

**Statement of  
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On  
A-2212(McKeon/Vainieri Huttel/Timberlake)  
and its companion  
Senate Bill S-232 (Singleton/Weinberg)  
  
Before the New Jersey Assembly  
Environment and Solid Waste Committee  
July 20, 2020**

Dear Chair Pinkin, Vice-Chair Kennedy, and Members of the Environment and Solid Waste Committee,

Thank you for the opportunity to submit this statement on behalf of the Institute of Scrap Recycling Industries, Inc. (ISRI) New Jersey Chapter and its member companies. ISRI is the trade association that represents approximately 1,300 companies that process, broker, and industrially consume recyclable commodities including metals, paper, plastics, glass, textiles, rubber, and electronics.

I am a graduate of Rutgers University with a degree in economics. I currently serve as President of the New Jersey Chapter of ISRI, and I am employed in purchasing and sales at State Metal Industries, Inc., based out of Camden, New Jersey, with more than 100 employees. In total, the recycling industry in New Jersey directly employs approximately 6,000 residents with wages in excess of \$475 million per year. As an essential and green sector of the manufacturing supply chain, the recycling industry has a total economic impact in New Jersey of \$3.89 billion per year.

My employer, State Metal Industries, is an aluminum smelter that manufactures high quality, specification-grade ingot generated from scrap recycling facilities and manufacturers. The company started from humble roots in the back of a pickup truck in 1948 and is now a third-generation, family-owned New Jersey business. State Metal Industries is truly an example of how recycling is the first link in the manufacturing supply chain. We take recyclable aluminum and manufacture that into a specific chemistry-bound raw product that goes into consumer goods such as automobiles, robotics, and even BBQ grills. I wear many hats when it comes to growing and maintaining our business. My current job with the company is in purchasing and sales, but I help make sure we are compliant with the safety and health of our employees and local community, one of our company's highest priorities.

As someone who wants a better future for myself and for my children, I wanted to get involved and help grow the recycling industry. I am well aware of the environmental issues my generation has to face, and I look forward to helping to solve these issues. For this reason, I volunteered to become a board member of ISRI, specifically getting involved in its New Jersey Chapter. Over the years, I worked my way up to becoming one of the youngest chapter presidents of our association. This has allowed me to represent our state's recycling companies of all sizes while lending my generation's voice to promoting the amazing economic and environmental benefits of

recycling everything from metals to paper and plastic, tires and electronics. The recycling industry not only helps the environment by reusing valuable commodities and saving the earth from energy-intensive raw material production, but we also create economic opportunities through well-paying job creation that benefits all of our communities as well as future generations.

## **Statement Summary**

This testimony is in response to A-2212 and its Senate companion S-232, requiring the New Jersey Department of Environmental Protection (“NJDEP”) to evaluate environmental and public health stressors of certain facilities on overburdened communities. ISRI supports the concept of responsible environmental justice legislation, as well as its intended goal of tackling the complex issue of assuring a healthy environment in all communities, including those populated by minority and lower-income groups. However, we have two concerns with this legislation as written that we believe – if not addressed – will undermine its effectiveness if passed:

1. As currently written, both bills are overly broad and would likely have an unintended consequence of making the target communities less attractive for future economic growth.
2. For reasons not provided, the legislation specifically calls out recycling and scrap metal facilities while not citing other common industrial and commercial operations. Most importantly, by targeting recycling while at the same time promoting the growth of recycling through simultaneous efforts in the New Jersey legislature, such as with S-2515, the legislature is creating an impossible situation for the recycling industry in the state.

ISRI applauds the sponsors of this legislation for their vision of an inclusive and clean environment, and we are eager to work with this distinguished body to achieve the goal of protecting the environmental integrity of our communities.

