

Calendar No. 104

118TH CONGRESS } 1st Session }	SENATE	{ REPORT 118-41
-----------------------------------	--------	-----------------------

THE RECYCLING INFRASTRUCTURE AND ACCESSIBILITY ACT OF 2023

JUNE 22, 2023.—Ordered to be printed

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

R E P O R T

[To accompany S. 1189]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred the bill (S. 1189) to establish a pilot program to improve recycling accessibility, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

GENERAL STATEMENT

Communities in the United States face several barriers to accessing recycling and composting programs, with location being a primary barrier. 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 major 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. Accordingly, the bill supports 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 aims to ensure sufficient material is processed at each hub to make recycling financially viable.

SUMMARY OF THE BILL

This bill establishes a pilot program, known as the Recycling Infrastructure and Accessibility Program, at the Environmental Protection Agency. This pilot program will provide grants to improve recycling accessibility in a community or communities within the same geographic area. The grants are awarded, on a competitive basis, to eligible entities, which include: States; local governments; Indian Tribes; and public-private partnerships.

In selecting eligible entities to receive a grant under the pilot grant program, the bill requires the Administrator to consider: whether the community to be served has curbside recycling; whether the proposed project will improve accessibility to recycling services in an underserved community; and 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: increasing the number of transfer stations; expanding curbside recycling collection programs where appropriate; and 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. The bill authorizes \$30 million per year to be appropriated for this program for fiscal years 2023 through 2027.

BACKGROUND

The modern United States recycling system, which has been in place for more than 30 years, has many 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 broader public is often unaware of the many challenges that constrain our nation's recycling system.

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 demand for recycled material; and contamination of collected items destined for recycling. For decades, much of the United States recycling system sent its recyclable materials to entities that 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 such as optical sorters and robots to reduce contamination and separate materials. As such, owning and operating a MRF has become increasingly expensive.

Most MRFs are now run by private sector companies, operate on thin margins and are highly sensitive to changes in demand, and the recycling market is very volatile. Given their expensive equipment and thin margins, most MRFs also need to process a large quantity of recyclable materials to stay in operation. As a result,

MRFs are largely located in densely populated areas, where they have easier access to large volumes of recyclable materials. 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.

SECTION-BY-SECTION ANALYSIS

S. 1189, THE RECYCLING INFRASTRUCTURE AND ACCESSIBILITY ACT

Section 1. Short title

This Act may be cited as the “Recycling Infrastructure and Accessibility Act of 2023”.

Section 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 must consider: whether the community that would receive a proposed project has curbside recycling; whether the proposed project will improve accessibility to recycling services in one or more underserved communities; and 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: increasing the number of transfer stations; expanding curbside recycling collection programs where appropriate; and 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.

Each grant must be for an amount between \$500,000 and \$15,000,000, and the federal share of the total funding for a project must not exceed 90%, unless EPA finds that applying this requirement would cause the grant recipient significant financial hardship. At least 70% of the overall funding for grants each year must go to projects in one or more underserved communities.

The bill authorizes to be appropriated to the Administrator \$30 million per year for fiscal years 2023 through 2027 to implement the pilot program.

LEGISLATIVE HISTORY

On April 19, 2023, Senator Shelley Moore Capito, Ranking Member of the U.S. Senate Committee on Environment and Public Works introduced S. 1189, The Recycling Infrastructure and Accessibility Act of 2023. Senator Tom Carper (D-Del.), Chair of the Environment and Public Works Committee, and Senator John Boozman (R-Ark.) joined as original cosponsors of the legislation. The bill was referred to the Committee on Environment and Public Works.

On April 26, 2023 the Committee on Environment and Public Works conducted a Business Meeting to consider S. 1189. The Committee ordered S. 1189 to be favorably reported without amendment by a voice vote.

In the 117th Congress, on March 3, 2022, Ranking Member Capito introduced S. 3742, The Recycling Infrastructure and Accessibility Act of 2022. Chair Carper and Senator Boozman (R-Ark.) joined as original cosponsors 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.

On July 28, 2022, S. 3742 passed the Senate without amendment by Unanimous Consent.

HEARINGS

In the 117th Congress, the Committee on Environment and Public Works held a legislative hearing on February 2, 2022, entitled “*Legislative Proposals to Improve Domestic Recycling and Composting Programs*.” The purpose of this hearing was to allow committee members to consider stakeholder testimony regarding draft versions of two pieces 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*.

ROLL CALL VOTES

The Committee on Environment and Public Works met to consider S. 1189 on April 26, 2023. 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 has evaluated the regulatory

impact of the reported bill. This bill will not directly regulate individuals or businesses or create any additional regulatory burdens, and will not have any adverse effect on the personal privacy of individuals.

MANDATES ASSESSMENT

In compliance with the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), the Committee notes that the Congressional Budget Office found S. 1189 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

CONGRESSIONALLY DIRECTED SPENDING

In compliance with section 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee finds that no provisions contained in S. 1189 meet the definition of congressionally directed spending items under the rule.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report, if available. That statement follows:

S. 1189, Recycling Infrastructure and Accessibility Act of 2023				
As ordered reported by the Senate Committee on Environment and Public Works on April 26, 2023				
By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033	
Direct Spending (Outlays)	0	0	0	
Revenues	0	0	0	
Increase or Decrease (-) in the Deficit	0	0	0	
Spending Subject to Appropriation (Outlays)	0	102	150	
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?		No
		Mandate Effects		
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?		No
		Contains private-sector mandate?		No

S. 1189 would authorize the appropriation of \$30 million annually over the 2023–2027 period to the Environmental Protection Agency (EPA) for a grant program to expand access to residential recycling systems and to increase the number of transfer stations that aggregate recyclable materials for processing offsite.

S. 1189 would require EPA to allocate 70 percent of the authorized amounts for grants to communities without access to recycling services or that have insufficient recycling capacity. Participating grant recipients, including states, localities, tribes, and public-private partnerships, would have to contribute at least 10 percent of a project's total cost. In cases of financial hardship, the bill would authorize EPA to waive the nonfederal cost share. The bill also would require EPA to report on the program two years after the

first grant is awarded and would authorize the agency to use up to 5 percent of the appropriated funds to administer the program.

Assuming appropriation of the specified amounts and based on spending patterns for similar programs, CBO estimates that implementing the bill would cost \$102 million over the 2023–2028 period and \$48 million after 2028.

The costs of the legislation, detailed in Table 1, fall within budget function 300 (natural resources and environment).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 1189

	By fiscal year, millions of dollars—						
	2023	2024	2025	2026	2027	2028	2023– 2028
Authorization	30	30	30	30	30	0	150
Estimated Outlays	0	4	15	24	29	30	102

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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.

