, there's nothing in
writing where this is all compiled--

MR. WESTON: Right.

SENATOR GREENSTEIN: --where somebody can look at
that.

I agree -- that I think it's very important to try to compile this.

Since we're naming names, which of the counties is it working
well, where a person who lives in the county can have confidence that if
they put something into their blue can, that--

SENATOR BATEMAN: Somerset County, for sure.

SENATOR GREENSTEIN: Really?

SENATOR BATEMAN: Yes; one of the best.

SENATOR GREENSTEIN: I ask about that, specifically, because somebody in my office is from Somerset; and she's convinced that it is being done well there. So now I have confirmation.

MR. WESTON: Well, I have confidence, Senator, with all of our county programs. But it could be debated as to what you define as confidence, in terms of where that end material is going, you know? That's really -- at the end of the day, that's up to the vender once it gets past the county, unless they're doing the processing themselves.

SENATOR GREENSTEIN: And where are the places that it is going, among the different towns? What are the locations -- where does it go? Once I put something into my blue can, where is it going?

MR. WESTON: It depends on the individual program. I think Gary would be able to answer that.

MR. SONDERMEYER: Yes, it depends on if the county has a county collection system. Material in Somerset goes to a Somerset facility, then it actually comes to Bayshore. And we basically have 150,000 square feet of machines that take apart what you put at the curb, to bring it back to individual commodities that we can send to markets. So it really does totally depend on the location.

And the issue really is -- it's basic supply and demand. We have so much stuff, and we have so little places for it to go, that it's a buyer's market. So the markets pay very little and that backs all the way up to having to charge the homeowner, essentially, at the end of the day, more

for the service. That's basically it; supply and demand. So we need more outlets; we really basically need more outlets.

SENATOR GREENSTEIN: More what? I'm sorry.

SENATOR BATEMAN: Outlets.

SENATOR GREENSTEIN: Oh, outlets.

If you had to summarize what the main problems are about why recycling might not be working in this state, how would you summarize that?

MR. SONDERMEYER: I would summarize it that, unfortunately, because of the low cost of international shipment material to China and other Asian markets for many years, and that being shut off very, very quickly, we have, in economic terms, an amazing market disruption that happened very, very quickly; and we need to retool and bring back the processing capacity in the state. And as you said, it doesn't have to be in the state. As long as it is in the region -- because transportation cost is important -- if we can bring back the processing capacity, we can compete again. This is a major disruption that we can get over, but we have to take some major actions -- just like we did when we started in 1987. We can do this.

MR. BRILL: Senator, at one time we had, in New Jersey, a major glass processing facility that made new glass. They're gone. We had paper mills, and they're all gone except for one, I think. And as Gary said, they will probably never be replaced, probably in my life. But there are new technologies for new uses of this material, and we have to incentivize those people to come into the state and develop.

And in fact, it's interesting, you know? China, which cut us out-- There are some-- Recently, in the last year or so, there were some young Chinese entrepreneurs who are over here in this country now, trying to fill up just those kinds of facilities here in the United States.

SENATOR GREENSTEIN: Thank you.

SENATOR SMITH: Our next witness is David Oettinger, Princeton University Professor -- not a Professor.

DAVID OETTINGER: (off mike) Not a professor. (laughter)
Good morning.

I would like to thank Senator Smith, Assemblywoman Pinkin, and the members of the joint legislative hearing Committee for holding this hearing on such an important topic.

My name is David Oettinger, and I'm the Recycling and Solid Waste Manager at Princeton University. I'm here today in order to provide a perspective as to the state of recycling at a large New Jersey institution, especially during this challenging period in the recycling industry.

First, allow me to say that contrary to some reports, recycling is not dead; certainly not in New Jersey, and not at Princeton.

As many speakers here today will attest to, recycling has become more of a challenge given China's de facto import ban on American recovered materials. However, institutions such as Princeton remain dedicated to not only continuing our current recycling efforts, but expanding them, so that we meet the goals set in Princeton's 2019 Sustainability Action Plan.

In 2018 alone, the University recycled the following materials: 97 tons of scrap metal; 1,500 tons of single-stream recycling; 6,000 pieces

of electronics; 2 tons of clothing; 560 mattresses; 2,300 pieces of furniture; 5 tons of books; 680 tons of food waste, including 6 tons prepared, donated food which went to food banks; and 15,000 pounds of cooking oil collected and reused for biodiesel production.

So far, we are on track to exceed these figures in 2019. In fact, we continue to work diligently to find new ways in which to reduce, reuse, and, yes, recycle. Just this past spring, the University, with help of an outside consultant, conducted its very first campus-wide solid waste audit. The study was conducted to help us understand our waste-stream composition so that we might improve our sorting strategies, as well as reduce contamination.

Results of the audit have already paved the way for meaningful change at Princeton. For example, Princeton is now exploring returning to dual-stream recycling as a direct result of the audit data. We'll also be examining our procuring procedures, with the help of Rutgers Professor Dr. Kevin Lyons, in order to reduce the number of non-recyclable items purchased for Princeton, particularly single-use plastics.

We have expanded our resource recovery program, which serves to handle our e-scrap, used furniture, and other hard-to-recycle items that are either donated to non-profits, sold to the community at large, or recycled.

Last year, we installed an in-vessel composter on our campus, which now converts 5,000 pounds of our food waste weekly into nutrient-rich soil amendments for our landscaped grounds.

As demonstrated by the aforementioned examples, it is a clear that recycling at New Jersey institutions like Princeton is not dead.

Recycling is ingrained in our ethos, our daily processes, and our facility operations, and will remain so.

The students, staff, and faculty are fully committed to furthering our recycling and waste reduction efforts on campus in order to create a more sustainable future for all of us.

I thank you for your time today.

SENATOR SMITH: Thank you.

ASSEMBLYMAN ZWICKER: Can I ask one question?

I would feel remiss if I didn't.

So I think the question is, as you're hearing some of the challenges that the State has to deal with, counties, and municipalities, Princeton is unique as a private institution; lots of resources.

Are there specific things that you've learned because of what you're able to do that you think could filter outward towards the neighboring towns and, really, bigger for the State?

MR. OETTINGER: Sure.

It is true; obviously, Princeton is unique. But we have budgets that we have to work with, and I'm very cognizant of the budgets of program.

I am also keenly aware that it still costs us less to recycle than it does to send material to the landfill. That's just the economic issue; that doesn't even address the important environmental benefits of recycling that the University supports greatly.

It is a good question, Assemblyman; we are expanding the resource recovery program, as I mentioned. We are also exploring the possibility of creating our own small, enhanced sorting facility on campus

which would allow us to sort our own material before we send it to our recycling partners. That way we are sending them clean material, which benefits them economically and allows us to continue our efforts to expand our recycling program as well.

ASSEMBLYWOMAN PINKIN: Okay; thank you so much.

MR. OETTINGER: Thank you.

ASSEMBLYWOMAN PINKIN: All right, we don't want to sound like we're ignoring people, but we want to just make sure we get to everybody -- that we have time.

So I'm going to ask, next, to have Surfrider Foundation, John Weber and Jennie Romer; and also Clean Water Action, Amy Goldsmith, to come up.

J O H N W E B E R: John Weber, from Surfrider Foundation.

Madam Chairwoman, Mr. Chairman, thanks very much.

It's your lucky day, because you're going to hear very, very little from me (laughter), other than to introduce someone who's new to Surfrider Foundation staff, but no stranger to Surfrider Foundation. Jennie Romer is a nationally recognized expert on plastics; she's had a website called *Plastic Bag Laws* for, probably, 10 years now. And she has been on the East Coast for seven or eight years now, but now working for Surfrider and she's going to give our testimony.

Thanks very much.

J E N N I E R O M E R, Esq.: Thank you, John.

Good morning, Chair Smith, and members of the Committee.

My name is Jennie Romer; I'm a Legal Associate with Surfrider Foundation's Plastic Pollution Initiative.

As background, Surfrider Foundation is dedicated to the protection and enjoyment of the world's oceans, waves, and beaches, through a powerful activist network. I lead Surfrider's policy efforts in litigation to reduce plastic pollution at the local, State, and national levels.

The focus of Surfrider's Plastic Pollution Initiative is on reduction of plastics, but we recognize that recycling is important for plastics that remain in circulation. We are concerned, however, that greenwashing often surrounds discussions of plastics recycling. The Federal Trade Commission is concerned with that, too; and they recognize that it's deceptive to misrepresent that a product or package is recyclable, and they've developed Green Guides to prevent greenwashing, because they recognize that customers feel more comfortable if they are purchasing an item that is labeled as *recyclable*.

