

THE RECYCLING INFRASTRUCTURE AND ACCESSIBILITY
ACT OF 2022

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Mr. CARPER, from the Committee on Environment and Public
Works, submitted the following

R E P O R T

[To accompany S. 3742]

The Committee on Environment and Public Works, to which was referred the bill (S. 3742) to establish a pilot program to improve recycling accessibility, and for other purposes, having considered the same, reports favorably thereon and recommends that the bill do pass.

GENERAL STATEMENT

Communities in the United States face several barriers to accessing recycling and composting programs, with the primary barrier being their location. Rural communities have different location-based recycling and composting program challenges than urban or suburban communities, such as limited access to curbside recycling and composting programs or convenient drop-off programs. The price of services also plays a role in precluding access to recycling and composting programs. For example, some services require that communities or households pay a fee in order to participate.

Objectives

The goal of this bill is to establish a new program to fund eligible projects that will significantly improve underserved communities' accessibility to recycling systems. That goal is reached through investments in infrastructure in underserved communities using a hub-and-spoke model for recycling infrastructure development. This model consists of centralized processing centers (hubs) that receive recyclables from surrounding rural communities (spokes). This hub-and-spoke model reduces the cost for communities to transport recyclables and ensures sufficient material is processed at one hub to make recycling financially viable.

Summary of the bill

This bill would establish a pilot program, known as the Recycling Infrastructure and Accessibility Program, at the Environmental Protection Agency. This pilot program would award grants, on a competitive basis, to eligible entities, which include: a State per 42 U.S.C. 6903; a unit of local government; an Indian Tribe; and a public-private partnership, to improve recycling accessibility in a community or communities within the same geographic area.

In selecting eligible entities to receive a grant under the pilot grant program, the bill requires the Administrator to consider:

1. Whether the community or communities in which the eligible entity is seeking to carry out a proposed project has curbside recycling.
2. Whether the proposed project of the eligible entity will improve accessibility to recycling services in a single underserved community or multiple underserved communities.
3. If the eligible entity is a public-private partnership, the financial health of the private entity seeking to enter into that public-private partnership.

Priority for these grants will be given to eligible entities seeking to carry out a proposed project in a community in which there is not more than 1 materials recovery facility within a 75-mile radius of that community.

An eligible entity awarded a grant under the pilot grant program may use the grant funds for projects to improve recycling accessibility in the communities, including in underserved communities, by:

1. Increasing the number of transfer stations.
2. Expanding curbside recycling collection programs where appropriate; and
3. Leveraging public-private partnerships to reduce the costs associated with collecting and transporting recyclable materials in underserved communities.

Finally, the legislation makes clear that grants awarded under this pilot program may not be used to fund recycling education programs.

BACKGROUND

The modern United States recycling system, which has been in place for more than 30 years, is wrought with challenges and opportunities. The concept of reduce, reuse, and recycle has allowed millions of Americans the opportunity to participate in recovering materials as a way of reducing the volumes of waste headed for disposal and protecting the environment. However, the many challenges that plague our nation's recycling system have often been unrecognized by the broader public.

In the United States, state and local law—not federal law—governs recycling programs. Towns, cities, and counties manage recycling programs, typically through partnerships with private sector entities. Recycling programs can involve curbside collection, which takes place along with weekly trash collection, as well as drop-off recycling, which takes place at one or more principal locations within a community. Local governments typically fund recycling programs through the sale of recyclable materials and user fees, also known as tipping fees. A user fee is typically paid by trash col-

lection companies or other entities for disposing of materials at a landfill. In some cases, the revenue generated by municipalities through the collection of user fees is used to offset the cost of recycling programs.

The collection of curbside recyclables from millions of individual homes across America can have an enormous economic benefit. Even with its current challenges, the United States recycling system has a significant impact on our nation's economy because it provides a consistent source of commodity feedstocks to manufacturers worldwide.

Currently, two key challenges are preventing the United States recycling system from realizing its full potential: lack of material demand and contamination of collected items destined for recycling. For decades, much of the United States recycling system sent its recyclable materials to entities which exported these materials to China. Cargo ships, which would otherwise return empty to China, offered rates that often made it less expensive to ship recyclable materials to China than to ship these materials for processing domestically. Due to several factors, in 2018 China began prohibiting imports of mixed paper, mixed plastic, and other waste. While India and several countries in Southeast Asia have taken some of this waste, these countries recently imposed their own restrictions on imported waste from the United States due to high levels of contamination.

