

10

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Thank you for allowing me to present testimony today in support of the implementation of extended producer responsibility (EPR) policy for discarded carpets. I am a senior consultant for Resource Recycling Systems, and am here on behalf of a consortium of companies who believe recycling carpet is the right thing for New York's environment and economy. These include collectors, processors and reclaimers, and high value end markets. Some of these recycling companies wish to expand their businesses into New York State, but cannot do so without supportive policy. We are very pleased to see that the Governor's Executive Budget includes bill language to create an EPR program for carpets.

According to the DEC's *Beyond Waste* plan, more than 250,000 tons of disposed carpet is generated in New York annually and less than 1 percent of that is recycled.¹ Sending all that carpet to landfill or waste-to-energy facilities not only wastes money paying for disposal, but also squanders valuable materials. Carpet recycling, on the other hand, offers a significant opportunity to reduce greenhouse gas emissions and keep materials in circulation to support manufacturing and improve sustainability. The economics of carpet recycling, however, are not self-sustaining. In order to work, carpet recycling needs the financing that EPR policy provides.

Through EPR programs, carpet producers are required to cover the costs of collection and processing to ensure that their materials get recycled. Following the "polluter pays principle," these policies task the companies that have the most control over the design and recyclability of the products with paying for the costs of recovery. These costs are typically passed onto consumers, so ultimately the purchaser pays for the recovery system.

Despite the great potential environmental and economic benefits that carpet recycling offers, our national recycling rate for carpet hovers around 5 percent,² and the rate in New York is an abysmal less than 1 percent.³ The only state with a meaningful recycling rate is California, where carpet EPR policy is already in place. While the carpet recycling rate nationally has been in decline for years, the California carpet recycling rate is steadily moving upward. California has exceeded 20% – it may even be above 24% at the end of 2019—and is still increasing. Furthermore, demand for the recycled materials being generated by California's carpet recyclers exceeds the supply.

With EPR for carpets, Resource Recycling Systems estimates that within 4 years, New York could achieve a 25 percent recycling rate, and in the process reduce greenhouse gas emissions by more than 33,000 metric tons of carbon equivalent (MTCE), create more than 1,000 jobs (directly and indirectly), and save more than \$4 million per year in waste disposal costs. Over time, the rate of recycling and its ancillary benefits are expected to further

¹ https://www.dec.ny.gov/docs/materials_minerals_pdf/frptbeyondwaste.pdf

² CARE 2017 annual report: <https://carpetrecovery.org/wp-content/uploads/2018/05/CARE-Annual-Report-2017-FINAL.pdf>

³ NY *Beyond Waste* plan

increase as recycling grows to feed the growing markets that use carpet waste as raw material. RRS represents companies that are willing to build plants in New York State and have markets for more than 90% of the carpets that enter the waste stream.

Why can't we recycle carpet without EPR policy? While there is existing demand for recycling more than 90 percent of the carpet materials on the market today, the market price paid for those materials is not enough to cover the costs of collection, transportation, and processing. The materials recycled from discarded carpets have to compete against virgin plastics and other commodities with prices that are impossible to match, given the cost and complexity of recycling carpet waste. The incentive provided by the EPR program facilitates a level playing field by offsetting those higher processing costs and letting recycled carpet materials compete for markets. Carpet recyclers would love to have a market-based solution, but that solution is not possible unless the market value of the recycled carpet materials exceeds the cost of collection and processing. There is no evidence that will happen.

There are several carpet recycling companies that are ready to come to New York, build facilities here, create jobs here, and help the state meet its GHG and waste reduction goals. We hope you take this opportunity to create the policy environment that will allow them to do that. This is a true win-win situation.

Thank you for your consideration. Please contact me at (518) 610-8095, or resa@recycle.com if you have further questions or would like follow-up information.