But under the Green Guides, in order to label a product as *recyclable*, it must be capable of being recovered from the waste stream through an established recycling system in 60 percent of communities, and be reused or manufactured into another item.

When most people think about recycling, they think about whether a particular item is accepted in their curbside bin. But we need to look at the bigger picture of whether items are recyclable under the Federal Trade Commission's definition. A recycling crisis has emerged in the last few years because a lot of what we put in our recycling bins isn't recyclable. Much of it isn't reused or manufactured into another item.

And, in truth, there's very little incentive to use recycled material in new products. And there are a lot of new acrolein crackers coming online now, and expected in the next decade, that really will drive

down the cost of plastic even more. So there's very little incentive to sustain any kind of recycled content because it's more expensive.

For decades, China bought most of our recycled plastics; and much of our plastics went to small, family-owned recycling operations, where plastic shipments were just cherry-picked for the best materials. And what remained was dumped, with virtually no laws enforced to protect the health of people or the environment. We exported our plastic waste problem under the guise of recycling; but now China's economy has improved, and they refuse to accept our low-grade plastics.

The new reality is that now there are a lot more eyes on where our recycling goes, which we think is a good thing. Much of our recycling is in storage awaiting buyers, or sent to landfills or incinerators, or sent abroad to countries that still accept our recyclables -- in Southeast Asia, mostly.

And we're learning that recycling is a commodities market. Items that -- some items are potentially recyclable and some items are absolutely not recyclable. Items that are absolutely not recyclable include plastic carryout bags, expanded polystyrene foodware, and straws. These items fail both prongs of the FTC's recyclability test. First, they're lightweight and difficult to capture in most recycling facilities; and second, these items have no value on the current commodities market. No one wants to buy used straws, to reuse them or manufacture them into something new.

So a good first step towards a more effective recycling system is to regulate, through bans or fees, these items.

As a next step after that -- and you can see there's a bill pending that would address those items -- as a next step I would explore -- I

would recommend exploring more comprehensive options focused on producer responsibility, and focusing on changing the whole system that we have here, and require materials that are truly recyclable be used in our products.

So two bills that I would recommend looking at are the California Circular Economy and Plastic Pollution Reduction Act. That's currently pending, this session, in California, and it would require the products be made of recyclable materials.

And Washington state's extended producer responsibility bill for packaging.

And both of these laws require packaging to be recyclable, and to have post-consumer recycled content to drive that market for domestic plastics recycling, to make it-- And so, for example, California's current bag law requires 20 percent post-consumer recycled content of plastic film. That helps drive a market for used plastic film to be recycled in the U.S. that otherwise wouldn't be there.

So I think looking at closing that loop is something that we haven't really talked about enough -- to looking past what we're putting in the bin to where it goes next.

But I thank you so much for allowing me to testify today; and I'd be happy to connect you with organizations that are working on these more comprehensive bills across the country as well.

SENATOR SMITH: Good; and we'd be happy to receive that. If you could send the links to Assemblywoman Pinkin and myself, we'd appreciate it.

Amy.

AMY GOLDSMITH: Yes, thank you very much.

I'm actually going to step up for a moment and give you something so you can, sort of, follow along as I'm speaking, if that would be appropriate.

SENATOR SMITH: Good.

MS. GOLDSMITH: All right; thank you.

Thank you very much for allowing me to speak today.

My name is Amy Goldsmith; I'm the State Director of Clean Water Action. We're a national organization with 150,000 individual members in the state, and many of them are e-mail action subscribers to our efforts.

Before me, right now, I have piles (indicates). This one is for you (indicates), Assemblywoman Pinkin and Assemblyman Rooney. We have been canvassing door-to-door -- we do it every day -- to talk to people about the issues of the day. We've generated over 22,000 individual letters to legislators -- these are for people who are not here today, but are other legislators -- to say that we seek the passage of the strongest bill possible for dealing with plastic bags and other things.

Cranford, just this week, passed a bill that would move to ban not just bags, but stirrers, plastic utensils, lids, and other things. And it's a tribute to the great work that that town did; but we should be doing that great work at the State House.

So recycling is not enough; it's time to actually make less waste. And as you've heard, there are lots of problems with product commingling contamination.

This is actually the one-year anniversary. We sat here, in this very room to talk about the very well-intended, but faulty, *Fee Forever Bill*, for plastic bags. It was vetoed last year by the Governor, and there is a new bill and even stronger provisions that I know that Senator Smith and others are seeking. We urge the passage of that bill in the coming months.

Over 50 municipalities have passed legislation, or passed ordinances; and we're very excited about that. But we feel that, basically, recycling is an after-use waste management. We know that 30, 40 years ago recycling was the paradigm shift; when that was the revolution. It was great, it was innovative, it was important to do. It's still important to do. But now we need to make the next paradigm shift, which is to make less waste; and to really look at what the products are that we're producing, what the packaging is that it comes in.

And what I want to point to is a program that we're doing called *ReThink Disposable*. Ninety-one percent of our plastics don't get recycled, and that's probably a lofty number, even at this point, where 9 percent of it does get recycled. And with the markets the way they are, it's quite challenging. And many of the products that we use, you know, are not recyclable.

So I want to point out -- there's a handout that I gave you (indicates), a pie chart. This was a study, an analysis, done of the City of Newark, and looking at the products. And if you look at it -- it's a little blurry here -- but 40 percent of those are food wrappers, packages, drink-related products. And those are things that are really hard, if not impossible, to recycle. So not a bottle, like a water bottle or a soda bottle. And you can see the other numbers here.

Below, on the chart that you have here, it's a Dodge Poetry Festival that we do every other year in Newark, at NJPAC. And if you look at the bottom you'll see that we collect, in four days, 2,800 pounds; that's 1.5 tons of materials. And a lot of it goes into the landfill, but you can also see that a third of it is food waste. We actually send it to a food waste composting facility, but we have to send it, literally, out of state, because there is no facility here in the state.

This just draws attention to the volumes that we're producing. This is 14,000 people -- an event at NJPAC -- over four days. And it's very dramatic, and shows the need. We literally stand there at kiosks, saying, "This goes in here, this goes in here, this goes in here." So you can imagine when people are trying to do that aspirational recycling; when we're just, like, "Oh, maybe this will work," but it doesn't.

The other thing I want to point out about our program, *ReThink Disposable* -- which is really working with businesses to reduce the use of single-use disposables -- it's a handout that I have here for you. On one side it actually shows you, "What's the cost to the vendor to use a single-use disposable coffee cup?" The cup, the lid, the sleeve, the stirrers -- 27 cents goes down the drain, or goes to the landfill, it goes to the incinerator. And if we were doing it the right way -- if you flip onto the other side, you'll see examples of businesses that save thousands of dollars -- in some cases, tens of thousands of dollars -- including -- well, they're not on here -- institutions, schools, campuses, universities, saving money. Right now, Rutgers University, in their food recycling program -- which is a composting operation -- they save over \$300,000 a year in food waste

recovery by literally not providing a tray to their students, so that they take less food and waste less of it.

So these are real. These are all voluntary programs, and yet these businesses are saving money. It's restaurants, food truck vendors, and others; and it's very, very significant.

And so as we speak about recycling -- recycling, again, is an after--the-use waste management technique. And what we really should be doing is waste reduction.

The other point I just want to make, being supportive of Senator Smith and his conversation about food waste and about seeking a conditional veto on the bills so that we're not putting food waste into landfills and incinerators. As was pointed out, landfills are the third-largest producers of methane. It's unconscionable that we're putting a resource into a landfill; and why are we burning water? -- which is essentially what we're doing by putting food waste into the incinerator. It's just ludicrous, and it's an environmental justice issue, and it shouldn't be a moneymaker for landfills and incinerators, because it's not really what we should be doing with our food waste.

So I support-- Again, today's the anniversary of taking the right step and having a more comprehensive bill on plastic bags, and straws, and Styrofoam. We hope to see, very soon, a conditional veto of the Governor so that we can really do the kind of food waste recycling/composting that we seek in the future.

So I will give these to the legislators who are here. I will take these back with me and deliver them to the right people. But I just wanted to point that out.

And if anybody wants a little show-and-tell, I'll stop here, because I'm not going to do it all for you. But just to give you an idea what stores are handing out -- these pre-made items (indicates) -- versus a business choosing not to use this (indicates), but to use branded materials. Businesses like to have branded materials, so we should be encouraging those reusables, not the throw-aways; so we don't have to recycle, so we don't have to put them in the landfill or the incinerator.

