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Increasing Manufacturing Competitiveness Through Improved Recycling Act of 2012

U.S. House of Representatives Energy & Commerce Committee
Subcommittee on Environment and Economy
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Chairman Shimkus, members of the Subcommittee, I appreciate the opportunity to testify today in strong support of draft legislation that would assist manufacturers, states, localities and other stakeholders in better understanding existing recycling data and related recycling collection systems, through a cooperative effort to voluntarily provide information to EPA. Recycling is a critical component of the glass container manufacturing process and is essential to numerous other industries.

The Glass Packaging Institute (GPI) is the North American trade association for the glass container manufacturers, glass recyclers, and suppliers of materials, equipment and transport to the industry. GPI member companies operate the vast majority of the 48 glass

container plants located in 22 states, and also represent dozens of glass recycling facilities. Our membership manufactures over 28 billion food and beverage containers annually, all of which are 100% and endlessly recyclable, suitable for use in the manufacture of a new glass container. To support its manufacturing activities, the glass container industry provides approximately 18,000 direct, highly paid salaried and hourly jobs in its glass container plants, warehouses and sales forces … along with thousands more in our supplier companies across the U.S.

As an "Energy Intensive, Trade Exposed" industry, GPI member companies continue to be focused on preserving U.S. jobs by improving global competitiveness, reducing foreign energy dependency and supporting improved materials management models, many of which currently face serious economic and performance challenges.

GPI member companies are strongly impacted by the outputs of the municipal solid waste (MSW) and recycling streams. A top priority for

GPI is to divert and recycle glass containers currently in the MSW stream—rather than commit those valuable commodities to perpetual, wasteful loss by being buried in landfills--- and to ensure that as many containers as possible are re-utilized in the production of new packaging.

When glass plants can increase the levels of recycled glass as part of the overall batch mix, they can reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions. Utilizing recycled glass enables our industry to compete internationally, by allowing us to produce containers more efficiently. The inclusion of recycled materials reduces energy and emissions for other energy intensive manufacturing industries.

For example - energy costs drop about 2-3% for every 10% recycled glass used in the manufacturing process. For every six tons of recycled container glass used, a ton of carbon dioxide, a greenhouse gas, is reduced. A relative 10% increase in recycled glass reduces particulates by 8%, nitrogen oxide by 4%, and sulfur oxides by 10%.

The discussion draft the Subcommittee is considering appropriately does not institute recycling goals, prescribe particular recycling programs for communities or set minimum content rates. GPI does not support federal regulation of recycling. However, GPI, along with other packaging based industries and companies have established goals to increase the use of recycled materials in the manufacturing process. Success in achieving these goals is largely dependent on the strength of the recovery systems that generate recycled materials used by the industry and as important, understanding where the recyclables collected through these programs end up.

Accordingly, GPI members are vigorously engaged at the local, state and federal levels to improve collection systems, improve the usability of quality of recyclables for manufacturers and better link collection systems with end markets.

Many states and communities already issue reports on the outcomes of their recycling initiatives. However, most of these entities report

what is being collected, but not the final disposition of recyclable materials.

There is a widespread consensus on the need for improving existing data on recycling at both the stakeholder and agency levels. In its FY2012 budget justification for Environmental Program & Management account, EPA stated as follows: "EPA's current measurement approach, as reported in the annual Municipal Solid Waste Characterization Report, has been based on an approach, assumptions, and methodology developed decades ago." "Currently, EPA is re-examining the data sources, methods, and assumptions used to estimate U.S. materials throughout their life cycle". Last August, EPA solicited comments on how to improve its current report but has yet to respond to comments. In September 2011, an EPA-convened stakeholder group issued a report that recognized the critical need for better data on recycling. However, we are unaware of any follow-up actions EPA plans to take. In December 2011, in the 2012 Interior-Environment Appropriations Act, Congress directed EPA to report to Congress on the development of a process to collect

additional data on the recovery rates achieved by the variety of U.S. recycling programs. That report was due on March 22, 2012, but has not yet been submitted and, even when it is complete it will only identify a process; the report will not start any actual improvements to data collection.