As the Assembly and Senate bills differ, and the Senate version is the most recent one, our comments will pertain to S-232. ISRI is opposed to S-232 in its current form, and we ask you to **please consider incorporating the amendments proposed by the New Jersey Business and Industry Association.**

ISRI is concerned that without amendments, S-232 will harm New Jersey and its recycling goals by imposing onerous restrictions and costs on recycling facilities that need to renew their NJDEP permits or are looking to invest in new, environmentally-friendly equipment, expand operations or even develop new facilities that incorporate state-of-the-art technology, including for pollution abatement. ISRI believes that S-232 will discourage such innovation in New Jersey in part because the bill:

- Disproportionately impacts New Jersey-based recyclers that are creating the jobs required to support innovation and fulfil demand for recycled materials, thus serving as a disincentive to job growth in the communities where it is needed most;
- Stifles investment in new recycling equipment and processes through an expensive impact statement and review process that would likely automatically deny any permit that is perceived to “cause or contribute to” stressors, regardless of whether the project would, in fact, result in a net environmental or public health benefit, such as the environmental benefits associated with recycling; and

- Allows NJDEP to use regulatory permitting programs to put existing facilities out of business, even where the facilities meet all relevant regulatory requirements that have been established to protect human health and the environment.

ISRI is very concerned that S-232 has been hastily rushed through the legislative process. Although the impetus is well-intentioned, without full review of the economic implications that this unfettered NJDEP regulatory discretion can have on innovation, ISRI is worried that New Jersey will fall significantly behind other states that are attracting investment in their recycling industries in order to fulfill growing market demand for recycled commodities.

### **S-232 will harm innovation for recycled content markets**

As New Jersey residents face increased recycling costs due to lopsided market conditions, ISRI urges the distinguished members of this committee to consider the unintended economic consequences that S-232 may have on the innovation and expansion of operations necessary for manufacturing recyclable commodities as raw material for new products. In addition to the economic downturn caused by the pandemic, the recycling industry is facing challenges with a changing global market and depressed pricing for recycled commodities, making this a difficult time for the recycling industry to face the potential for more operational hurdles. But our industry has always been resilient, even in hard times, which is evident by our very long history of working in and supporting our communities. As I mentioned, my company State Metal Industries started in the back of a pick-up truck in 1948 and we are still running strong in New Jersey. To us, challenges present opportunities to reimagine how we can process, manufacture, and manage recyclable commodities.

The U.S. recycling industry annually processes more than 72 million metric tons of iron and steel; 47 million metric tons of paper, 3.5 million tons of plastics, and 116 million tires, along with many more millions of tons of other commodities. These recycled commodities are valued by manufacturers as raw materials because they can provide cost, energy, and environmental savings when they are used instead of virgin materials. However, S-232 threatens to deprive New Jersey of these benefits if the industry is burdened with expensive impact statements and regulatory overreach.

It would also threaten the ability for recyclers and product manufacturers to meet the expectations of SB-2515, a proposal to mandate minimum recycled content requirements for manufacturers of rigid plastic containers, glass and plastic beverage containers, paper and plastic bags, and plastic trash bags. By limiting the ability of New Jersey's recyclers to expand operations and fulfill the demand required by such mandates, S-232 would instead incentivize market development outside of New Jersey.

### **S-232 will discourage environment and community investments**

New Jersey currently has some of the strongest environmental protections governing the operation of businesses. Nonetheless, the requirements proposed in S-232 would not set new protections; the bill would simply prevent businesses from operating. The recycling industry, by its very nature, offers many positive environmental impacts, such as processing materials that could otherwise end up in landfills, thus saving that land for more productive uses; removing old tires from being directed to potentially illegal dump sites that would breed disease-bearing mosquitoes, and turning those tires into material for playground surfaces; and taking our

old clunkers off the roads and transforming more than 90% of an automobile into new raw materials for manufacturers. Unfortunately, as passed in the Senate, S-232 would automatically deny permits even if a new or expanded facility would result in one of these positive environmental impacts since the NJDEP would be forced to deny any application that would “cause or contribute to” stressors.

ISRI does not believe that the sponsors of S-232 intend to stifle investment into new and improved recycling technologies. However, requiring expensive environmental justice impact statements for any new or expanded facilities should at least be restricted to a defined area or community or for a defined purpose. This kind of regulatory mandate for basic renewals of existing major source permits will directly lead to a reduction in investments in New Jersey. It will not help us to uplift our communities nor improve our environment.