There are many more things we can do, and there is much false advertising that goes on. Like this cup (indicates), which is calling for -- it says that you can compost this. This is not a compostable cup, even if you put-- You can't put it in your backyard compost; you can't even put this compostable thing in your backyard compost. It has to go to an industrial composter.

And so we don't have composting in this state. And I applaud the efforts to move that agenda along, because food waste is one of our largest sources. And we are paying dearly -- this is my last point -- our towns are paying dearly to put food, which is the heaviest thing that you can put, into a garbage truck and hauling it off. That means towns are paying by the ton for food which should not be going to those places.

So I also support what was said by the DEP -- that maybe we should be changing how our fee structure is working, because plastics are very light and we're not paying very much to do the right thing with them. Then we're not getting money back to the towns to do better work.

So thank you so much for giving me the time to speak today.

SENATOR SMITH: Thank you all for your comments.

Our last witness on the list that we had pre-organized -- and then we'll start to get to the others, and Assemblywoman Pinkin said we're going to extend to 12:15 so we can hopefully get everybody in -- the Chemistry Council. Dennis Hart on plastics and on paint recycling.

DENNIS HART: Good morning.

SENATOR SMITH: Good morning.

MR. HART: Chairman Smith and Chairwoman Pinkin, thank you very much for this opportunity to testify today.

My name is Dennis Hart with the Chemistry Council; and I will, in a short time, introduce the two people who I am here with today.

I think it's very important that you're holding this hearing today, at this time. We need new solutions to deal with recycling issues in New Jersey; as well as try and make our existing solutions work properly, we also need new solutions.

I think it's important to look at where we are in the economy right now. As we sit here, all signs are pointing to a slowdown in both the U.S. and world economies. For the first time in 12 years, long-term rates are lower than short-term rates, resulting in an inverted yield curve. Demand for commodities is slowing.

All that points to, in New Jersey -- due to the high cost of manufacturing, New Jersey facilities are always the first ones to take reductions in the corporate hierarchy. So it's not going to be a good time for New Jersey if we move into a recession. So anything that we look at needs to keep that in effect -- that additional cost to New Jersey businesses is not going to be helpful.

When we talk about recycling, we talk about banning products. I personally don't think bans are a long-term solution. We look at -- let's say, polystyrene, in New Jersey. We currently have nine facilities in New Jersey, employing over 300 people, who are making products out of recycled polystyrene. It can be done; it is being done around the country. It needs encouragement, it needs incentives, and it needs us to look at how to do it better, not how to eliminate those 300 jobs in New Jersey, to eliminate those products.

One of the people who would be hit the most, if there was a ban on polystyrene products, are our school systems -- the Toms River school system, the nearby Brick school system were hit with large cuts in State aid this past year. I've talked to some of those school members; they don't know where they will find the cuts to make up if they have to substitute polystyrene containers for some other type of food service products with questionable environmental benefits.

The restaurant and food industry is also a razor-thin margin industry. And replacing those products with questionable benefits would also be difficult.

So at this time I think we need to do our existing systems better; but we also need new systems. And I have here with me two people today who I am going to introduce and let them each talk about their products.

One is Adam Peer, from the American Chemistry Council. He is going to talk about, nationally, what is going on in the plastics industry, both from recycling, reuse, advanced recycling, reclaiming products.

And I also have -- I want to go carefully -- Marjaneh Zarrehparvar, who is with the American Coating Association. Now, both Chairman Smith and Assemblywoman Pinkin, you have been excellent advocates for paint recycling in New Jersey. It's a program that many other states are using; many other states are recycling enormous amounts of paint and are making a substantial amount of money on that for the local municipalities, because they don't have to pay for the recycling and paint any longer. And we just want to talk about -- just to remind everybody that that Bill that you two advocated is still stuck in the Legislature, and we need help moving that Bill along.

So Marjaneh is just going to talk a little bit about how paint recycling is helping, both from an environmental standpoint and from an economic standpoint. And Adam is going to talk about--

SENATOR SMITH: But just before she does that, where is the Bill stuck?

MR. HART: The Bill is in both Budget Committees right now, in both houses.

SENATOR SMITH: Okay; so I think one of our Assembly people is a Vice Chair on Assembly Appropriations, or am I wrong?

ASSEMBLYMAN McKEON: Yes, I'm on the Budget piece; and you have my word that I'll press, and I know we'll both press leadership to--

SENATOR SMITH: In our respective houses; all right.

ASSEMBLYMAN McKEON: --in our respective house.

ASSEMBLYWOMAN PINKIN: And I have been pushing -- advocating for it actively, actively.

MR. HART: Well, absolutely. I mean, you two have been great champions for this program.

SENATOR SMITH: Well, but we're down to the wire.

MR. HART: Yes.

SENATOR SMITH: We have literally--

MR. HART: That's why we're mentioning it today.

SENATOR SMITH: --less than two months to get this done.

So if you would summarize.

M A R J A N E H Z A R R E H P A R V A R: Can I go now?

MR. HART: Sure.

MS. ZARREHPARVAR: Okay, thank you.

Chairs and Committee members, good morning and thank you for this opportunity to speak briefly about -- in support of Senate Bill 2815, and the companion Assembly Bill 4381.

As you know, both of those Bills require manufacturers of paint, architectural paint -- which is your typical household paints and stains that we all have -- to implement a statewide paint stewardship program.

In short, the purpose of the program is to make it easy for all of us who have those quarter-full or half-full cans of paint in our garages, and our basements -- and painting contractors have storage lockers full of them -- to make it easy for them to recycle that leftover paint, rather than hang on to it or put it into a landfill.

My name is Marjaneh Zarreparvar, and I'm the President of an organization called *PaintCare*. PaintCare is an affiliate organization of the American Coating Association. You've heard from my colleagues from

the American Coatings Association several times. That's a primary trade association of the paint industry.

They created a PaintCare program specifically to implement these paint take-back programs across the states that have passed paint care legislation; paint care -- we call it *paint care legislation*. We currently implement programs in eight states and the District of Columbia; and these programs are still-- Legislatures across the country are still taking a lot of interest in this program. The state of Washington passed paint care legislation a couple months ago; and the same bill that you have, that we were just discussing, is at the governor's desk in New York. So that will be the 11th program for statewide paint take-back programs.

Because you're already familiar with this program, and it's already passed both of your Committees, I just want to take a few minutes to highlight a few specific points of our program, and then leave time if you have any questions for me.

Again, broadly speaking, the goal of this program is to create an environmentally sound and cost-effective way to manage leftover paint. It's reduce, reuse, recycle. We educate the public about how to buy the right amount of paint so they don't have more left over than they need to. We support reuse programs, so the paint gets used up locally. And then when there is still leftover paint, we set up the entire infrastructure to take that paint back.

And the two areas I'd like to take a few minutes to highlight -- across our nine programs are the collection infrastructure that we set up to make paint recycling easier; and then the cost reduction or cost savings that the program provides for local governments.

In terms of collection infrastructure across our nine programs -- we have set up 1,800 drop-off locations. The majority of those-- Before a PaintCare program begins, in most states there are some municipal household hazardous waste programs. Of these 1,800 programs, the majority of them are new locations that were set up as a result as a PaintCare program at paint retailers. So that would be your Sherwin-Williams, Benjamin Moore, Ace, True Value, and other independent paint stores that voluntarily serve to be a take-back location for the public.

I think that we all have -- we all understand that the more convenient you make something, the more likely people are to use it. And the tremendous benefit that paid retail stores provide is that they're usually centrally located in the community; they're open six, seven days a week. And really, what they do is they make paint recycling, or your opportunity to recycle your paint, just as easy as it is to buy paint.

And while local governments do a really good job with household hazardous waste programs -- and actually, New Jersey has a pretty robust program compared to other states -- they're still often limited in days and hours; and many of them don't serve businesses. So it's not an opportunity for everyone who has leftover paint; and painting contractors, in particular, have a need for something more convenient.

So that's speaking a little bit to the convenience that we offer in New Jersey. I think looking at the numbers and comparing it to the other states that we have, we'll probably be adding about 300 retail sites, in addition to the couple of hundred government locations that you already have.

To give you another example -- in Oregon, which was the first PaintCare state -- that program had a half-a-dozen government drop-off locations. We now have over 150 retail stores also serving as drop-off locations. So the magnitude of -- the increase in communities is quite substantial from before and after a PaintCare program.