Prior to 2018, China's willingness to import mixed paper and mixed plastic enabled local recycling programs in the United States to adopt "single stream" recycling—something only practiced in a few other places in the world. Single stream recycling allows consumers to put all recyclable materials into a single bin which, in turn, helps boost consumers' recycling participation rates.

Rules concerning which materials can and cannot be recycled in curbside recycling programs vary widely within the United States. As a result, consumers often comingle recyclable materials (e.g., aluminum cans) with materials that cannot be recycled (e.g., materials with food contamination) or cannot be recycled locally (e.g., electronics). Contamination can add substantial cost for local recycling programs because the value of recyclable materials depends upon the value of virgin materials and the purity of the recyclable materials. State and local governments generally indicate that reducing contamination rates in a cost-effective manner would allow them to find or develop new markets for their recyclable materials.

Most municipal recycling occurs at specialized locations known as materials recovery facilities (MRFs). Recyclable materials sourced from municipal curbside collection programs are transported to MRFs to be processed. These facilities have become highly sophisticated in order to be able to handle the increasing variability in materials sent to a MRF. Modern MRFs often utilize advanced technology like optical sorters and robots to reduce contamination and separate materials. As such, owning and operating a MRF has become increasingly expensive.

Due to the volatile nature of the recycling market, most MRFs need to process a large quantity of recyclable materials to stay in operation. Unfortunately, MRFs operate on thin margins and are highly sensitive to changes in demand. As a result, most MRFs are now run by private sector companies and are located in densely

populated areas. This trend has made recycling in rural communities more challenging.

Many rural communities are too geographically remote from the closest MRF to make recycling from a curbside pick-up program economical due to transportation costs. As a result, most rural communities do not have curbside recycling programs in place. Instead, rural residential recycling usually consists of smaller-scale drop-off programs. Residents of rural communities must collect their own recyclables and bring them to a specified location. This method of recycling can be inconvenient for rural residents, which is reflected in the fact that participation in rural drop-off recycling programs ranges from low to nonexistent. For example, rural states like West Virginia, Alaska, Louisiana, and Mississippi have among the lowest recycling rates in the country.

While the United States recycling market is beginning to correct itself from the shock incurred from China's 2018 decision, it is well-understood that the current system is not capable of dealing with the increasing amount of waste derived from single-use products. Manufacturers' transition to single-use products, such as cans and bottles, has helped enable much of the modern world's convenience. Single-use plastic is durable, cheap, efficient to produce, and can be used in a variety of applications. For example, single-use plastic has been used extensively during the COVID-19 pandemic in medical devices, personal protective equipment, and vaccine delivery kits. It also reduces food waste by extending the shelf life of perishables, enables the production of lower emitting automobiles, and is used in construction materials.

However, single-use products, especially single-use plastics, have placed an enormous burden on the environment and our landfills. Further investment into the United States recycling system aimed at addressing the issues of contamination and lack of demand are needed to help bridge the gap between our reliance on single-use products and our stewardship of the environment.

SECTION-BY-SECTION

S. 3742, THE RECYCLING INFRASTRUCTURE AND ACCESSIBILITY ACT

Sec. 1. Short title

This Act may be cited as the "Recycling Infrastructure and Accessibility Act of 2022".

Sec. 2. Recycling Infrastructure and Accessibility Program

Establishes a pilot program, known as the Recycling Infrastructure and Accessibility Program, at the Environmental Protection Agency. This pilot program would award grants, on a competitive basis, to eligible entities to improve recycling accessibility in a community or communities within the same geographic area. The goal of the program is to fund eligible projects that will significantly improve accessibility to recycling systems through investments in infrastructure in underserved communities through the use of a hub-and-spoke model for recycling infrastructure development.

