



November 11, 2021

Honorable Governor Greg Abbott  
Honorable Lieutenant Governor Dan Patrick  
Honorable Representative Dade Phelan

Honorable Senator Charles Schwertner, Business and Commerce Committee Chair  
Honorable Senator Jane Nelson, Finance Committee Chair  
Honorable Senator Brandon Creighton, Higher Education Committee Chair  
Honorable Senator Paul Bettencourt, Local Government Committee Chair  
Honorable Senator Brian Birdwell, Natural Resources and Economic Development Committee Chair  
Honorable Senator Charles Perry, Water, Agriculture and Rural Affairs Committee Chair  
Honorable Representative DeWayne Burns, Agriculture and Livestock Committee Chair  
Honorable Representative Greg Bonnen, Appropriations Committee Chair  
Honorable Representative Chris Turner, Business, and Industry Committee Chair  
Honorable Representative Brooks Landgraf, Environmental Regulations Committee Chair  
Honorable Representative Jim Murphy, Higher Education Committee Chair  
Honorable Representative Morgan Meyer, Ways and Means Committee Chair  
Honorable Senator Judith Zaffirini, Sponsor of Senate Bill 649, (87<sup>th</sup> Legislature)  
Honorable Representative Ed Thompson, Co-Sponsor of Senate Bill 649 (87<sup>th</sup> Legislature)

Respected State of Texas Leaders:

The State of Texas Alliance for Recycling (STAR) calls your attention to the [Texas Recycling Market Development Plan \(TxRMDP\)](#), authorized by passage of Senate Bill 649 in the 86<sup>th</sup> Legislature. It is intended to stimulate the use of recycled material feedstocks by Texas manufacturers, and has been published by the Texas Commission on Environmental Quality (TCEQ) on August 31, 2021. This plan builds upon the [Study on the Economic Impacts of Recycling](#) authorized by House Bill 2763 in the 84<sup>th</sup> Legislature. The TxRMDP represents the clearest picture of the recycling industry in Texas to date and provides recommendations and guidance for this important Texas Industry. The Plan reveals that in 2019:

- Texans recycled 27.5% of Municipal Solid Waste (MSW) – *12,911,000 tons annually*;
- The municipal solid waste recycling industry employs over 23,000 Texans with full time jobs in collection, processing and transportation;
- The impact of this activity was \$4.8 Billion in economic benefits to Texas;
- The recycling industry is paying \$166 Million in annual Sales and Property taxes;
- Manufacturers that use recycled feedstock employ more than 8,000 Texans;
- The impact of this consumption was \$3 Billion in economic benefits to Texas;
- These manufacturers are paying more than \$61 Million in annual taxes.;
- 50% of what is disposed of in Texas landfills can be recycled - *16,000,000 tons per year* - having a market value exceeding \$2 Billion;
- Recycling 20% more of MSW is estimated to yield a \$1 billion benefit to the Texas economy and create 5,000 new jobs; and

The mission of the State of Texas Alliance for Recycling (STAR) is to advance recycling through partnerships, education, and advocacy for the benefit of Texas.



- The number of jobs in the recycling industry put it on par with the Petroleum Refining and Furniture Manufacturing industries.

The TxRMDP identifies and recommends actions that can be taken by the State to stimulate the use of recyclable material for manufacturing in Texas, creating Texas jobs. These recommendations can be enabled through the application of policy and directives to various agencies or entities. While authority to manage solid waste exists in current State Code, limited coordination has occurred. The State has a valuable industry-driven plan, but no lead agency or entity designated to evaluate, adopt or implement its recommendations.

Attached is a proposed list, for your consideration, of recommendations for an interim charge appropriate to them. This proposal focuses on key issues identified within the TxRMDP. The growth of the recycling industry in Texas requires a comprehensive approach from many disciplines that reach across multiple committees. Joint committee reviews may be a productive approach to this matter.