The second issue I want to address is the financial relief that the PaintCare program provides to local governments.

Before working for PaintCare, I actually worked in local government for more than a decade, managing household hazardous waste programs. So I know, firsthand, the cost of managing paint and other products like this. In San Francisco, where I worked, we paid more than \$500,000 a year just for paint collection programs. Now, I should note that not all of the government programs in New Jersey currently take latex paint, because it is an expensive waste stream, like everything else, to manage. It's not technically hazardous, so it can go in the garbage. But unfortunately, with very few programs here in the state collecting that, most of the latex paint is probably going to a landfill right now; and that fits in well with the discussion that we're having today about decreasing contamination and increasing recycling opportunities in your state.

We anticipate that with a robust, well-established program here in New Jersey, we'll probably be keeping about 1.5 million gallons of paint from being landfilled, and be recycled instead. So it's not a small amount of paint that we're talking about.

I want to skip through some things and just make it quicker here for you.

Again, because you're familiar with the legislation and you're supporters of it -- it has already passed both of your Committees -- I just wanted to touch on those two points; and then, instead, give you a chance to ask me any questions that you may have.

SENATOR SMITH: By the way--

MS. ZARREHPARVAR: Yes.

SENATOR SMITH: --you know, we're not going to ask any questions.

MS. ZARREHPARVAR: You're not asking any questions; okay.

SENATOR SMITH: These two Committees already released the Bill.

MS. ZARREHPARVAR: Okay, then--

SENATOR SMITH: You're preaching to the choir.

MS. ZARREHPARVAR: Yes. Well then, with that -- one final remark. (laughter)

SENATOR SMITH: Quick.

MS. ZARREHPARVAR: Yes; and that is just to thank the two Chairs, and Assemblywoman Lopez, and Senator Bateman for being sponsors of this Bill; and for all the work that you've done to keep it moving.

Thank you very much.

ASSEMBLYWOMAN PINKIN: Thank you.

A D A M P E E R: Good morning, and thank you for having me here today.

My name is Adam Peer; I'm the Senior Director for Packaging, the Plastics Division, at the American Chemistry Council.

But I'm also a former County Supervisor and a former Homeowners Association president. So a lot of the issues and prior remarks sort of hit home, because they are things that I used to have to deal with directly, back in my home state.

We are preparing a lengthy background letter for the Committee that will talk more about the background of plastics; the market disruption caused by the Chinese government; background about our industry's commitments to the circular economy; our direct efforts to control litter, increase recycling, reduce waste, and conserve resources. And lastly, a list of specific suggestions that the Committee may want to consider to bolster New Jersey's recycling infrastructure.

And I'd like to touch on those just very briefly.

First of all, I think it makes sense, and it echoes a lot of what the prior speakers had talked about -- is really bolstering New Jersey's recycling infrastructure. And that takes investments. One of the projects that the ACC, along with other organizations, is funding is a demonstration project in Portland, Oregon, that is installing a secondary sorting facility to service five sorting facilities in the Portland area. So what this technology does is, it takes what normally would be landfilled and puts it through a secondary process in order to increase the amount of extractable materials that can be avoided putting in a landfill, and actually puts them back into markets. And right now, we're just setting the baselines for that equipment, and we look forward to sharing the results of that demonstration project with the Committee and the recycling community here in New Jersey.

Part of the way that that happens is to get more money into the system. And that means, I think, states and local communities looking at things like creating more favorable tax treatments -- things like Green Bonds, industrial revenue bonds -- to finance recycling infrastructure equipment, or potentially even tax exemptions for equipment requirements.

It also requires direct infrastructure investment. One of the things that our industry has looked at is working with states to create things like check-out programs or advanced recycling fees to make sure that the dollars are there to invest in the equipment to increase recycling in the state.

One of the things that was talked about by a prior speaker was polystyrene foam extruded and blown. One of the things that our members are a part of is a foam grant program to put more infrastructure into the state to make foam even more recyclable. We put in the equipment and the systems to get that valuable material to recyclers to turn that into additional products.

One of the things that we also strongly support is State and local government looking at their procurement processes, and especially consider adopting PPA guidelines for more public procurement of sustainable products. One of the programs we directly work with -- it's called the *WRAP Program*, which is a return-to-retail program of both plastic bags, plastic film, things like dry cleaning bags -- to keep those out of the recycling sorting facilities where sometimes they cause issues. We get that directly back to recyclers in a way that makes sense.

Another bill that was mentioned was the Washington state bill dealing with extended producer responsibility. That bill was actually

amended to create a study, as well to create a new government agency that specifically focuses on Washington state's recycling systems; something that we supported. And that report recently came out with recommendations back to the state about the things that they should be looking at to increase their recycling system. That is something that we will forward to the Committee for you to take a look at.

Another thing you see continue -- industry engagements; so I think hearings like this, and other forums and conferences. We're very appreciative of everybody who testified today and the folks who will testify, because I hear a lot of things that I think there's a lot of agreement on -- not everything we're going to agree upon -- but I think the more dialogue we have, we'll find areas to work together.

I encourage the State to continue to look at making more uniform recycling requirements. That both helps with the confusion with consumers, as far as what can be recycled; but it also allows you to leverage your communications so that you're putting out a single message, and it's not something that is so much community-by-community.

And lastly, I'd consider looking at, as new technology emerges -- and especially once it becomes more scalable -- to take a look at the different recycling models. Just make sure that they're modernized to accept that new technology.

So with that, I'll stop there. I'm happy to answer any questions, or let you move on with the program.

SENATOR SMITH: We appreciate your offer of sending that information to Assemblywoman Pinkin and myself, and we'll share it with the Committees.

Thank you so much for your testimony.

ASSEMBLYWOMAN PINKIN: Thank you so much.

ALL: Thank you.

ASSEMBLYWOMAN PINKIN: All right, next we're going to call up a panel of three groups.

We have Lori Buckelew, New Jersey League of Municipalities; Mary Ellen Peppard and Rocco D'Antonio, from the New Jersey Food Council; and we have Mike Egenton, from the New Jersey State Chamber of Commerce.

SENATOR SMITH: And while they're walking up, OLS staff said anything that you're sending in for us -- if you'll get it to us within the next seven days we can put it in the Committee transcript, so it will be part of the record for the rest of the Legislature who actually reads this stuff.

ASSEMBLYWOMAN PINKIN: I read it. (laughter)

SENATOR SMITH: Take it away, somebody.

L O R I B U C K E L E W: Good morning.

My name is Lori Buckelew; I'm with the New Jersey State League of Municipalities.

We thank you for the opportunity to speak before you.

Initially, Mike Cerra was to speak, but he is under the weather; so I'm filling in.

In the interest of time, we're not going to discuss the history of recycling or the problems that we're facing now, as we've already heard them from previous speakers. And I'm really going to supplement what my counterpart, the New Jersey Association of Counties, spoke to. He spoke to the raw numbers; I'm going to speak globally.

Before the changes in the marketplace, municipalities would generally use the realized funding from selling the recyclable goods in a favorable marketplace to offset the costs of recycling programs. Ideally, the municipal recycling program paid for itself. Now that the recycling business has changed dramatically, municipalities face rising costs, limited vendors, and a quickly changing marketplace. There are numerous challenges that municipalities now face today, and most likely will going forward. It's increasingly difficult to find affordable vendors. Recyclable marketplaces are closing, making it more taxing to find marketplaces that will accept our materials, which is ultimately contributing to the overall rising cost of recycling.

This new reality has begun to place additional budgetary constraints on municipalities. Local governments, which are mandated to recycle, are currently eight months into their budget year. When they were crafting their budgets earlier this year, they complied with the mandatory 2 percent property tax cap levy. As a result, the increases in recycling expenses worked within the 2 percent cap. Whether it may be a relief for some municipalities due to cap banking and other one-time solutions, this approach is unsustainable. There will come a tipping point where the one-time solutions no longer exist, the cap bank is zero, and the math will just simply not work. At this point, municipalities will be forced to make cuts in other services to provide for recycling.

In anticipation of the problems ahead, municipalities have already begun attempts to control such costs -- efforts that include switching from single- to dual-stream. We know of about six or seven municipalities that have already implemented the change, going from a

single-stream to a dual-stream. They have initiated new educational outreach to explain to the residents what you can recycle and what you cannot. For example, your pizza boxes -- you can't recycle, as people thought, as an earlier speaker said. The speaker had mentioned the *wishful recycling* -- to educate the public on that.