In selecting eligible entities to receive a grant under the pilot grant program, the Administrator shall consider:

(1) Whether the community or communities in which the eligible entity is seeking to carry out a proposed project has curbside recycling;

(2) Whether the proposed project of the eligible entity will improve accessibility to recycling services in a single underserved community or multiple underserved communities; and

(3) If the eligible entity is a public-private partnership, the financial health of the private entity seeking to enter into that public-private partnership.

Priority for these grants will be given to eligible entities seeking to carry out a proposed project in a community in which there is not more than 1 materials recovery facility within a 75-mile radius of that community.

An eligible entity awarded a grant under the pilot grant program may use the grant funds for projects to improve recycling accessibility in communities, including in underserved communities, by:

(1) Increasing the number of transfer stations;

(2) Expanding curbside recycling collection programs where appropriate; and,

(3) Leveraging public-private partnerships to reduce the costs associated with collecting and transporting recyclable materials in underserved communities.

Grants awarded under this pilot program may not be used to fund recycling education programs.

LEGISLATIVE HISTORY

On March 3rd, 2022, Senator Shelley Moore Capito, Ranking Member of the U.S. Senate Environment and Public Works (EPW) Committee introduced S. 3742, The Recycling Infrastructure and Accessibility Act of 2022. Tom Carper (D-Del), Chair of the EPW Committee, and Senator Boozman (R-Ark.) joined as original co-sponsors of the legislation. The bill was referred to the Committee on Environment and Public Works.

On April 7, 2022 the Committee on Environment and Public Works conducted a Business Meeting to consider S. 3742. The Committee ordered S. 3742 to be favorably reported by a voice vote.

HEARINGS

A legislative hearing was held by the Committee on Environment and Public Works on February 2nd, 2022, entitled "*Legislative Proposals to Improve Domestic Recycling and Composting Programs.*" The purpose of this hearing was to allow committee members to consider and hear stakeholder testimony regarding two draft versions of legislation within the Committee's jurisdiction aimed at improving recycling, S. 3743, *The Recycling and Composting Accountability Act* and S. 3742, *The Recycling Infrastructure and Accessibility Act*. The hearing provided the committee with information on the barriers that rural and economically-depressed communities, including minority communities, face in accessing recycling programs, as well as the challenges to municipal governments in providing recycling services. The Committee also heard about the need to improve recycling and composting data collection by the Environmental Protection Agency, as well as the ability of the Agency to provide technical assistance on improving recycling and composting programs.

A recycling related hearing was held by the Committee on Environment and Public Works on September 22nd, 2021, entitled “*The Circular Economy as a Concept for Creating a More Sustainable Future.*” The purpose of this hearing was to examine (1) challenges facing local governments when implementing domestic recycling programs and developing associated domestic industries, as well as (2) private and public sector policies that serve to promote a circular economy concept by encouraging the recycling, reuse, and substitution of materials across a wide range of industries.

The hearing provided the Committee with an understanding as to the systemic and emerging challenges to domestic recycling and manufacturing industries and the potential of a regenerative circular economy model to reduce or eliminate waste through the continual use of resources. Challenges to domestic recycling include the rise of new waste streams, contamination of recyclables, and a lack of American processing and downstream manufacturing infrastructure that can compete internationally on cost. The hearing explored existing and proposed policies that promote circularity, including recycling, across a wide range of industries, including but not limited to: plastic, aluminum, scrap metal, and critical minerals. The Committee also explored the role the Federal government, in partnership with states, local governments, and the private sector, can play in promoting the transition to a circular economy, including promoting a resilient United States recycling system.

ROLL CALL VOTES

The Committee on Environment and Public Works met to consider S. 3742 on April 7th, 2022. The bill was ordered to be favorably reported by voice vote, with a voting quorum of the Committee present.

REGULATORY IMPACT STATEMENT

In compliance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes evaluation of the regulatory impact of the reported bill.

The bill does not create any additional regulatory burdens, nor will it cause any adverse impact on the personal privacy of individuals.

MANDATES ASSESSMENT

S. 3742 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill contains no new private-sector mandates as defined in UMRA.

COST OF LEGISLATION

Due to time constraints the Congressional Budget Office estimate was not included in the report when received by the committee, it will appear in the Congressional Record at a later time.

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill are reported. Passage of this bill will make no changes to existing law.

