

Chairman Shimkus, Ranking Member Green and Members of the Subcommittee on Environment and the Economy:

Mr. Chairman, thank you for the opportunity to testify before this committee today. My name is Charles Johnson and I am the Vice President for Environment, Health and Safety at The Aluminum Association. The Aluminum Association is a membership trade association representing U.S. aluminum producers, recyclers, and industry suppliers. I am responsible for the Association's efforts to limit the impact of our industry on the environment while increasing the positive impacts on the economy.

Before moving further with my statement, on behalf of industry I want to commend Congressman Sullivan for offering this draft bill and his continued efforts to increase recycling as a critical piece of U.S. energy and sustainability efforts.

The U.S. aluminum industry believes this legislation is critical because:

- Recycling is a source of sustainable, private sector driven green jobs;
- Recycling is a vital part of energy efficiency and should be part of our nation's energy solutions;
- The collection of better waste and recycling data, facilitated by this legislation will allow consumers, policymakers and industry to more rapidly achieve a higher recycling rate; and
- Increasing recycling will further benefit industry, improve sustainability, contribute to our country's energy efficiency goals, decrease solid waste in landfills, and create jobs.

In 2010, Americans recycled \$1.6 billion in aluminum cans. If the industry's beverage can recycling goal of 75 percent was achieved, the payback to American consumers would be \$2.1 billion. Aluminum's infinitely recyclable nature means scrap metal has high value, and the

processing and recycling of the metal yields a significant impact on the economy and in job creation. Because aluminum recycling saves energy, recycling jobs are green jobs.

Marketing trends are leading all recycling industries to take more recycled materials but this material is not always available. The American public is demanding more environmentally responsible solutions. Wal-Mart, Target and many others are demanding increasingly sustainable packaging with higher environmental benefits. The demands for those benefits are part of a larger shift in consumer preferences for our products. This shift is becoming as important to industry as access to raw materials.

Our industry views the “Increasing Manufacturing Competitiveness through Improved Recycling Act of 2012” as a critical next step in advancing the practice of recycling, and improving the operating efficiency and environmental impact of the aluminum industry. Gathering basic data that is not currently available is critical for understanding the current recycling situation in America. In 1990, 39% of consumers said they were confused about what was good and bad for the environment. Quality data allows consumers, industry and policymakers to successfully examine new proposals and plans for improving recycling using facts, and not suppositions.

The U.S. aluminum industry is a great example of an industry providing a positive economic impact while mitigating negative environmental impacts. In 2009, 87 percent of the energy consumed by the North American aluminum industry was offset by energy saving achieved through the use of aluminum to make automobiles and light trucks more fuel efficient. Similarly, in 2009, 92 percent of the aluminum industry’s cumulative greenhouse gas emissions could be considered to be offset from GHG emissions reductions achieved by increasing aluminum content in the transport sector. Automotive aluminum represents only 26 percent of North American sector shipments. Aluminum’s use in other sectors, including building and construction, consumer durables, electrical wiring and packaging imparts greater energy and emissions saving through the material’s use-phase and helps to neutralize energy usage and emissions by the industry.

The metallic, elemental nature of aluminum means that it is infinitely recyclable. It can be recycled over and over with no loss of quality. In fact, 75 percent of all aluminum ever produced since 1888 is still in use today. Recycling aluminum saves 95 percent of the energy and emits only 5 percent of the greenhouse gases associated with primary aluminum production.

Therefore, aluminum recycling provides a massive opportunity for energy efficiency. The recycling of one aluminum can saves enough energy to power a 100-watt light bulb for four hours. In the aluminum industry, recycling directly translates to energy saving. The metal of a beverage container can be thought of as solid energy and recycling saves that energy each time it is re-used instead of burying it in a landfill.

In the simplest form, the business case for increasing aluminum recycling is based on the fact that increasing recycling will increase energy efficiency. The aluminum industry's position in favor of recycling is not green washing; it's green business for us.

Over the last twenty years, the North American industry has decreased energy usage 17 percent and greenhouse gas emissions 42 percent for primary production. During the same period, recycling energy requirements and greenhouse gas emissions have gone down about 60 percent. Based on our interactions with recycling experts, waste haulers and municipal recycling facilities, we know that better information leads to more efficient recycling that maximizes environmental gain and material efficiency, while minimizing collection and reclamation costs.

The most widely recognized application for the aluminum is the beverage can. The can is the most recycled beverage container in America. In an average aluminum can, 68 percent is recycled content; the highest amount of any beverage container. The metal's infinite recyclability and high value means a beverage container goes from recycling bin and back to store shelves in less than 60 days.

In 2010, 58.1 percent of aluminum cans were recycled in the United States. This bill, to improve our understanding of municipal recycling, is vital for our industry to bring consumer recycling in line with aluminum recycling in other product sectors, which is greater than 90 percent. It will

also be vital to help our understanding of how we might raise our recycling rate to the level of other countries – many of which are in the 90 percent level or higher...more than 35 percentage points higher than that of the US.

The aluminum industry has an established goal of reaching a 75 percent aluminum can recycling rate by 2015. We are engaged in various initiatives including establishing and funding a new organization called the Curbside Value Partnership with other material manufacturing organizations and makers of packaging products. Curbside Value Partnership works with municipalities to increase consumer participation in existing recycling programs. Our evaluation of the program indicates that it routinely results in a 17 percent increase in household participation, translating into a 22 percent increase in tons of recycled materials. Data generation and analysis, a requirement that must be carried out as part of the program, is a key to that success. Cities must implement a tracking system to better understand what material is coming back and re-introduced into a new useful life; this is a critical part of the program.

A robust material tracking and data gathering system is necessary because of the complexities of materials recycling value chains. For example, differences in material weights and scrap value complicate consumer behavior choices. Aluminum's material characteristics of high strength to weight and corrosion resistance allow for uses that weigh less than other materials performing the same job. Measuring recycling by comingled weight undercuts the full benefit of aluminum recycling to the environment and its subsidizing role in most curbside programs.

The aluminum industry is committed to increasing recycling because an increased recycling rate is good for business and good for the environment. Recycling is key to the sustainability of the aluminum industry in an economic and environmental context. Recycling efficiencies should also be a key consideration in our country's energy strategy. For these reasons, the aluminum industry is ready to work with EPA to improve our understanding of the waste and recycling streams.

A more robust understanding of the quantity of materials in the solid waste stream provides industry and policymakers with the most appropriate data to develop solutions to increasing the U.S. recycling rate.

There are many proposed solutions to increasing recycling in America but industry and policymakers need data to best understand which method is best.

I look forward to answering your questions and the Aluminum Association stands ready to assist the Committee in exploring ways to advance our country's recycling goals.