

**STATEMENT OF
GARY CHAMPLIN
GENERAL MANAGER, CHAMPLIN TIRE RECYCLING, INC &
NATIONAL SECRETARY/TREASURER
INSTITUTE OF SCRAP RECYCLING INDUSTRIES
WASHINGTON, D.C.**

**BEFORE THE
KANSAS HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT
TOPEKA, KANSAS**

Mr. Chairman and Members of the Committee, I am Gary Champlin, General Manager of Champlin Tire Recycling, Inc. headquartered in Concordia, Kansas and also the Secretary/Treasurer of the Institute of Scrap Recycling Industries, Inc. I respectfully submit this testimony on behalf of the Tire and Rubber Division of the Institute of Scrap Recycling Industries (ISRI). ISRI is the trade association based in Washington, D.C. that represents more than 1,600 private, for-profit companies that process, broker and industrially consume scrap commodities including metals, paper, plastics, glass, textiles, rubber and electronics. The recycling industry in Kansas supports more than 1,200 well-paying jobs with wages totaling nearly \$79 million and generates more than \$20.7 million in state and local taxes for the state of Kansas.

I am submitting this statement with regard to HB 2517, a bill on the vehicle tire tax and to abolish the solid waste grants advisory committee. ISRI and its tire division is concerned that HB 2517 will harm the state's ability to remove and recycle abandoned tires, enforce tire dumping laws, educate the public about the benefits of proper recycling, and encourage the growth of markets for recycled tire-derived rubber products.

In 2014 alone, approximately 103 million scrap tires were recycled in the United States and used to manufacture new products such as rubberized asphalt, agricultural products, and landfill liners, among many other products. The use of tire-derived recycled rubber in molded products, for example, has between a four and twenty times lower carbon footprint than the use of virgin plastic resins. Furthermore, recycling versus disposal of scrap tires frees up valuable space in landfills and is proven to reduce the problem of abandoned tire piles.

Kansas already has the lowest excise tax in the nation for the purchase of new tires. This nominal fee funds necessary enforcement and valuable educational efforts to encourage tire recycling. A mere 25 cents per tire supports a majority of the Waste Tire Management Fund, the Orphan Tire Clean-Up Program, enforcement actions against illegal dumping, and education.

HB 2517 will have a considerable adverse impact on recycling and discourage the growth of local industries. Experience has shown that citizens respond to educational efforts encouraging recycling, such as those sponsored by the Solid Waste Grant Advisory Board. That, in turn, increases the state's recycling rates. Eliminating this Board and the funding for grants that

encourage the purchase of recycled tire-derived products by K-12 schools and local governments in Kansas will reverse the tremendous strides the state has made in eliminating illegal abandoned tire piles while supporting local businesses that manufacture products using recycled tire-derived materials.

Instead of reducing the nominal excise tax currently in place and defunding the Advisory Board, ISRI respectfully suggests eliminating procurement grant programs that potentially create unfair competitive advantages for some companies over others, and expanding eligibility for the existing grants awarded by the Advisory Board. Time and time again, we have seen that the best way to increase recycling is to develop markets first and the recycling community will find avenues to supply those markets without having to dig into public offers and utilize tax money.

For instance, ISRI would support efforts to:

- Eliminate the current grant under K.S.A. 2015 Supp. 65-3424g(c)(5) which interferes with the marketplace for recycled-tire derived products by funding up to fifty percent of the start-up costs for waste-to-energy tire combustion programs.
- Expand eligibility for grants under K.S.A. 2015 Supp. 65-3424g(c)(6) that encourage purchases of recycled tire-derived products so that state agencies, such as the Department of Wildlife and Parks or the Department of Transportation are eligible for these grants.
- Reduce by half the grant allocations for recycled tire-derived products to 25 percent of the purchase cost, thus allowing more applicants to receive grants.

ISRI encourages this body to carefully consider the potential consequences of the provisions in HB2517 and to look at possible alternatives that will enable Kansas to continue its progress in encouraging the recycling of scrap tires and development of new markets for recycled tire-derived products manufactured in the state of Kansas and elsewhere.

Thank you again for this opportunity to present testimony before this distinguished committee. ISRI looks forward to working with you on this issue.

Gary Champlin
General Manager, Champlin Tire Recycling, Inc.
Secretary/Treasurer
Institute of Scrap Recycling Industries, Inc.

The U.S. scrap recycling industry is a major economic engine powerful enough to create 471,587 jobs and generate \$11.2 billion in tax revenues for governments across the country, all while making the old new again and helping to protect the earth's air, water, and land for future generations. The total economic activity generated by scrap recycling in the United States is \$105.8 billion, making the industry similar in size to the nation's data processing and hosting industry, the dental industry, and the automotive repair industry. See www.ISRI.org/jobstudy for more information.