



June 21, 2019

Julie Morita, M.D., Commissioner of Health
Department of Public Health
333 South State Street, Room 200
Chicago, IL 60604

Re: CDPH Proposed Amendments to Large Recycling Facility Rules

Dear Commissioner Morita,

The Institute of Scrap Recycling Industries (“ISRI”) would like to submit for your review these brief comments on the Chicago Department of Public Health’s (CDPH’s) document, “Proposed Rules for Large Recycling Facilities” (the “Proposal”). With headquarters in Washington, DC and 21 chapters nationwide, including the Chicago Chapter, ISRI represents more than 1,300 private, for-profit companies at more than 4,000 facilities throughout the United States that process, broker, and consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles.

ISRI appreciates the CDPH goals in setting forth a safe and healthy environment for the city’s citizens and neighbors. To this degree, ISRI also appreciates your statement in the Preamble of the Proposal that “the recycling of materials conserves natural resources, reduces energy consumption, saves landfill space, and generally decreases pollution.” In addition to generating significant economic benefits, the scrap recycling industry is a pivotal player in environmental protection, resource conservation, and sustainable development. By transforming outdated or obsolete scrap into useful raw materials, scrap recycling reduces the need to deplete natural resources, produces significant energy savings thereby reducing greenhouse gases, and reduces the amount of material being sent to landfills. In fact, we view our work as providing sustainable benefits to Chicago, Illinois, the United States, and the world at large.

Since the dawn of civilization and the earliest attempts at manufacturing, people have recognized the intrinsic value of scrap and the benefits associated with using and reusing existing products to create new goods. As manufacturing ramped up and became more complex in response to society’s expanding needs, scrap recycling took on even greater importance, adapting not only to market drivers, but also shifting priorities in the context of our finite natural resources. The recycling industry has grown and become an innovative, competitive and capital-intensive market driver that is the first link in the manufacturing chain.

Recognized as one of the world's first green industries, the scrap recycling industry creates and supports jobs while also having a positive impact on the environment. The scrap recycling industry in the U.S. is a \$117 billion industry, directly employing more than 155,000 Americans and indirectly supporting more than 375,000 other jobs. These workers earn \$34.3 billion in wages and benefits, while the industry pays \$13.2 billion in direct federal, state, and local taxes. Across the state of Illinois, the scrap recycling industry accounts for \$752 million in federal, state, and local taxes based on the latest independent data (2017). In Chicago alone, the scrap recycling industry provides:

- Support for more than 11,000 jobs, with average wages and benefits of nearly \$70,000;
- \$774+ million in wages; and
- \$2.28+ billion in economic impact.

Scrap is a valuable commodity. It is not waste. Recyclers process scrap from a number of sources, including used and end-of-life products, off-spec and overrun materials from manufacturing processes, and recyclables from commercial and industrial operations and municipal programs. The materials are processed into specification-grade commodities that manufacturers purchase and use as ingredients for new products. ISRI estimates that approximately 900 million metric tons of scrap metal, recovered paper and fiber, plastic scrap, used electronics, and other scrap commodities were consumed last year by manufacturers around the globe. And, while market forces provide the incentives to recycle and consume scrap material, scrap recycling offers real sustainable solutions for balancing economic growth and environmental stewardship.

ISRI members are the first link in the manufacturing supply chain, supplying 40% of manufacturing's global raw material needs. The US-based scrap recycling industry is a sophisticated, capital-intensive industry. The industry annually transforms more than 130 million metric tons of obsolete materials from consumers, businesses, and manufacturers into useful raw materials, conserving impressive amounts of energy and natural resources and minimizing environmental emissions associated with production of the world's goods and services. Like other manufacturers, scrap recyclers create jobs, contribute to the tax base, and improve the balance of trade. However, unlike most manufacturers, the work of scrap recyclers also inherently benefits the environment and helps prevent what would otherwise become solid waste problems.

