



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



**Statement of  
Sunil Bagaria  
President, GDB International, Inc., New Brunswick, NJ  
Chairman, Plastics Division of the Institute of Scrap Recycling Industries  
On Senate No. 2515**

**Before the New Jersey Senate Environment and Energy Committee  
September 17, 2020**

Dear Chairman Smith and members of the Environment and Energy Committee,

Thank you for the opportunity to submit this statement on behalf of the Institute of Scrap Recycling Industries, Inc. (ISRI) Plastics Division 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 \$3.9 billion per year.

I am the President of GDB International, Inc., established in 1993 as a provider of Recycling and Sustainability solutions and to help companies achieve a “Zero Waste Goal.” In doing so, GDB generates and markets recyclable products including plastics, paints, metals, and paper to various countries around the world. I also currently serve as Chairman of the ISRI Plastics Division.

GDB has a large customer base in over 65 countries and has become one of the leading proponents of conservation of natural resources by encouraging companies to recycle their waste and scrap. Realizing that plastic scrap is indeed a valuable raw material, GDB created a recycling infrastructure to recycle and produce PCR pellets right here in USA and thereby bringing circularity into the plastics value chain.

Behind the success of GDB’s exponential growth and success is a highly motivated group of qualified team members. GDB and its affiliate companies employ over 150 full time associates who are well versed in their respective fields of expertise. Our company is also supported by over 180 employees at its various warehouse locations in five states.

This infrastructure helps the company to provide recycling and sustainability solutions to its long list of suppliers. GDB has always believed in creating value for its suppliers where none existed. The company strongly believes in the mantra; “anything that has been done can be done better.” This is only possible by continuously investing in its people, its infrastructure, and by upgrading its resources.

GDB believes that it is the duty of the management to motivate and encourage the young and aspiring professionals so that they can achieve their personal goals along with the organization’s goals in a seamless manner. Our success is attributed in large part to our employees, who have made the company their second home. GDB operates on the principle that a company should not only look at the financial bottom line, but social and environmental bottom lines as well.



## Statement Summary

This testimony is in response to S2515, establishing recycled content requirements for plastic containers, glass containers, paper carryout bags, reusable 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.

However, there are some aspects of the proposed legislation, and the draft amendments that were circulated prior to this hearing, that present some concern for which I ask the sponsor and this committee to consider in order to ensure that the legislation's intent is fully realized.

- **Manufacturer Exemption:** In the draft amendments, an exemption is added to the definition of "manufacturer" for an establishment that produces, packages, and sells a product directly to a consumer at retail. I am concerned that, as written, this exemption may be overly broad and apply to store branded and/or private label products.
- **Reusable Plastic Film Carryout Bags:** Unlike other products, there is no set definition for a reusable plastic film carryout bag, and no threshold set for the thickness of a bag subject to the requirements.
- **Rigid Plastic Containers:** Since rigid plastic containers are utilized in many different ways, including non-food applications, they could easily have the same recycled content requirements as beverage containers. As such, the recycled content rate should be based on application and type of plastic in order to increase the use of specific recycled resin and applications when possible, instead of a one-size-fits-all approach.
- **Plastic Trash Bags:** The current 10 percent recycled content requirement could be raised because the product can easily incorporate more recycled content while maintaining the structural integrity of the product.
- **Manufacturer Waivers:** In Section 8.a., the draft amendment refers to "other anomalous market conditions." The plastics resin markets can be impacted by numerous factors. I would like to ask for greater clarity on what conditions this is intended to cover.

If the points outlined above are addressed, I am confident that S2515 will help spur the demand for recycled plastics, keep and increase jobs, wages and overall economic impact in New Jersey, while also increasing the commitment by stakeholders throughout the supply chain to ensure plastics are responsibly manufactured, collected, and recycled into new products.

## Manufacturer Exemption

In the draft amendments to S2515 circulated prior to this hearing, an exemption is added to the definition of "manufacturer" that reads as follows:

"Manufacturer" shall not include a supermarket, restaurant, bar, cafeteria, café, food truck, food cart, or similar establishment that produces, packages, and sells a product directly to a consumer at retail.

