



**National
Waste & Recycling
Association**SM

Collect. Recycle. Innovate.

1550 Crystal Drive
Suite 804
Arlington, VA 22202
T 202.244.4700
F 202.966.4818

July 24, 2019

The Honorable Benjamin Allen
California State Senate
State Capitol Building, Room 4076
Sacramento, CA 95814

RE: SB54 (Allen) California Circular Economy & Plastic Pollution Reduction Act. (As Amended July 10, 2019)

Dear Senator Allen:

The National Waste & Recycling Association (NWRA) is a not-for-profit trade association representing private recycling and waste collection, processing and management companies throughout the United States. NWRA is pleased to provide feedback on SB 54, the California Circular Economy and Plastic Pollution Reduction Act. This bill directs the California Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations requiring covered entities to reduce 75% of waste generated from single-use plastic products sold or distributed in California by 2030. The bill also requires all single-use packaging and plastic products distributed and used in California to be recyclable or compostable by 2030.

For years, a significant portion of recyclable materials were sold to China. However, China banned mixed paper and mixed plastic imports in 2018 and announced its intention to ban all recyclable materials imports by 2020. Given that China was the largest market for recyclable commodities, recyclable commodities values have dropped dramatically, much of it with nowhere to go.

While SB 54 does acknowledge the lack of recycling markets, the loss of outlet for some materials has been a significant disruption for the entire industry, from municipalities to recycling companies. Further, the rapidly “evolving ton,” which refers to the changing nature of recycling and waste materials, has made it challenging to collect and segregate materials. It has also led to increased confusion as to what is recyclable. Materials Recovery Facilities (MRF) are designed to segregate materials, using equipment to help sort the recyclable materials; however, as materials change, equipment may become obsolete before the end of their useful life – further adding to recycling costs.

While SB 54 provides consideration for determining what material is recyclable or compostable, the most important criteria is whether the material is ultimately made into new products. The ability to identify recyclability or compostability, and the ability to cost-effectively sort these materials must also be considered.

Currently, there is considerable pressure on recycling facilities to accept materials for which there is limited markets so that retailers and manufacturers can make recyclability claims. Because those markets are marginal to begin with, they are generally unstable and costly. We have a concern that this legislation may drive product manufacturers to

label their materials as recyclable while there is no end market. This can put enormous pressure on our MRF infrastructure which could result in increased contamination. Therefore, we suggest that this legislation require the department look at ways in which it can regulate that practice. Incentivizing covered entities to make significant investment in domestic market development should strongly be considered and incorporated in the proposed legislation. Such investments would have the potential to create greater stability in the State's existing recycling infrastructure and spur the development of domestic processing facilities, in order to solidify a truly closed loop for single-use plastic products.

NWRA appreciates your consideration of this feedback. Should you have any questions or comments, please call Anne Germain, Vice President of Technical and Regulatory Affairs, at 202-364-3724 or e-mail her at agermain@wasterecycling.org.

Sincerely,

A handwritten signature in black ink that reads "Darrell K. Smith". The signature is written in a cursive style with a large, prominent 'D' and 'S'.

Darrell K. Smith, PhD
President and CEO