They have increased enforcement, changed the type of materials they are accepting. They are working with businesses to reduce the volume of recyclable material, and limit collection dates and times -- all in an effort to save money.

We will be providing you not only our testimony; we will also be providing you two articles from our magazine that highlight the changes that municipalities are starting to take to address the rising cost of recycling.

We also provided you with a copy of a League Conference Resolution that was adopted at our conference in November 2018, that is urging action to provide municipalities with relief from the increased cost of recycling. In that Resolution, we called upon the Legislature for relief from the dramatic cost-shift in the recycling market by providing us an exemption to the 2 percent property tax cap levy, State funding to offset the mandate costs, and a waiver of recycling requirements based on a formula of increased tipping costs as a result of the added recycling disposal costs.

It is relatively simple in approach, but large in terms of the items that must be addressed.

Today's hearing should be the start of a holistic, top-to-bottom reexamination of the State's policy objectives; and an honest assessment of

viable objectives, cognizant of the costs and the means to achieve them. As this work is being done, local governments should be provided immediate relief from a mandate, as other vital services may suffer without such consideration.

As mentioned earlier, local governments operate under the hard 2 percent property tax cap levy. Therefore, we suggest a cap exception for costs associated with recycling of 0.02 percent. It's similar to what we have, currently, in the law for health benefit costs. So where recycling costs up to 2 percent are within the cap, anything above that we would get a cap relief for, so the math can work. This will provide us with flexibility, preserve existing services, and avoid a zero-sum game; wherein if the costs associated with recycling go above 2 percent, another service will have to be cut to offset that increase.

The League, and our members, stand ready to work with the Administration and Legislature towards a shared vision of affordable recycling, and to ensure our State continues to lead the nation in these efforts.

And as a side note, I've spoken to my counterpart Allen at the Association of Counties, and we're going to work on a joint survey to our members to get you the cost information you were asking for earlier.

ASSEMBLYWOMAN PINKIN: Super; thank you.

MARY ELLEN PEPPARD: Thank you to the members of the Committee.

Mary Ellen Peppard, with the New Jersey Food Council. I appreciate the opportunity to be here today.

We are here with our member Rocco D'Antonio. Rocco serves as the Vice Chair of the Food Council's Environment Committee, and he is an expert on recycling issues.

So in the interest of time I'm going to ask him to do most of the speaking today. I did provide some written comments to the Committee.

I'll just briefly mention that we have had an opportunity, the last couple of years, to address some of these issues with some of the members of the Committee, including the Chairs. And we do appreciate the opportunity to continue those conversations, particularly the conversations regarding the issue of disposable and reusable bags. The Food Council continues to seek a uniform, statewide solution, including a phase-out of single-use plastic and paper bags, and a transition towards reusable.

So we look forward to working with the Committee members, and the Chairs, on those bills.

And then we also have concerns with the food-based recycling bill, which is on the Governor's desk. Our members have been recycling food waste for decades without legislative mandates; and they have been able to do it in cost-effective ways.

And I'm going to ask Rocco to speak about that a little further now.

Thank you.

ASSEMBLYWOMAN PINKIN: Thank you.

R O C C O D ' A N T O N I O: Good morning, everyone.

As Mary Ellen said, my name is Rocco D'Antonio. I'm a Food Council member; I'm also the Founder and Managing Member of Organic

Diversion. We're a food waste recycling company, in business for over a decade. We operate in both regulated and non-regulated markets. We handle every class of trade, from very small generators to very large generators in New Jersey, Pennsylvania, Delaware, Maryland, and Virginia.

We've been talking a lot about how to fix our recycling markets. And when we were looking at this, I tend to look at where places have been successful and where they have failed. I look at industries that have done a good or bad job in the process.

What I found and what I've continued to believe in -- since I've been in this business for over a decade, is economics work, period. Mandates and cost decreases have never been effective. That's the basis of this meeting -- our discussions today -- that those strategies don't really work, and they absolutely do not work as it relates to food waste. And we need to take a better path and find a better direction if we want food waste recycling to happen in New Jersey, and we want the other recycling markets to be in a much better place.

We have our own experience to draw all these conclusions. If you look at the current state of recycling here, we've had mandatory recycling, now, for decades. We have more than substantial collection infrastructure around the state, with just about every waste hauler offering collection services. We have substantial processing capabilities for recycling materials in and around New Jersey. Up until recently, we've had end markets for that recycling; but that has all changed. When China stopped taking our recyclable products, the markets for those products has dried up, the economics have changed; and when the economics change, recycling slows or stops.

You've heard many people today say that the price of recycling is becoming more and more expensive; in some cases, more than trash. And when it's more than trash, you throw it in the trash. That's a fact.

I also looked at what's happening in neighboring states. Somebody made a comment about what are other states doing. Connecticut passed a food waste bill five years ago. I heard that when the Food Waste Bill in New Jersey first came out, it was modeled after Connecticut. I can assure you that it was nothing like Connecticut's bill. Connecticut spent a lot of time on due diligence; they spent a lot of time researching this. They took the time to quantify the market. They measured the food waste, they mapped it by zip code, they put guidance documents out that showed how every food waste generated can calculate how much food waste they have, and if they had to comply with the law.

They identified every receiving facility in Connecticut, every hauler in Connecticut. They streamlined and assisted with the permitting process. They made funding available to build green infrastructure. They did all of this in advance of passing the bill, not talking about doing it after the fact.

Connecticut has been at this for five years now; and with all this pre-planning work, Connecticut's food waste recycling law is taking a long time to grow. It's been five years since the 2014 law, and the momentum has stalled.

This is not my personal opinion; it's a comment from Chris Nelson with Connecticut's Department of Energy and Environmental Protection in an article in the *WasteAdvantage Magazine* on April 4, 2019. He stated, "After five years, only one facility has been built, and

momentum has stalled.” If Connecticut can do all this work and not succeed, we’re not going to do what we’re trying to do by raising costs and think that we’re going to have food waste recycling in New Jersey.

I also looked at what has been successful. And what I found is we can draw an analogy to the rendering industry. I’m not a rendering expert, but the rendering industry has been recycling meat scraps and other food products to manufacture both industrial and commercial products. They’ve been doing it for decades. It’s not a waste model, it’s not a recycling model, it’s not controlled by the waste industry, it’s not controlled by the recycling industry. It’s done by the rendering industry. They built plants to manufacture a product for both industrial and commercial use, and they use meat scraps and other proteins as a source of raw materials. It is extremely cost-effective. You don’t hear about it, because it’s been working fine for decades. It’s a manufacturing model. It’s not mandated, it’s not legislated; but it works. And in fact, in many cases, the cost of rendering is almost zero; although it fluctuates up and down, just like any raw materials do, it has always been extremely cost-effective and it has always run uninterrupted for decades. A lot of large generators pay zero for their rendering -- to pick up. We’re mandating that we can charge more for food waste recycling. It’s just not going to work.

But given all of this history that we have within our state, and neighboring states, and industries within our state, you can draw a reasonable conclusion that mandates and cost increases are not the way to go, especially as it relates to food waste. It needs to be product-focused. We need to view food waste not as a waste material, but as an abundant

source of raw material that can manufacture products that actually serve current needs in New Jersey.

Food waste can be cost-effectively manufactured into renewable natural gas and compost; renewable natural gas through anaerobic digestion, composting with the composting process. These are not new technologies; they are off-the-shelf, plug-and-play that are available in both the United States and Europe.

Employing those technologies, we can cost-effectively manufacture products that address a lot of our current needs in New Jersey. Renewable natural gas can help achieve our renewable energy goals as part of our new energy master plan. Renewable natural gas reduces greenhouse gas emissions; composting reduces greenhouse gas emissions. Compost increases carbon sequestration in soils. Composting reduces water usage; composting substantially increases the water-holding capacity of soil. In fact, just a slight increase in your organic content matter in soils, by using compost, can increase the water-holding capacity of one acre by approximately 20,000 gallons. I think we have a pretty substantial stormwater problem here; we have a rain tax. Food waste to compost can start addressing those needs.

Composting can help reduce stormwater pollution. It returns organic matter to soil; it reduces the dependence on chemical fertilizer; it reduces chemical fertilizer runoff into our lakes, and rivers, and streams, and oceans. Again, we have a recurring problem with some of our lakes and our waterways from chemical fertilizer runoff.