If the intent of this language is to exempt packaging used at deli counters and the like in order to safely provide food to a customer, then the intent itself is not problematic. However, I am concerned that this exemption could be interpreted as exempting the packaging for any store brand and/or private label goods, or shopping bags. I ask the committee to consider whether this proposed exemption could be modified to clarify what types of products are and are not exempted from the recycled content requirements of S2515.

### **Reusable Plastic Film Carryout Bags**

Unlike other products covered by S2515, there is not a set definition provided for a reusable carryout bag made of plastic film, as covered by Section 6 of the bill. Instead, S2515 separately defines "plastic film" and "reusable carryout bag." Neither term is used elsewhere in the legislation except in the context of a reusable carryout bag made of plastic film. As such, perhaps there should be a definition for a "reusable plastic film carryout bag."

Additionally, I ask the Committee to consider whether a set thickness for such a bag would assist in compliance. Currently, the definition for "plastic film" refers to "any thin, nonwoven, flexible plastic." In contrast, the definition of a plastic trash bag specifies that the bag must be at least 0.7 mils thick. If a maximum thickness in mils is set instead of merely referring to the broad term "thin," this will assist all parties in complying with the requirements and assist in distinguishing a reusable plastic film carryout bag from a non-film bag. The committee may also consider whether a minimum thickness should be required for a reusable plastic film carryout bag in order to distinguish it from a single-use bag.

### **Rigid Plastic Containers**

In order to avoid creating a complex system of reporting and aggregate recycling rate determination, I ask the Committee to consider removing the current option for manufacturers to comply with the requirements for rigid plastic containers if such products are being recycled in New Jersey at a rate of percent. Since rigid plastic containers are utilized in many different applications, the recycled content rate should be based on application and type of plastic in order to increase the use of specific recycled resin and applications when possible, instead of a one-size-fits-all approach.

Section 2.a. allows manufacturers to comply with S2515's requirements for rigid plastic containers by ensuring that each plastic container sold, offered for sale, or used in association with the sale or offer for sale of a product in New Jersey either:

- Contains at least 35 percent recycled content; or
- Is made of a plastic that is being recycled in New Jersey at a rate of 35 percent.

This rate of recycling standard creates a great deal of complexity to the requirements for rigid plastic containers compared to those for other products. This complexity will hamper compliance and likely increase costs to the state unnecessarily due to the inevitable reporting and monitoring it requires. My suggestion is that this rate of recycling standard should be removed because it is counterproductive to the goals of this legislation, and it may create a backdoor way out of using recycled content in products that could easily absorb more.

It seems odd that only rigid plastic containers have this rate of recycling standard. The legislation provides a complicated definition of what is "recycled at a rate of 35 percent" that includes a variety of reporting standards



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and baselines which have yet to be established. I suggest there is no need for this cumbersome administrative burden and reporting oversight. In reality, recycling rates of rigid plastic containers are already approaching the 35 percent goal and trends indicate they will continue to rise. I believe this provision in the legislation only serves to inadvertently limit the potential growth of this rate.

This alternative method of compliance is also inconsistent with the recycled content standards set for other products. If manufacturers of (according to the draft amendments) non-food containing rigid plastic containers are limited to 35 percent recycled content and given an option to avoid even that requirement, manufacturers of plastic beverage containers may well wonder why their products will be expected to achieve a 50 percent recycled content rate.

### **Manufacturer Waivers**

The manufacturer waivers should be clarified further. In Section 8.a. of the draft amendments, the conditions for DEP to grant a waiver includes a manufacturer certifying that "the manufacturer cannot achieve the recycled content requirements due to a lack of available recycled material or other anomalous market conditions."

I ask the Committee if additional clarity could be added to this condition, particularly, what would constitute a qualifying "anomalous market condition" aside from lack of access to content. As an example, would virgin plastics that are available at a lower price create an "anomalous market condition" deserving of a waiver? Many recycled resins do sometimes cost more than virgin plastic resins since markets fluctuate based on various factors. It is important that an "anomalous market" not be deemed a factor based solely on the price of recycled plastic resin as compared to virgin resin.

### **Conclusion**

I commend Chairman Smith and the Senate Environment and Energy Committee for taking a bold stance on the necessity to increase the use of recycled plastics, paper, and glass over virgin materials, and hope that the passage of S2515 will help lead to a more sustainable, environmentally responsible future. I believe that if the committee addresses these concerns, 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.

Thank you for your consideration,

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

