

**Written Statement of the
Institute of Scrap Recycling Industries, Plastics Division (“ISRI”)
on the Proposed Senate Committee Substitute for Senate No. 2515
before the New Jersey Senate Environment and Energy Committee
December 10, 2020**

Thank you for the opportunity to submit this statement on behalf of the Institute of Scrap Recycling Industries, Inc., Plastics Division (“ISRI”) 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. In New Jersey, the recycling industry directly supports approximately 17,500 jobs, with wages in excess of \$1.3 billion 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.

The ISRI Plastics Division is a forum where plastics processors and consumers can exchange pertinent information, discuss and respond to emerging issues, and stay abreast of domestic and global economic developments and markets. The Division consists of more than 30 member companies from around the nation who have specific technical expertise and understanding of plastics recycling. The Division also has the vital task of accurately identifying what plastic scrap commodities are being traded in the marketplace, and keeping current the globally-recognized plastics specifications used to buy and sell recycled plastics as raw materials for manufacturing on the global commodities markets. For example, recent updates and additions to the ISRI plastic scrap specifications have covered bulky ridges, tubs and lids with and without bulky ridges, mixed color HDPE buckets, mixed color HMW HDPE drums, and mixed sorted and unsorted bottles and containers.

Technologies to cost-effectively sort and recycle plastics have only been developed over the past 25 years, and those technologies continue to evolve. Most recently, chemical recycling technologies that break down plastics to their molecular-level building blocks such as monomers, polymers, and hydrocarbons have begun to show potential for hard-to-recycle plastics. Even so, many challenges remain, including products that were not designed for recycling, such as those made from multiple polymers or incompatible manufacturing methods. These challenges are not insurmountable, and plastic recyclers are providing leadership to overcome them.

For these reasons, ISRI is pleased to support S2515, and assist New Jersey in leading the nation in the race to incorporate recycled content in plastic packaging, especially plastic postconsumer recycled (PCR) content, by increasing demand for PCR through the development of strong domestic end markets for recycled materials.

Statement Summary

This testimony is in response to the proposed Senate Committee Substitute for S2515 (“proposed Substitute”), establishing recycled content requirements for plastic containers, glass containers, paper carryout bags, plastic carryout bags, and plastic trash bags, and prohibiting the sale of polystyrene loose fill packaging. ISRI supports legislation that expands the use of recycled plastics, and fully supports the intent behind S2515. It is imperative that all plastics be handled responsibly at end of life, and using recycled plastic as a feedstock to manufacture new products is an environmentally responsible activity that also strengthens the economy by creating jobs and investment opportunities.

ISRI commends the sponsor for changes in the proposed Substitute that reflect concerns over the exemption for manufacturers that produce, package, and sell a product directly to a consumer at retail; the removal of the alternative method of compliance for rigid plastic containers based on their rate of recycling within New Jersey; the addition of phased postconsumer recycled content requirements for rigid plastic containers; and the adjustment of postconsumer recycled content requirements to apply to all plastic carryout bags. All of these changes reflect a strong commitment to not only increase the use of recycled content in packaging materials, but to develop a sustainable program with quantifiable metrics and realistic goals.

The modifications in the proposed Substitute reflect an awareness and insight into recycling markets and technological manufacturing practices that go into the economics and engineering that make it possible for recycled content to be used in place of virgin materials. Recycling operations that invest in new technologies and employ the skilled engineers and workers who understand the markets and recycling processes are eager to help this body lead New Jersey and the nation in this effort. As such, ISRI suggests there are some aspects of the proposed Substitute for S2515 that was circulated prior to this hearing which could be further strengthened to ensure that the legislation's intent is fully realized.

- **Rigid Plastic Containers:** Given the very limited availability of food-grade recycled content for certain resin classes, an exemption for food-containing rigid plastic containers should be added to the postconsumer recycled content requirements in Section 3 to ensure the proposed content requirements are feasible for manufacturers to achieve.
- **Plastic Trash Bags:** Given the ease of achieving the 10% postconsumer recycled content requirement in plastic trash bags of .7 mils or greater, the provisions of Section 2 allowing manufacturers to average the postconsumer recycled plastic content contained in their products across an entire product line should not apply to trash bags. The current 10% requirement for postconsumer recycled plastic content in Section 8 can also be strengthened with the addition of phased increases similar to those proposed for other plastic products.
- **Third Party Certification:** To ensure that plastic recycled content is being properly sourced and utilized to meet manufacturer requirements, a requirement for third party certification for plastic PCR by an independent entity should be added.
- **Paper Carryout Bags:** While specific targets for postconsumer recycled content in plastics and glass are important and valuable tools to drive market development and adoption of recycled content in the manufacturing process, ISRI suggests this minimum requirement be removed for paper carryout bags as it does not serve a purpose and could potentially become an unintentional limit on use. Strong and growing markets already exist for paper carryout bags and postconsumer recycled content is already being readily incorporated at averages exceeding those proposed in the legislation.