If we build a manufacturing model, and we view food waste as an abundant source of raw material, and we put procedures in place and

legislation in place that supports the use of these products, you will end up building a manufacturing model that is cost-effective, driven by economics, and that, by default, will create jobs and investment in green infrastructure. It will create food waste recycling and will give you all the environmental benefits.

So specifically, some of the things that we can do: I heard talk about data. New Jersey absolutely needs to quantify the raw materials right. We need to map food waste by county, by market sector. I hear there was talk of doing that before, but that needs to be done first.

We need to quantify the market potential. Once you know how much food waste you have, you can use it to extrapolate how much renewable natural gas can you produce, and how much compost you can produce. Right there is market potential; and just putting that data out into the public domain you will get the attention of technology providers, developers, and investors to look in New Jersey for where to place their money.

Once you have the market potential identified, you can start looking at how to solve some of the other problems with stormwater runoff, and water pollution, and water conservation, and fertilizer runoff.

There are a lot of programs around the country, such as Denver Water. Denver Water requires you, if you're a resident, commercial account, or an industrial account -- they require you to have so much compost tilled into your soil before you can get a water meter. The reason being is they know that that's going to conserve water and stop runoff. And by doing so, by default, by solving those problems in the city, they created the composting industry. People built composting plants; people collected

food waste; they made it cost-effective. There was no need for a mandate; they (indiscernible) and honest. I think we have more than sufficient experience, and you heard more than sufficient testimony today, that shows that mandates and anything that increases costs don't work. And we should have a laser focus on the end product markets, which would drive a new green economy and help New Jersey become the leader in food waste recycling.

Thank you.

MICHAEL A. EGENTON: Chairman, Madam Chair -- Mike Egenton, Executive Vice President, New Jersey State Chamber of Commerce.

Just real briefly, a couple other things that the State Chamber is involved with, or has been involved with, in regard to recycling.

So back in 2005, then-DEP Commissioner Lisa Jackson and I spoke about how we can reinvigorate recycling. We started a campaign. And the genesis of this started with -- that I approached the Commissioner-- As you all know, she went on to run the EPA later, after her stint at DEP. And I had noticed, through our members, that just simple things -- like the proper receptacles at NJ Transit stations, soccer fields, and schools -- weren't happening. So we engaged on that campaign back then.

We also, more importantly, utilized information and education to reach out through a grassroots network of stakeholders, who helped get the word out on recycling. That's important; I wanted to share history with you, where the business community was at.

Fast forward -- we are part of the New Jersey WasteWise Business Network. And this is a free educational program that's actually

administered by DEP, and we do it in conjunction with them. And it's designed to help businesses and other organizations learn how waste reduction, recycling, and recycled product procurement make both environmental and economic sense.

The New Jersey WasteWise Business Network was formed in 2003, and has grown steadily over the years. There are over 375 New Jersey businesses and organizations currently listed as members of this program. Some of the benefits of that program -- we have biannual education meetings; businesses learn how to reduce waste and recycle more to save money, and help the environment, and expand their cost-effective purchase of recycled products.

There are presentations from experts in waste reduction, recycling, and recycled product procurement; and a sharing of best management practices. There are case studies from local companies and organizations with successful programs. There are networking and publicity events; there's a quarterly newsletter, where businesses receive updates about special events, and resources, and case studies; and technical assistance, obviously.

So this is something that has been going on between the business community and the DEP.

Finally, I would say a lot of ideas have been shared here today. And we encourage you, as you've always done, Chairman, to initiate a stakeholder process to bring forth innovative suggestions that would work, as opposed to -- as mentioned across the board here -- mandates don't work. I know I've testified in front of all of you -- whether through the budgetary process or other mandates in other issue areas -- that's a cost to business

that-- Businesses are trying to catch up right now -- regardless of what mandates are being passed -- particularly small, local businesses. So give them an opportunity to have a seat at the table and address some of these issues.

I would leave you with this. Whatever is ultimately decided here today, going forward, the business community, obviously, in conjunction with our State and local government representatives, as well as our other friends in the trade associations, and, of course, through my network of local regional Chambers of Commerce, want to help and we want to continue to be a partner in our recycling reduction efforts.

Thank you.

SENATOR SMITH: Thank you all for your points of view.

We have two more panels; and then everybody who signed up will have had a chance to speak.

The next panel -- Jennifer Coffey, Association of New Jersey Environmental Commissions; Tom Fote, Jersey Coast Anglers Association; Jeff Tittel, Sierra Club.

J E F F T I T T E L: (off mike) Tom left. He went back home--

SENATOR SMITH: Oh, Tom left?

MR. TITTEL: (off mike) Yes; he had to put a new -- he had to put an elevator in his house (indiscernible).

SENATOR SMITH: Okay; so a panel of two.

J E N N I F E R M. C O F F E Y: Good afternoon.

Thank you very much.

Jennifer Coffey from ANJEC, the Association of New Jersey Environmental Commissions.

Thank you for having this hearing this morning; it's great to see all of you.

I want to especially thank the Chairman and the Chairwoman for bringing us all together today to talk about a very important issue in New Jersey.

ANJEC, as you may know, is an organization celebrating 50 years this year, providing support and resources to municipalities throughout the State of New Jersey.

We are working with municipalities in all 21 counties currently; and we applaud the 69 municipal ordinances that have been adopted to date to reduce plastic pollution.

We're also working with approximately 50 additional municipalities to reduce plastic pollution. So there is an enormous amount of work going on right now, talking about recycling, pollution, and cleanups.

Because, as Chairman Smith had already said earlier, we're speaking to the choir today, and I know lunch is on the horizon, I will keep it short. But I'd like to underline that the state of global recycling really is in an alarming situation. As we heard, China is no longer accepting our recycling material; neither is Malaysia nor Indonesia. And since 2015, India has had a law to reduce their acceptance of recycling material, and they're closing that loophole this year. So that is China, Indonesia, Malaysia, and India that are no longer accepting our materials.

We're glad to have the DEP here as such a great partner in recycling and plastic pollution reduction. But as you heard earlier -- and I'd like to emphasize, since we're at the end of this hearing -- the data is

limited. The data that we have available at the State level predates the market shift that has been caused by China, Indonesia, Malaysia, and soon-to-be India. So we need to bear that in mind -- that the action we need to take has to be progressive, it has to be forward-thinking. We can't simply look at what *has* been done, because the world is changing very rapidly.

Much of the debris that's collected from stream cleanups and beach sweeps is plastic. And so we -- and I mean the global *we* -- nonprofits, environmental commissions, watershed groups, organizations like Clean Ocean Action that have been at this for a very, very long time -- are seeing, in our 2018 numbers from our beach sweeps, 93 percent of the debris collected is plastic.

So our very first step that we need to do is to turn off the plastic pollution machine. ANJEC agrees with the 14 points -- that I won't reiterate, because they're in front of you, that ANJR, the Association of New Jersey Recyclers, put forward earlier today-- That recycling is an important component of managing our waste problem; but it's only one component of reduce, refuse, reuse, and recycle.

So I want to leave you today, urging you to move forward with the strongest possible version of S-2776/A-4430, which addresses banning single-use bags, polystyrene-- Which I'd like to mention, as just a pickup from a previous testimony, that *styrene* from polystyrene -- so if you think about soup containers, coffee containers, cafeteria trays that hot French fries land on -- styrene has been upgraded by the World Health Association to be a probable human carcinogen. So it is an environmental pest and it is a human issue as well.

And S-2776/A-4430 would also look at reducing pollution by straws.

So we applaud that Bill; we look forward to that Bill moving forward. And we know that bans do work for plastics, because we've seen them work in Ireland, the European Union, Australia, California, Hawaii-- I could keep going, but you get the point.

So again, thank you for having this hearing today; thank you for calling attention to this very important issue. We're going to keep working at the local level to address this problem; and ANJEC is a very strong supporter of having a strong, comprehensive, statewide bill to address this problem from North to South, from city to shore.

So again, thank you for having us here today.

MR. TITTEL: Thank you.

Jeff Tittel, Director, New Jersey Sierra Club, the nation's oldest and largest environmental group -- since 1892.

We're here today because of the crisis that's happening -- not just in New Jersey, but around North America -- when it comes to dealing with recycling and solid waste. Sierra Club is involved not only in the United States, but Puerto Rico, Canada, and even in India.

And we're here because recycling rates are dropping; there's not a market for it. We're heading into a crisis.