The Proposal mentions in its preamble a concern about potential risks within the scrap recycling industry and ISRI applauds you for seeking ways to ensure minimization of adverse offsite impacts. ISRI has long encouraged a variety of operating practices aimed at managing any potential risks inherent in the recycling process. Whereas, a vast majority of ISRI member companies are multi-generation family businesses with deep ties to the community, recyclers do not want to adversely impact neighbors and the neighborhoods around their facilities. In fact, there are several such family businesses within the Chicago city boundaries. As such, as scrap recyclers strive to meet rising consumer demands and improve their operational, quality, environmental, health and safety, and management systems, the use of third-party certifications has been on the rise. There already is a push within the market place for recyclers to become certified through programs like RIOS™ to improve health and safety, ensure environmental compliance, meet customer demands, and secure a competitive advantage.

In this context, it is important for CDPH to realize that scrap recycling facilities are unique operations that operate differently based on the degree, composition, and quantity of commodities they process. As such, a general one-size-fits-all regulatory approach as outlined in the Proposal is problematic. As the trade association representing the interests of the ISRI member community in Chicago, we feel it imperative that CDPH recognize that the Proposal will have far reaching implications and may damage some of our member companies to the point of forcing some out of business completely. While we appreciate and respect the ultimate goals of sound, safe, healthy business practices, we also seek fairness and commercially viable and workable solutions.

ISRI is compelled to express its concerns that the totality of the requirements in the Proposal will not address the Proposal's goals, but simply serve to encourage most (if not all) scrap recycling facilities to leave Chicago. This is due in part to a definition of Large Recycling Facility that effectively includes all scrap recycling facilities. Even the smallest of small professional scrap recycling operations do not operate on a plot of land less than 2.5 acres; therefore, the proposed rules will apply to small family-owned businesses within the city limits as well as a major shredding facility. The practical impact will be that the number of recycling operations available to Chicago citizens will greatly diminish or disappear.

While arguably it might potentially minimize possible adverse offsite impacts, effectively closing down all scrap recycling facilities will hinder the environmental conservation goals the Proposal applauds. Practically speaking, eliminating scrap processing facilities will not eliminate the scrap

material produced within Chicago that needs to, and should be, recycled. If that scrap material goes to disposal instead, the result may be a worse problem than the one that the Proposal purports to be solving. Furthermore, if the Chicago-generated scrap material were still to be recycled, all of that scrap material would have to be transported out of Chicago, and that too may be a worse problem than the one that the Proposal purports to be solving.

At some level, the Proposal does not account for the dynamic nature of the scrap recycling industry, which is quite different than municipal recycling. It addresses throughput, material staging and storage, processing capacity, vehicle traffic, etc. independently and not necessarily with internal consistency from an operational perspective. Unlike municipal operations, the basic goal of scrap processing is the same regardless of the commodity being processed: to transform unprocessed recyclable materials into smaller and/or denser forms of specific composition that meet a commercial-grade specification. With its rigorous processing, the finished scrap products are easier to handle and transport, and they are ready to use in the manufacturing processes. While recycling facilities vary considerably in size and layout, key variables that affect a plant's efficiency include maintaining a smooth flow of traffic and minimizing the number of times material is handled. As such, much of what is included in the Proposal may be duplicative and create onerous regulatory burdens that actually hamper recycling.

To this extent, ISRI would like to point out some of the problematic aspects of the Proposal. Practical concerns include: 1) the definition of modification and associated requirements; 2) requirements related to "tipping floors"; 3) requirements related to traffic, especially "significance" and effect on offsite traffic; 4) air quality impact assessment and monitoring for "Consequential" facilities; 5) portions of the Operating Plan respecting "recyclable materials"; 6) certain requirements for stockpiles, vehicles, and equipment; 7) continuous monitoring of stormwater flows, which are themselves intrinsically not continuous; 8) the extent of shredder enclosure if required; and 9) certain offsite aspects of pavement maintenance and cleaning.

In closing, while ISRI has substantial concerns about the Proposal and the potential negative effect it will have on scrap recycling operations in the city, ISRI welcomes the opportunity to discuss how the industry can collaboratively work with you to achieve your goals. ISRI believes it has valuable insight on ways the scrap recycling can continue within Chicago to meet the recycling needs of Chicago while



minimizing possible adverse impacts on our neighbors and neighborhoods. As such, ISRI respectfully seeks an extension on behalf of its membership for filing comments and we look forward to having a productive conversation about developing recycling standards that all can agree upon.

Sincerely,

A handwritten signature in black ink that reads "Frank Santella". The signature is written in a cursive, flowing style.

Frank Santella
Legislative Chair
ISRI Chicago Chapter