



4239 London Groveport Road
Grove City, OH 43123-9518
614.871.5100
614.871.5103 (FAX)
www.swaco.org • info@swaco.org

Transforming Today
for Tomorrow:
Disposal, Diversion
and Development

Senate Finance Committee
June 9, 2015

Ty Marsh
Executive Director
SWACO

RE: Recyclables Flow Control Amendment

Mr. Chairman and Members of the Committee:

My name is Ty Marsh, and I serve as the Executive Director of the Solid Waste Authority of Central Ohio, one of 52 solid waste districts in Ohio. I am here to offer testimony in opposition to the flow control amendment advanced by the waste hauler industry. I'm also providing this testimony based on my experience in the economic development field, having served as President and CEO of the Columbus Chamber of Commerce, which at the time of my administration was the regional economic development organization for the greater Columbus area.

Simply stated, the proposed amendment will thwart economic development efforts to attract industries and jobs to Ohio that utilize conversion technology to turn recyclable materials into products of greater value by taking away the very tools that local economic development organizations need to attract and retain jobs in the growing waste and recovery industry in their respective communities.

Waste is, now more than ever, of increasing value given the advances in technology and the lower economics for converting waste into other products. Companies are being created, and existing ones expanding, in order to capture this very market, and we need to attract those companies to Ohio. Jobs Ohio and Columbus 2020 - two paramount economic development organizations - have seen an increase in inquiries from site selectors for this industry.

The waste and recovery industry is developing emerging technologies that are taking recyclable materials and converting them into other products of

higher value. These entities must be considered separately from those that sort the recyclables, such as Rumpke, and/or haulers that transport the recyclables to a sorting facility. Those are currently robust industries, and we want to continue to support their growth. Yet in doing so, the legislature shouldn't simultaneously restrict the economic opportunity to promote Ohio as a stable investment atmosphere for these recycling *conversion* companies. Unfortunately, that is indeed the resulting negative impact of this amendment.

As proposed, the amendment prevents local communities from securing the required flow of materials needed to convert the waste/recyclables into a high-value product. This industry is seeking, and requires, the stability that Ohio's current flow control provisions provide. Without the certainty that the guarantee of the "flow" provides, the company is not likely to locate to the region and our State.

Consider the following potential example relating to used and discarded plastic bottles: A company that converts plastic to oils for fuel comes to the local economic development organization and states that it will make an investment of \$10 million to locate a factory in the region that will create 15 new jobs, if the community can guarantee a specific number of pounds of plastic bottles. Hopefully, the private haulers and sorters will contractually make that guarantee and bring the materials to the new company and factory, so that the solid waste district doesn't need to be involved. However, the proposed amendment has the potential to leave this decision completely in the hands of those companies, and subject to their own business models and plans regardless of the benefit to local taxpayers. If the haulers choose to forgo this option and take the recyclables out of the state to get a better price for the plastics, then without flow control to ensure the factory's needed supply, the local community (and the state) has lost this job-creating opportunity.

The amendment also has potential negative impacts to our rural communities. Often, private companies do not extend recycling services to more rural areas of a District because it is cost-prohibitive to provide these services; money spent on gasoline for collection vehicles, paying employees to drive longer routes and spend more hours picking up materials all contribute to a lower bottom line for the private sector. To meet their citizens' needs where the private sector hasn't stepped in, two Ohio counties through their solid waste district are building a recycling center. Yet, if the amendment is enacted their financial model for the recycling center likely will not work, and thus taxpayers' financial investment is at risk.

In opposing this amendment, we are not opposing the hauling and sorting industries. We want them to continue to grow, prosper, and benefit as the providers of the supply needed by the recyclable conversion industries. Nor

do we, as a solid waste authority, have any intention of getting into the recycling or hauling business. Our mission is to safeguard our community and the environment by planning for the safe, effective, and economically feasible disposal of waste. We work with economic development organizations to maximize public/private partnerships for the conversion of waste into a higher value, which in turn creates private sector jobs. We do so on behalf of the citizens of our district and in order to make the most effective use of their tax dollars.

Citizens and taxpayers who have purchased products that become waste and/or recyclables – and who also pay for curbside recycling through their taxes and fees – should be the collective beneficiary of any enhanced economic value derived from the conversion of the product. Further, their local elected officials should have the vested ability to direct that waste and recycling to the highest economic use within the community if possible. These are the basic principles of economic development: provide the incentives and supplies in order to attract the companies to locate in your region. Thus, if a potential manufacturer states that it needs the waste and recyclables generated locally to operate the factory, then the community, as the generator of the material, should be the beneficiary of the jobs created, investments made, and resulting tax revenues.

However, with the proposed amendment, haulers can take the local community waste and recyclables wherever they chose to meet shareholders goals, in spite of the objections of local economic development organizations trying to attract waste conversion industries. The goal should be to ensure a financially healthy recycling hauling and processing industry, but not at the expense of attracting new market participants that capitalize on the waste for the greatest economic value to the taxpayers.

The amendment has far-reaching and negative ramifications for the state and local communities throughout the state. It would regrettably prohibit local communities as well as our economic groups like JobsOhio from guaranteeing the supply of materials needed to attract companies and jobs in the emerging waste and recycling conversion industry. The amendment deserves a more thorough examination of its consequences. It should not be included in the budget. I urge its defeat.

Thank you for your time and attention this afternoon.