And so what we really should start thinking about is the big picture again. It's been since 1989, 1990, when we were in the last crisis on garbage, when we were going down the road of incinerators. And Governor Florio stepped in and put in a moratorium, and then started mandatory

recycling. We're now getting close to that kind of crisis again, and so we need to think beyond what we normally do.

There are a lot of good ideas here for fixing things around the edges; and that's fine, we need to do that. But we need to think bigger. We need to start taking a strategy on solid waste that reduces and prevents waste. It's not only reduce, reuse, recycle; it's compost, it's access to education, and it's enforcement. We need to think of all those different pieces.

Around the country, the Sierra Club is working with cities, and counties, and even British Columbia, on getting to net zero waste. San Francisco is going to be going there next year; New York City -- our locals work there -- 2040. Austin, Texas; as I said, British Columbia. Twenty-five cities have committed to go to net zero waste. And it's going to take a lot of work and strategy; but now is the time to start thinking big. You know, there are things we can do in the meantime to help reduce some of the waste. I mean, I think you know, again, banning plastic straws and Styrofoam is critical. I worked on the Lambertville ordinance that's going into effect. I think it's a step.

We've kicked this around for 30 years in New Jersey -- a bottle bill. We really need to start dealing with the millions and billions of bottles that are thrown all over New Jersey; six million pounds of bottles being picked up by county inmates every year in this state.

So we next have to think about having food waste -- getting that done. That's a critical piece to get that done and get it done right.

We need to also start thinking about not only incentives for business, but other programs. TerraCycle, who we've been working with,

wants to do a closed-loop delivery system. So when you get a package, you send it back, or they come get it. Other companies are doing it.

Many corporations throughout this country the Sierra Club is working with -- from Google and Apple, where Lisa Jackson is, to Pepsi Cola -- to go to net zero waste for those companies.

So there is a real opportunity to now think about moving us forward in a bigger and bolder direction to deal with the whole solid waste issue. Because this is the time, when you're in a crisis. When you're in a hole, you have to stop digging; but you also have to figure out how you get out of it. And I think now is the time.

One of the things Sierra Club has been working on, that I think is critical, is the education component. There's a video I will send you; there is a video on what people can do -- what you can't recycle, what you can recycle -- so you keep the waste stream from being contaminated. That's a critical piece.

Also, educating the public that there are alternatives -- not just mandates from government -- to what we're doing. So many people I see today are bringing in their own bottles, their own straws -- they're reusable -- carrying their own bags, without a government mandate. We need the mandates, but we also need to keep educating people on why it's so important.

If you care about this planet in reducing the extraction of natural resources, fracking; if you care about the pollution that comes from industry making all this packaging and all these other products that we throw away; if you care about climate change; if you care about reducing greenhouse gases and the massive use of energy that goes into making these

plastics, and making this packaging, and all these other things that we throw away; if you understand that we're a one-way society and we have to think broader and bigger than that -- then if you really want to reduce greenhouse gases, if you want to create new jobs and new economic development, you want to move this planet forward--

As we think about getting to zero-carbon and 100 percent renewable energy, we should think about trying to get to net zero waste. It's doable. It may take some time, but now is the time for a bigger and bolder vision that I think the State can handle, and do, and be a leader, as other places in this country are doing it and countries are doing it. Sweden is at 70 percent reduction already; West Germany (*sic*) is at about 72 percent. So we can get there. The thing is that we have to think about these other programs and bring them in. Because there are real jobs to be created, in taking farm waste from stalks and things like that; or wood waste and turning it into plates instead of using plastic plates; you know, creating plastic forks.

New Jersey was an innovator. We invented polyware at Rutgers University 25 years ago -- the first plastic wood. We have that innovation technology and those people here. We need to also encourage that and fund that. We need to think about EDA giving out grants and funding for new start-up businesses to replace plastic straws with paper; to replace that packaging. And then we have to think strategically to make sure that all the plastics that we start using in our society are recyclable, or reusable, or can be turned into another product. We have to think about changing-- We bring in all these glass bottles from Europe, and we can't do anything with them. We make some green countertops, but that's about it.

And I'll just leave you with this one little fact.

It takes 90 percent more energy to create an aluminum can from bauxite than it does from recycling. So you think about what you're saving -- mining, pollution from power plants, transportation -- just on that one issue alone. So we have to think that way on all these other issues, with plastic and everything else, and packaging as well.

And so I just think that if we really want to get the State and this planet moving forward, economically and environmentally, we need to start thinking bigger and bolder, and moving towards the goal of net zero waste.

Thank you.

SENATOR SMITH: Thank you.

MR. TITTEL: And I will send more background.

ASSEMBLYWOMAN PINKIN: Thank you.

MS. COFFEY: Thank you.

ASSEMBLYWOMAN PINKIN: Okay; the last three speakers -- we have Steve Changaris from the New Jersey Chapter of the NWRA -- waste recycling; and we have Kevin Bonner from Save Barnegat Bay; and Patty Cronheim--

SENATOR SMITH: Citizen.

ASSEMBLYWOMAN PINKIN: Citizen.

PATTY CRONHEIM: I can start.

ASSEMBLYWOMAN PINKIN: Okay.

MS. CRONHEIM: Patty Cronheim; I'm with ReThink Energy New Jersey, but I'm speaking today as a private citizen, a life-long resident of New Jersey.

And I just want to say that, yes, there's a huge end-use problem with recycling; and I agree with a lot of the suggestions. But we do have to look at the source; and you can't talk about recycling without talking about climate change. You can't talk about climate change without talking about natural gas. And you can't talk about natural gas without talking about the massive influx of cracker plants all over the world. It started in 2014; these plants that produce -- take ethane and turn it into ethylene.

And we're now experiencing a second wave of an influx of cracker plants. And according to the American Chemistry Council, there are \$225 billion in new and proposed cracker plants worldwide.

So we can solve a lot of recycling problems; but it's like scooping out the Titanic with a teaspoon. We really have to look at the source; we have to look at lowering the demand.

I strongly agree with Jennie Romer's comment, of Surfrider, that we look at California's Circular Economy and Plastics Pollution Reduction Act for a comprehensive plan of how we can deal with this plastics problem.

You know, I'm a surfer; and I recently was out surfing and I was going to take my last wave. And I was paddling past not one but two giant plastic jugs, a plastic bag, and then there was a bag full of things like rings that you see on all of the cans. And instead of taking my last ride, of course I had to pick up all the garbage and take it into the beach; which if you're a surfer that really ticks you off.

But as horrific as the local impacts of these plastics are on our landfills, and our beaches, and our waterways, the long-term climate change impacts, from our increased dependence on fossil fuels, is even worse. And

if we want to care about future generations, we have to deal with plastics and recycling at the source and decrease our dependence on fossil fuels.

I thank you for all the work this Committee has done on this in the past year. And let's keep going and really create the most effective and the strongest anti-natural gas bills -- which includes plastics -- that we possibly can.

Thank you.

ASSEMBLYWOMAN PINKIN: Thank you.

KEVIN BONNER: Hi; my name's Kevin Bonner.

I'm currently a student at Rutgers University New Brunswick. I study Environmental Policy and Sustainability.

I'm also here with Save Barnegat Bay.

And I just wanted to bring up -- that was only the third time in this entire meeting that global warming or greenhouse-- Well, me speaking is the third time that it has been brought up throughout this entire two-hour, three-hour meeting.

And we keep referring back to when we were shipping our plastics over to China. And I would like you to consider how much of a failure that actually was. We were just -- out of sight, out of mind, externalizing our plastics and putting them onto poor people who didn't have a voice that we do, and can't sit, and talk, and speak their mind.

I'd also like you to consider how much carbon dioxide, how much gas, how much resources were used to actually transport all those plastics halfway across the world, across the Pacific Ocean; and then, for them to not even be fully recycled.

So from the outset, recycling should be an afterthought. We've been taught, since first grade, the 3 Rs. *Recycling* is the third; *reducing* should be the first.

And I don't know why it is being-- For some reason, I think it's made purposeful that the recycling has been pushed onto the consumer. I went to Brick Township Public Schools. During my time there, we had dangerous lead levels in our water. And the only other solution we had was to buy plastic water bottles from our vending machines. So I think--

And currently, we only recycle 25 -- not including food recycling waste -- nationwide, as of 2015, we only recycle 25 percent of our entire plastic and pollution that we produce in our country. So recycling is an afterthought. Why we don't cut it off at the source by banning all these things and banning the needless packaging -- I think that's something we should actually really consider.

