

**Hearing Before the Energy and Commerce Committee
Subcommittee on Environment and the Economy
U.S. House of Representatives**

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Mr. Chairman and Members of the Committee,

My name is Jonathan Gold and I am the Senior Vice President of the Recovery and Recycling Division of The Newark Group. The Newark Group is one of the oldest 100% recycled paperboard companies in the United States. This year we are celebrating our 100th anniversary. In 1916 my grandfather started the North Shore Recycled Fibers paper recovery plant in Salem, Massachusetts, but I swear I haven't been with the company that long – only about 35 years - - but paper recycling **is** in my blood.

I want to thank the Committee for the opportunity to present the views of the Paper Recycling Coalition on the importance of data collection for recovered materials.

The PRC is comprised of ten companies who manufacture 100% recycled paperboard and containerboard – basically cereal, cake boxes, game boards, construction tubes, corrugated boxes and beverage containers. PRC member companies operate over 400 facilities in 42 states employing over 50,000 American workers in well-paying jobs.

Recycling reduces the need for new landfills; saves energy; creates jobs; reduces greenhouse gas emissions; conserves natural resources and supplies valuable raw materials to American industry. It is this last point that brings me here today.

Despite the well-noted growth of electronic media, the demand for recycled paper products is increasing every year. Our society continues to be paper intensive for numerous reasons including a rising demand for packaging. Recovered paper is the **only “raw” material** that can be used by the 100% recycled paper industry and by so doing we are extending the fiber supply. Our raw material comes from homes, offices and businesses all across the country. Each state is responsible under the Resource Conservation and Recovery Act (RCRA) for municipal solid waste (MSW) programs and the systems for collection vary widely from state-to-state and from municipality-to-municipality, producing vastly different results.

For more than 20 years, EPA has been generating an annual report on the Characterization of Municipal Solid Waste. It currently details how much MSW is collected and how much is diverted. However, that report has never been able to disclose how much of that diverted material is actually reaching the manufacturers who can turn it into a new product and how much all of these recycling efforts are benefiting our society.

Let me give you an example from my own personal experience: In the state of Massachusetts, which reports a 39% municipal recycling rate, the material that comes into our mill has a contamination level as high as 15 to 18% because of broken glass, plastic bottles, plastic bags, and steel cans for example, as well as other unmentionables. When you factor in wet weather this level can be as high as 22% on a day-to-day situation.

To a large extent this is caused by single-stream collection, a curbside collection process that allows for all material to be collected in one bin vs. separating paper from all other collected material. This material is still counted by the Commonwealth as “recycled”. What is too contaminated for us to recycle in our mills ends up at the landfill casting serious question on the ‘true’ recycling rate. Improved data would help us get a better handle on this problem in order to identify solutions.

We know that there is a great deal more that can be done to improve basic collection. For example every two weeks, we could fill Fenway Park in Boston to the top with paper that is not recovered for recycling. That’s raw material and jobs that we will never see due to inefficiencies in the collection system.

The paper industry has done an astonishing job of increasing the recycling rate for paper 81% over the past 20 years so that now, we are collecting 66.8% of all the paper available for recycling. However, with an ever-increasing domestic and

international demand, we need better data tools to identify the paper that we are not currently accessing in order to stimulate U.S. job growth.

The data collection bill under consideration today would focus EPA's attention on the material that is actually recovered for reuse in manufacturing. This material is the bulwark of our business and essential to maintain our position as a vital and vibrant American industry.

In the current economic climate, municipalities are struggling to maintain funding for material collection. We understand their problems and this proposal will not add to their burden. We want to be part of the solution to that problem, but we need better data in order to target our approach to increasing collection.

We support the basic principles of this bill, but remain adamantly opposed to any government mandates on the private sector because they inevitably distort market outcomes and efficiencies.

Mr. Chairman, this concludes my oral testimony. I would ask that the committee consider my written testimony on this matter on behalf of the Paper Recycling Coalition. I would be happy to answer any questions from Members of the Committee.

Johnny Gold