ISRI is confident that the proposed Substitute will help spur the demand for recycled plastics and glass, increase jobs, wages and overall environmental and economic impact in New Jersey. We also believe it will enhance the commitment by stakeholders throughout the supply chain to ensure plastics and glass are responsibly manufactured, collected, and recycled into new products with achievable minimum recycled content requirements.

Rigid Plastic Containers

Specific Change Recommended: Provide an exemption for food containers from the postconsumer recycled plastic resin requirements for rigid plastic containers (Section 3). Current FDA rules and market conditions would require nearly every single food-containing package to get a waiver, resulting in burdensome and time-consuming administrative hurdles that divert attention and efforts from achieving the readily attainable 25% content goals for non-food packaging.

Reasons:

- Food-grade postconsumer recycled plastic content is currently not sufficiently available for all plastic resin types to ensure that manufacturers will be able to achieve the initial 25% content rate effective two years after the legislation is enacted, let alone the phased increase amounts raising to 50%.
 - While the goal of S2515 is to encourage the adoption of and stimulate markets for postconsumer recycled plastic content, unachievable mandates could distract from this goal and create compliance issues.
 - Focus should be on products where content requirements are realistic and where recyclers must currently compete with virgin pricing, otherwise it will hinder the strength of the bill.
- There are enough non-food grade rigid plastic container applications that do not yet meet the 25% threshold to focus on for purposes of stimulating postconsumer resin markets and achieving the goal of this legislation that we should avoid diverting attention on to non-achievable goals in the short-term.
- Section 23 requires the Advisory Council on Solid Waste Management to prepare and submit a report to the Governor, Legislature, and members of this committee and the Assembly Environment and Solid Waste Committee within 5 years of the effective date, to include recommendations on legislative or administrative actions. During this review, recycling technologies and infrastructure needed to achieve food-grade rigid plastic container content requirements can be reassessed.

Plastic Trash Bags

Specific Change Recommended: There should be a minimum 10% PCR for all plastic trash bags, with no exceptions (Section 2); and a phased percentage increase over time as with plastic beverage containers and rigid plastic containers.

Reasons:

- The plastics recycling industry can account for this low rate of content easily and suggests that a much higher rate of recycled content in this final product is obtainable immediately.
- Measuring recycled content in plastic trash bags does not need the average across product line contained in Section 2 that might be necessary for other product types.
- Durability concerns are already addressed by the 0.70 mils thickness threshold included in the definition of "plastic trash bag" in Section 1. Different grades of postconsumer plastic resin are available for applications that require higher durability.
- This percentage of PCR requirement should increase over time as with plastic beverage containers and rigid plastic containers. The [Recycle More Bags Coalition](#), of which ISRI is a member, recommends the following schedule as an attainable goal for trash bags:
 - 10% PCR in trash bags by 2020,
 - 15% by 2022, and
 - 20% by 2024.

Third Party Certification

Specific Change Recommended: The legislation should incorporate a requirement that there be a third party certification for PCR plastic recycled content which complies with industry specific guidelines, such as the Association of Plastic Recyclers Post-Consumer Resin Certification Guidelines.

Paper Carryout Bags

Specific Change Recommended: The specific target for postconsumer recycled content in paper bags should be removed because it is not useful for paper bags.

Reasons:

- Kraft brown paper carryout bags already contain an estimated average of approximately 60% postconsumer recycled content, so the target in Section 6 of 40% postconsumer recycled content, or 20% for a paper carryout bag that holds 8 pounds or less, is unneeded.
- This will create administrative burdens for paper bag manufacturers and the New Jersey DEP in complying with and enforcing the registration and reporting requirements in a system that is already effectively managing end-of-life paper products.
- Recycled fiber markets are already strong and experiencing constant growth, and do not require a postconsumer recycled content mandate to ensure their continued development.

Conclusion

ISRI commends Chairman Smith and the Senate Environment and Energy Committee for taking a bold stance on the necessity to increase the use of recycled plastics and glass over virgin materials, and hopes that the passage of S2515 will help lead to a more sustainable, environmentally responsible future. ISRI believes that if the Committee addresses these few areas of potential improvement, S2515 will serve as a model for other states considering alternative methods to incentivize the growth of markets for recycled materials and address problems ranging from pollution and climate change to municipal budget constraints.

Presenting in person on behalf of the ISRI Plastics Division at the virtual hearing on December 10, 2020:

Sunil Bagaria
GDB International Inc.
1, Home News Row
New Brunswick, NJ 08901
(908) 295-3915
sunil@gdbinternational.com

Eadaoin Quinn
EFS-plastics Inc.
5788 Line 84, Listowel, ON N4W 3G9
504 White Birch Road, Hazleton, PA 18202
519.418.3377 ext. 4107
eadaoin.quinn@efs-plastics.ca