### **S-232 does not provide clarity on standards or definitions**

ISRI would like to work with legislators to maintain and develop environmental standards for the recycling industry, but S-232 does not develop standards; it outlines a framework of requirements for public hearings and leaves the development of standards to be completed by the NJDEP through rules and regulations. ISRI has reservations about the unfettered discretion being given NJDEP to deny permits or impose a range of conditions based on a vague and arbitrary standard and not tied to any scientific basis or objective standards.

The ISRI New Jersey Chapter welcomes the opportunity to join the sponsors and other policymakers and stakeholders in finding a solution that protects the health and environment of New Jersey communities. We support the amendments sought by the New Jersey Business & Industry Association (NJBIA) and align our comments with the Association of New Jersey Recyclers (ANJR), the Chamber of Commerce of Southern New Jersey and other stakeholders on the following suggestions:

- Section 4.c. references determinations by the DEP “pursuant to rule, regulation, or guidance,” setting an even more nebulous bar for how permits will be assessed. ***S-232 should be amended to specify types of emission or discharge levels or other science-based factors to be considered by DEP, consistent with the applicable permitting programs, in making the determination whether to issue permits or specify conditions.***
- The definitions of the scope of businesses required to comply with the bill are overly broad. ***S-232 should be amended to provide definitions of “new facility” and “expansion” which specify that these provisions are intended to apply to facilities that are increasing the quantity or concentration of their discharges or emissions beyond what has been previously discharged or emitted (whether previously permitted or not), and to delete the “renewal of an existing facility’s major source permit” language added in the Senate.***
- The definitions of the permit review factors are overly broad and not science-based. ***S-232 should be amended to specify types of emission or discharge levels or other science-based factors to be considered by NJDEP, consistent with the applicable permitting programs, in making the determination whether to issue permits or specify conditions.***

- S-232 uses an extremely broad definition of “overburdened community” and would impact any permit applications for a new facility, the expansion of an existing facility, or renewal of an existing facility’s major source permit within such communities. This scope, coupled with the lack of clarity on how permits will be assessed, would seem to impact facilities already in operation as well as those seeking to install new equipment and processes to expand on their abilities to process recyclable material into specification-grade commodities, and act as a barrier to any new facilities seeking to begin operations in New Jersey. ***S-232 should be amended so as not to apply to public projects and critical infrastructure, projects deemed to provide significant public benefits, projects that would reduce air and other sources of pollution and projects that would result in a net positive environmental and/or public health benefit.***

In addition to the lack of scientific standards, S-232 lacks objective standards for which recyclers can assess the community stress for which the legislation is meant to relieve.

- ISRI questions how recyclers can comply with the requirements in S-232 that facilities assess “the environmental or public health stressors already borne by the overburdened community as a result of existing conditions located in or affecting the overburdened community,” with no guidance on the scope or collection of the information being sought. ***S-232 should be amended to require NJDEP to provide the applicant with the publicly-available information regarding existing environmental and public health stressors on the affected community that should be included in the environmental justice impact statement.***

## Conclusion

ISRI commends the incredible strides being made to specifically focus on the residents of overburdened communities and applauds lawmakers for their vision to guide state agencies and the NJDEP to incorporate environmental justice across state programs. ISRI fully supports an enhanced collaborative focus in New Jersey on assessing the health and environmental impacts on these communities. However, we believe that S-232, although well-intentioned, could instead threaten economic opportunity in these communities by creating regulatory barriers for recyclers – a major jobs creator in these very communities.

Through investment, innovation and fulfilling expanded market demand that often leads to operational expansion, recyclers offer these communities net positive environmental and economic benefits through job creation and saving the land for uses other than discarding unwanted but valuable goods and materials. We urge this distinguished body to adopt the amendments to S-232 sought by the New Jersey Business & Industry Association (NJBIA), the Association of New Jersey Recyclers (ANJR) and other stakeholders that seek ***to move the bill back towards its original intent: to provide the NJDEP with the statutory authority to deny or impose requirements if a new or expanded facility would increase environmental or public health risks for its community.***

We also encourage the sponsors to respectfully reconsider bringing recyclers – who want nothing more than to lift up the communities in which they are located and make up their well-paid labor force – and other stakeholders to the table to help find a fair and workable solution to the complex and critical issues that are the focus of this legislation.



ISRI is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education.



Thank you for your consideration,

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