Bill No.: HB-7298
AN ACT CONCERNING THE MARKET FOR RECYCLED COMMODITIES IN
THE STATE AND NORTHEAST REGION.
Vote Date: 3/25/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/11/2019
File No.: 620

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SPONSORS OF BILL:
Environment Committee

REASONS FOR BILL:
For many years China was the world’s repository for recycled products, purchasing recycled plastics and other materials regardless of the condition and contamination levels of such plastics. In 2018, China discontinued importing certain foreign recyclables with over .5% contamination. This greatly impacted many communities around the world. As a result, the sales market price for recycled products has collapsed and continues to decline. In Connecticut, municipal recycling, once a revenue generator for many towns and cities, has become a growing expense.

The bill seeks to address concerns and identify solutions to the declining market for recyclable products and its impact on municipalities by requiring the Connecticut Department of Energy (DEEP) and Environmental Protection, in consultation with the Connecticut Department of Economic and Community Development, the Connecticut Conference of Municipalities, and the Council of Small Towns, to (1) review and assess the market for recycled commodities in the state and northeast region, and (2) provide recommendations to the Environment Committee on increasing the value recycled products, decreasing costs of recycling for municipalities, and amending the state’s designated recyclable items.

Substitute Language – LCO No. 6568
The bill as originally drafted sought to (1) require final determination on certain DEEP permit applications within 90 days, (2) amend the state’s designated recyclable items, (3) reallocate department staff resources concerning solid waste management, and (4) revise certain reporting requirements of resource recovery facilities. Concern had been shared with the committee that (1) section 1 of the original draft of the bill returns the automatic approval
language that was repealed by the legislature in 2018 on a bi-partisan basis after its initial passage in 2017, (2) the bill is contrary to the state’s recycling goals, and (3) the bill relays an image that recycling is only appropriate when economically favorable regardless of environmental importance. Substitute language seeks to address concerns shared by municipalities in regards to the economic viability and difficulties of municipal recycling, while continuing to continue with the state’s environmental goals.

RESPONSE FROM ADMINISTRATION/AGENCY:

Katie S. Dykes, Commissioner, Connecticut Department of Energy and Environmental Protection (DEEP): Opposes the bill for the following reasons: (1) Section 1 returns language that was repealed on a bi-partisan basis in 2018 that limits DEEP’s ability to sufficiently review certain permit applications, (2) Sections 2 and 5 repeals any obligation to recycle and would only allow for the recycling of products that is economically favorable, regardless of environmental importance, (3) while electronic reporting is important, it should not be legislated by statute, and (4) Section 4 undermines the state’s 2016 Comprehensive materials management Strategy.

NATURE AND SOURCES OF SUPPORT:

Mark Bobman, Executive Director, Bristol Facility Policy Board: The impact of recent trade restrictions and market conditions on municipalities has impaired any ability to achieve sustainable waste management practices. Tight municipal budgets create a challenge for municipalities to adhere with curbside collection of recyclables. Certain items designated by statute to be recycled do not have viable markets.

William W. Dickinson, Jr., Mayor, Town of Wallingford: In light of the recent shortfall in disposal capacity, legislation is needed to direct the Connecticut Department of Energy and Environmental Protection to revisit state policies and priorities. Initiatives proposed in the bill will take into account a more pragmatic approach to solid waste and recyclables. Additionally, a ninety day turnaround time for permitting municipal environmental projects is vital to a towns budgeting and financial responsibilities.

Donna Hamzy Carroccia, Advocacy Manager, Connecticut Conference of Municipalities (CCM): CCM supports the intent of section 2 of the bill as it seeks to amend the definition of “designated recyclable item” to those that are “reasonably and economically recoverable.” This support stems from a concern from the 2017 Chinese Government policy limiting the kind of recyclable the country accepts. As a result, recycling markets have been on the decline leading to the shift of revenue generated from municipal recycling to an expense. CCM provides chart identifying the revenue to expense shift for the following towns and cities: Bridgeport, Stamford, Waterbury, Fairfield, Milford, Stratford, Hamden, Seymour, North Haven, Plymouth, Montville, Wilton, Naugatuck, Union, and Columbia.

Ellen Zoppo-Sassu, Mayor, City of Bristol: China’s National Sword policy has created a volatile market for curbside recyclables. It is becoming challenging for municipalities to comply with curbside recycling. Bristol is anticipating a $300,000 additional expense by July 1, 2019. To address concerns, Bristol has taken steps to revise the recycling policies and are advocating for repurposing and diversion out of the waste stream to reduce costs.
NATURE AND SOURCES OF OPPOSITION:

Lori Brown, Executive Director, Connecticut League of Conservation Voters: In 2017 a bill requiring the Connecticut Department of Energy and Environmental Protection to make final determination on certain permitting applications failed approval from the legislature, but was secretly amended onto another bill that was voted in favor of by the General Assembly. In 2018, a bill was passed to repeal DEEP’s 90 day final determination requirement. This bill seeks to reestablish a law the legislature recently repealed and negotiated on during the 2018 legislative session.

Steve Changaris, Connecticut Chapter Director, National Waste & Recycling Association (NWRA): The bill allows municipalities and regional authorities to disregard Connecticut’s list of mandated recyclables. NWRA supports the development of the domestic market for recycled materials with the use of waivers, federal tax credits, grants from the Department of Energy and Environmental Protection, and other voluntary methods. Additionally, the State of Connecticut is considered one of the ten best recyclers in the nation by Waste360.

Katherine M. Fiedler, Legal Fellow, Connecticut Fund for the Environment (CFE): This bill will encourage hasty administrative decisions made by the Department of Energy and Environmental Protection (DEEP). In 2017 the legislature passed legislation that amended statutes to require final determination of certain DEEP permits within ninety days, failure would deem the permits automatically approved. In 2018, the legislature eliminated the automatic approval provision of the law. This bill imposes an arbitrary deadline for the sole convenience of commercial applicants and will lead to the automatic rejection of certain permit applications the agency is not able to review within the ninety days. Additionally, CFE opposes section 4 of the bill. Considerations as indicated in the bull are now voluntary. Section 4 also suspends critical studies conducted by DEEP.

David Sutherland, Director of Government Relations, The Nature Conservancy: Despite having had a staff reduction by over 25%, the Connecticut Department of Energy and Environmental (DEEP) protection has made significant progress in its permitting process with approximately 80% of applications processed within 90 days. In 2017 the General Assembly enacted legislation that would automatically approve certain permit applications not processed by DEEP within 90 days. Realizing the flaws of such legislation, the General Assembly amended the legislation in 2018 and removed the automatic approval provision. This was accomplished through a large bi-partisan margin.

The Environment Committee received approximately 10 written testimonies in opposition of the bill explaining that the bill (1) seeks to reinstate a 2017 provision for automatic approval of certain applications the General Assembly deemed a failure and revoked during the 2018 legislative session by a large bi-partisan margin, and (2) contradicts the state’s recycling and environmental goals by not limiting curbside recycling in the state.

Reported by: Pamela Bianca / Ussawin R. Bumpen  Date: 4/16/2019