And a report was just released, very recently, that New Jersey is warming at the top; it's the top-- It's warming faster than any other state in the country. We are at the forefront of global warming; it is right there. The ocean is coming; it's happening.

Recycling isn't going to solve that; we should ban plastics as best that we can. I know, last year, we voted on a plastic ban; and I agree that we should have vetoed that, because adding a 10-cent charge is just going to push that onto poor people who can't afford the 10-cent charge. While the richer people who could afford that -- well, they'll just pay the 10 cents, and then they'll just keep using plastic bags and we'll just keep creating the problem.

We lead this country in Superfund sites. I don't know why we would want to create more landfills and create even more pollution and toxins. We have Superfund sites in Brick, New Jersey; Toms River -- all over. We should ban the plastics and cut it off at the source. It's the first *R* -- *reduce*; *recycle* is the third one.

Also, I think someone brought up Newark. And currently we are handing out water bottles in Newark, and I'm sure those aren't getting recycled either.

And we should actually start to think of the fundamental things that are causing us to not recycle and produce so much waste. I don't think it's all on the consumer; and I think it's much bigger than that. And I think you all have power to change that, and ban plastics, and hold businesses accountable.

And I think if we create an industry of recycling, I think that can create a future obstacle when we try to move past recycling and create more, better alternatives. I think when you create an industry whose sole purpose is to create profit and survive, they're going to push back against any type of measure we take to ban plastics or create alternatives.

ASSEMBLYWOMAN PINKIN: Thank you.

S T E V E N C H A N G A R I S: Senator Smith, members of the Committees, thank you for having me.

My name is Steve Changaris, and I work with the New Jersey Chapter of the National Waste and Recycling Association.

I've been before the Committee many times over the years on a lot of different waste and recycling issues.

First, I guess, if I were to say -- I think today probably is Recycling either 301 or 401, because we've heard a lot of really important environmental messages today. So you've been excellent in having this hearing.

The recycling battleship-- As I say, we've submitted our testimony; it's in there. I've got a couple of items; I'm going to rip through them, because they've mostly been covered.

But the position from the Association and the members who I work with -- who manage the collection and processing of recyclables, and delivering them to market -- I referenced it-- I liken it to the recycling battleship is coming around, slowly but surely; particularly quite, actually, painfully, as you've heard.

I do want to explain that the markets are returning. Let's hope we learn from our export-our-problem lessons, to the fact that-- You know, we've done an analysis nationally. If we tally all the various paper mills that are on the planning books now, we should replace our domestic capacity with what we lost to China. And given with any project or any development, it takes time. Those paper mills need to get water permits, air permits, site and economic development; and it's happening. And I dare say it will happen with the other materials that we try to recover for disposal.

There are several things that can be done; here we go.

You've already listened to -- about the recycling contamination. The one thing that was missed, I think, was definitely -- you know, the whole quality game and recycling is key. That serves up the material better to market. But you also have to look at recycling efficiency. If we're

collecting 25 percent of material in the recycling bins that end up in trash -- whether it's in a dual-stream or single-stream system, mind you -- then that's cutting down the efficiency of recycling. So we're looking to reduce contamination, not only to improve the quality of the materials we send to market, but also to increase the efficiency of our collection and processing operations.

The other one, obviously, is the *wishcycling*, which we've already gone over. You know, we want your bottles and cans, but we don't want your bowling ball, and we don't want your hand grenades, and stuff like that.

Provide technical assistance. The DEP has been here; they've talked about that. A lot of good ideas about the statewide list, and about the press kit, and the like; all good stuff.

One of the ones that we haven't talked much about -- that education and technical assistance program. We'd really like people to understand what a *MRF* is. They are splendid facilities; they are highly technical optical sorters, belts, trommels, eddy magnetic separators, negative sorts, positive sorts. And what we look at coming on the horizon is phenomenal -- the ability to adapt the MRFs to handle new kinds of products that are making their way into the waste recycling stream, like flexible packaging and the like. Phenomenal stuff coming down the pike. So we should promote the role of the recycling center -- the MRFs -- (indiscernible) processor, and their limitations.

You've already heard the possible statewide recycling items list, which would be wonderful for uniformity and consistency.

Recycling enforcement -- not only at the curb, about what the homeowners put into the bin, but we look at it from a competitive way. A lot of the companies that are members of my Association pay to manage their contracts and fulfill their obligations. And if they're in the market actually paying the extra dollar to make sure that the material gets to the market and that they manage it properly, to have a competitor that is just spiriting the material out of the system and dumping it -- that's not good for the environment, it's not good for recycling, and it's certainly not good for a competitive marketplace.

Three or four more things; some of the longer-term actions.

Markets and market development -- we've talked about it somewhat today, but not a whole lot. The one that we're most comfortable talking about these days is minimum content legislation. When the paper -- in the initial early ages of recycling, came around, the paper companies and the newspaper companies all got together and agreed to buy minimum content. We need more of that; we need leadership, we need companies to say they'll ramp up their environmental health and safety programs, where they're buying 10 or 15 percent. They need to double that in three years, and then triple that -- go up to 50, 60 percent.

Incentives from the Legislature -- mandates. You know, again, I have a whole bunch of different people under my tent talking to me. But the concept of exploring some of these more prudent, targeted efforts can help send a message that we should do more of this, and get the companies to use (*sic*) these materials that they put into the market that create the problems for us to manage.

Minimal content -- close the recycling loop. There are a lot of materials that can be recycled, but it's difficult to recycle them. We just can't get from *A* to *B*. There's not only closing the recycling loop in terms of the circular economy that was talked about; but there are other groups, like The Recycling Partnership and the Closed Loop Fund, where they actually sit down -- and this is one of those areas that the recycling market development can really assist. You could look, "Well, hey, these guys are doing that; those guys are doing this." But they're not connected. And if we could connect those, maybe we could get a feedstock into them to help.

So targeted business planning, and business assistance, and business development; close the recycling loop.

This is a big one for us; and we did some work on this nationally with SWANA, and we've done it before about -- how do you contract for this service at the local level. We propose competitively bid for trucking; pay for the commodity pricing at the intermediate processing facility, or MRF; and then float the recyclable commodity value share, and work out local hauler- government splits.

Historically, that should be a positive number. But as we've said in the full written testimony, the value of the commodities, over the last 25 years, has subsidized the operations. Since those commodity values aren't there-- You know, I wanted to operate and tell you a one- or two-year hiatus, and then the markets will come back. My guys are hammering me with three to five years down the road. So the markets are not coming back.

So if we really want to make recycling sustainable at our local level, we should come up with a financing mechanism that makes sense.

And that's something that's going on out there, and I think that's an area ripe for the Committee, and the towns, and the counties to explore.

Two last things: Adopt sustainable material management protocols; move recycling from a tonnage to an environmental-results basis. It was already mentioned a little bit earlier. I would commend folks and the staff to really look at some of the stuff that's gone out in the great Northwest. Some of the departments up there have really done some excellent work around sustainable material management.

This is a very hard thing for a lot of people to get their arms around; and we know -- it's been a lifetime of work for me -- that there are scarce public dollars to spend on these programs. And what we want to do is have the highest environmental yield. So if you explore the use of sustainables and material management philosophy, you can move the needle and, perhaps, really help improve some of those key environmental indicators for New Jersey.

And then last -- we were all down with the concept of adopting a statement -- (indiscernible) a group, ongoing, and maybe based on even what we heard today: your source reduction, closing the manufacturing loop -- doing that actual materials management element of it -- what are we doing with it today in the market. So there are all kinds of really good stuff, components, of that kind of ongoing group, and we look forward to working with the Committee and other stakeholders.

SENATOR SMITH: We appreciate all your comments.

Thank you all for coming down to Toms River today. You've given us a lot to think about.

Both Committees care about these issues, and I think you've given us some ideas for some new legislation. So I'm thrilled.

And we're at 12:35, which may be a new record for us.
(laughter)

But again, thank you.

Let me turn it over to Assemblywoman Pinkin for any concluding remarks.

ASSEMBLYWOMAN PINKIN: Well, again, I thank everybody for coming today, and for all of our legislators for coming.

Obviously this is a big issue, and there's a lot that needs to be done. But there's a lot of potential to do it, and we look forward to working with everybody.

ASSEMBLYWOMAN LOPEZ: Thank you.

SENATOR SMITH: Anybody else feel the need to say something? (no response)

Meeting adjourned; thank you.

ASSEMBLYWOMAN PINKIN: Okay; thank you.

(MEETING CONCLUDED)