The discussion draft would require EPA to take action to address the problem of inadequate recycling data. Specifically, the discussion draft requires EPA to more effectively utilize existing data on collection of recyclable materials, already being reported by states and communities, and to seek additional data to identify the recovery of those same materials, broken down by type of collection system. This information will allow states, communities and other stakeholders to evaluate the effectiveness of recycling programs. In particular, these data will allow stakeholders to understand what happens to recyclable materials after collection.

The EPA MSW Report currently reports out data on glass generation/production and glass "recovery" rates. Recovery of glass

is now defined in the Report as the reuse of glass in a manufactured product (such as a new container) as well as one-time applications, including its use in roadbed aggregate. The distinction and understanding the difference in what is recovered for use in manufactured products, and those utilized as part of roadbed aggregate and other similar applications is very important to our industry.

This discussion draft requests EPA, in conjunction with stakeholders, to distinguish "recovery", by identifying recyclables recovered for reuse by manufacturing industries versus other final disposition– a critical distinction for the glass container industry.

Under the discussion draft, EPA would collect data through an information collection request (ICR). Under the Paperwork Reduction Act, agencies are limited to contacting 9 entities on any given particular subject if they don't have an approved ICR. EPA does not currently have an approved ICR to collect data for its Municipal Solid Waste Characterization report so that report is based on

extrapolations from a few surveys and published reports. A mandate from Congress to collect data will help EPA obtain approval of an ICR from the Office of Management and Budget. An ICR gives EPA authority to ask questions. Neither an ICR nor the discussion draft would give EPA authority to compel answers.

While the information collected under the discussion draft will be voluntary submittals, it is our belief that states, communities, local governments, numerous manufacturing, processing and other industries will consider submitting data on recycling (including aggregated data from trade associations) that the EPA could utilize, making this Congressional effort extremely worthwhile.

Importantly, this legislation is judiciously limited and focused in scope; the bill would improve the understanding of the recycling data – however, as stated, it specifically prevents the EPA or any other federal agency from mandating specific recycling programs, collection systems, minimum-content requirements, or establishment of any recycling goals in this Act. We believe that decisions on recycling

programs remain appropriately determined at the local and state levels, where they can be tailored to meet local needs and circumstances.

Ultimately, this legislation will provide important and new data points on the results of recycling systems, while at the same time, provide additional insight and information to decision makers at the local level, as they choose a recycling program that is right for their community.

In closing, I want to express our thanks and gratitude to Congressmen John Sullivan and Dan Boren and their staffs, for their diligent efforts in working with the glass industry and other stakeholders in crafting legislation that would provide significant assistance to the country's manufacturing industries.

Thank you again for the opportunity to testify on this legislation. Please consider the GPI as both a resource and advocate for

recycling. If you have any questions or if we can provide you additional information we would be happy to respond.

Increasing Manufacturing Competitiveness Through Improved Recycling Act of 2012 **Glass Packaging Institute (GPI) - Testimony Summary**

- This important discussion draft would assist manufacturers, states, and other stakeholders in better understanding existing recycling data and related recycling collection systems – Specifically, it would allow EPA to reach out to a variety of stakeholders to improve their Municipal Solid Waste (MSW) Report by placing a larger focus on the important role manufacturers play in the recycling arena.

- When glass container manufacturers increase the levels of recycled glass as part of the overall batch mix, they reduce furnace temperatures, resulting in reduced energy use and lower greenhouse gas emissions.

- As an "Energy Intensive, Trade Exposed" industry, GPI member companies are focused on preserving U.S. jobs by improving global competitiveness, reducing foreign energy dependency and supporting improved materials management models.

- The discussion draft does not institute recycling goals, prescribe particular recycling programs for communities or set minimum content rates. GPI and member companies will continue to work independently (and without federal mandate) to increase their use of recycled materials.

- Many states and communities already issue reports on the outcomes of their recycling initiatives. However, most of these entities report what is being collected, but not the final disposition of recyclable materials collected. As the manufacturing industries are a critical end market for recyclable material, a better understanding of the recycling systems is needed.

- There is widespread consensus on the need for improving existing recycling data on recycling at both the stakeholder and agency levels.

- Ultimately, this legislation will provide important and new data points on the results of recycling systems, while at the same time, provide additional insight and information to decision makers at the local level, as they choose a recycling program that is right for their community.