

Monday, June 5, 2023

Honorable Greg Vitali, Chair
Honorable Martin Causer, Republican Chair
House Environmental Resources & Energy Committee
30 East Wing
Harrisburg, PA 17120-2166

Re: HB 652, an Act amending Title 27, providing for issuance of permits in burdened communities

Dear Chairman Vitali, Chairman Causer, and Members of the Committee:

On behalf of the Institute of Scrap Recycling Industries (ISRI) Mid-Atlantic and Pittsburgh Chapters representing its member companies in the Commonwealth of Pennsylvania, ISRI respectfully opposes House Bill 652.

There are inadvertent consequences of HB 652 that will hurt the ability of established community-invested, environmentally beneficial businesses to engage in activities that serve a compelling public interest in the same neighborhoods this legislation aims to benefit.

Executive Summary

- 1) HB 652 proposes vague and open-ended standards for issuing permits, which negatively impacts businesses helping the environment and their communities.**
 - Environmental justice policies need to incorporate positive environmental benefits, pollution controls, and community contributions.
 - Recycling centers and activities are integral resources within communities often left behind.
 - Applying common sense best practices for community engagement that include encouraging local resident participation over that of external interest groups directed by outside influences, and recognition of industries such as recycling that provide public benefits for the well-being of the Environmental Justice Focus Area.

- 2) Environmental equity and cumulative analysis reasoning require further clarification, and should:**
 - Include a cost-benefit analysis incorporating the economic benefits regulated industries contribute such as tax revenue, employment, and investments in local activities & businesses.
 - Consider unintended consequences such as short-term and long-term impacts of both existing operations and business applications, as well as the impacts if certain applications are removed or significantly reduced.

- 3) Recycling strengthens communities with its roots in local, community-oriented multi-generational family businesses that positively contribute to the health and well-being of their local communities.**
 - Responsible recyclers embrace and promote positive changes in their communities through volunteering, contributing resources that foster local unity, connecting with residents through education, and providing safe jobs.

- Recycling is key to future generations as it preserves natural resources, reduces greenhouse gases, and lowers energy costs.
- Recycling operations contribute to environmentally safe and healthy communities by providing outlets for recycling of old products, which will be converted into new valuable materials that can be used to manufacture everyday consumer products.

Recycling Strengthens Communities

The U.S. recycled materials industry is rooted in multi-generational family businesses with long-standing investments and engagement in the communities in which they are located. The cornerstone of the U.S. recycled materials industry is the commitment of recyclers to supporting the social well-being of their communities through good stewardship of the environment and long-term economic investment. While the recycled materials industry has evolved and today is composed of a mix of small, mid-size and large companies, both family-owned and publicly held corporations, what has remained consistent is the commitment of individual recyclers to their communities. Recyclers have also made, and continue to make, significant financial investments in their operations, from processing equipment maintenance and upgrades to physical facility improvements, to employee support and development. These investments also reinforce our financial commitment to the businesses which serve as employment and recycling opportunities for members of the communities where they are located.

Being a good neighbor in the communities within which we are located is one of the recycling industry's core values. We view ourselves as stakeholders in each and every community where we operate, and we understand the importance of doing our part to help build and maintain safe, environmentally sound and prosperous neighborhoods. We accomplish these goals through active engagement in the communities in which we are located, including providing employment opportunities for local residents, working alongside community leaders and our neighbors to identify opportunities to make strategic investments in our communities, and operating safe, economically sustainable and environmentally responsible recycling facilities.

Pennsylvania recyclers of metal, paper, plastic, rubber, and other commodities pride themselves on employing people from the local community. **In Pennsylvania alone, the economic impact of the recycling industry includes 21,267 direct, indirect, and induced jobs, over \$1.4 billion in wages, over \$4.6 billion in overall economic impacts, and approximately \$550 million in Federal and State tax revenue.**

Of the jobs associated with the recycling industry, many are direct, well-paying, union jobs. In addition to being an important economic driver, the recycling industry is a pivotal player in environmental protection, resource conservation, and sustainable development. The industry transforms end-of life or obsolete materials into useful raw materials needed to produce a range of new products. **Consequently, recycling of metal, plastic, paper, rubber, and other commodities: (1) reduces the need to mine for new ore, cut down more trees, and otherwise deplete our natural resources; (2) produces significant energy savings as compared to using virgin materials, thereby reducing greenhouse gas emissions; and (3) reduces the amount of material being sent to landfills, saving the land for better uses.**

Recycling Is Essential

Recycling is an essential industry. **Recycling is a critical first link in the manufacturing supply chain, supplying 40% of raw material needs for manufacturing in the United States.** In the U.S. steel industry alone, **scrap metal accounts for more than 70 percent of processed steel**, making ferrous scrap metal the most recycled material in the United States. More than half of all aluminum consumption by manufacturers in the United States comes from recycled aluminum. Paper products are also heavily dependent on recycling operations. **More than 75 percent of U.S. paper mills depend upon recovered fiber from recycling operations for their daily production needs.** Recyclers are also responsible for supplying 58 percent of the feedstock to tissue mills throughout the United States, which are responsible for producing toilet paper and tissues that currently are in critical need. As the United States emerges from the COVID-19 pandemic, the metals industry is demonstrating that it is a key economic driver providing critical resources for construction, infrastructure rehabilitation and other deferred projects which should result in a corresponding rise in Pennsylvania employment.

In Pennsylvania, like other U.S. states, recycling is a critically essential industry dedicated to transforming recyclables into new valuable materials used for manufacturing. The recycling process saves scarce natural resources. Recycling also drives sustainable economic growth by producing the materials needed to manufacture everyday consumer goods, tools (e.g., computers, kitchen appliances, carpet, and footwear) and the infrastructure (e.g., steel for buildings). Recognized as one of the world's first green industries, recycling has a positive impact on the environment by reducing greenhouse gas emissions, saving energy, and protecting natural resources.

Furthermore, recycling promotes public health and well-being. Recycling is a solution to landfill disposal and provides an outlet for the community's used items like broken appliances, vehicles and tires that might otherwise contribute to community blight. Recycling facilities take and process these items, often without charge and even pay income to many of those who deliver valuable materials. **Without conveniently located recycling facilities, these items might be abandoned in public spaces and increase illegal dumping, attracting vermin and insects that carry infectious diseases. In diverting used residential materials from landfill disposal, recyclers often engage, or even organize, community events such as local aluminum cans and newspaper collection drives.**

Conclusion

Pennsylvania ISRI members ask you to oppose House Bill 652. ISRI believes in the objectives of environmental justice where the recycled materials industry contributes positively to the communities in which we operate, promotes continued environmental stewardship, and continues to further encourage the wellbeing, health and safety of our communities, employees, and customers. But we also believe legislation that implements environmental justice goals should be fair and clear, and not arbitrary or subjective in implementation.

As Pennsylvania pursues legislation to achieve its environmental justice goals, ISRI respectfully suggests that there be stakeholder meetings, including stakeholders from potentially affected industries. This will also help Pennsylvania determine the proper objective standards with respect to permitting requirements that can be incorporated into the legislation to facilitate compliance among all regulated industries.

ISRI is the trade association that represents approximately 1,500 companies that process, broker, industrially consume, and otherwise supply recycled materials for manufacturing including metals, paper, plastics, glass, textiles, rubber, and electronics. **The recycled materials industry has a total economic impact in Pennsylvania of \$ 4.67 billion per year.**

Sincerely,

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