As you consider your support for an Interim Charge in examination of the Recycling Market Development Plan, we suggest that the following issues be considered:

- It is State policy to encourage the reduction of solid waste generation and the proper management of solid waste, including disposal and processing (Texas Health and Safety Code, Sec. 363.002. POLICY);
- The State has a goal to reduce the amount of municipal solid waste disposed of in this state by 40 percent through source reduction and recycling. (Texas Health and Safety Code, Sec. 361.422. STATE SOURCE REDUCTION AND RECYCLING GOAL);
- The number of Texans employed in the municipal solid waste and recycling industry is similar in size to the petroleum refining and the furniture manufacturing industries. Both of those industries are examples of Texas resources equating to Texas jobs, that benefit from State policy and support;
- Texans placing discarded material in the incorrect bin, cart, or dumpster (known as contamination) is the number one barrier to growth of the industry as asserted in the TxRMDP. The lack of statewide standards or education result in resident and business confusion. This confusion is a primary contributing factor of a 22.7% contamination rate, which has a negative effect on the recycling industry to provide cost-effective service to residents and businesses;
  - As an example of the economic impact of contamination of traditional recyclables, assume an operating cost of recycling collection vehicle at \$1,000 per day. If 1/5 of each daily collection route is non-recyclable contamination, the service has incurred a \$200 drag on its daily efficiency. This contamination must be removed at a Material Recovery Facility (MRF) consuming 1/5 of its operating capacity in the removal process and then the MRF must pay to disposal of this material at a landfill. These inefficiencies are a burden on recyclable material processors and impact the cost of service for Texas consumers;
- The recycling industry in Texas has achieved its growth and stature through its own means and inertia. Recyclable material is a resource per State Code. The recycling industry in Texas has never benefited from State support specifically designated to improve broad-scale efficiency and growth;
- State Rules governing the industry date to 2006, or prior, and should be updated to respond to modern recycling industry capabilities and needs;

The mission of the State of Texas Alliance for Recycling (STAR) is to advance recycling through partnerships, education, and advocacy for the benefit of Texas.



- It does no good to increase the amount of collected recyclables if the end markets for those materials do not exist. There is a prime opportunity to internalize markets and create Texas jobs for recyclable material processing within Texas; and
- The TxRMDP proposes and prioritizes actions to address recyclable materials most likely to benefit from market development activity.

These proposals would require consideration by the legislature.

**Recommended Actions to Strengthen Texas Recycling:**

1. Create a *Texas Recycling Market Development Center* (TxRMDC) as a lead entity to guide the growth in the recycling industry in Texas. This group shall have the ability to convene all parties, have no interest other than the public interest, engage other organizations and coordinate recycling market development in the State. It is recommended that the TxRMDC be located within one of the State Universities and have at least two full time staff.
2. The creation and operation of a *Texas Recycling Market Development Board* (TxRMDB) representing a full range of solid waste and recycling industry stakeholders, plus appropriate State agency representatives. This Board would advise the TxRMDC and support inter-agency cooperation and market development initiatives.
3. Establishment of a dedicated funding source to support the operations of the TxRMDC and the TxRMDB.
4. Other needs and initiatives are presented in the proposed respective Committee Interim Charges attached to this letter.

The mission of the State of Texas Alliance for Recycling (STAR) is to advance recycling through partnerships, education, and advocacy for the benefit of Texas.



STAR requests your support of the recycling industry and hopeful that an Interim Charge will be convened to consider the recommendations of the *Texas Recycling Market Development Plan*, and then to stimulate actions using existing state law and policies. We further ask for support for new legislation to create the *Texas Recycling Market Development Center* and the *Texas Recycling Market Development Board*.

STAR plans to convene a stakeholder examination of the TxRMDP and its recommendations in 2022 with a goal of producing a platform of actions for recommended implementation. STAR is available to support stakeholder activity in cooperation with the proposed Interim Charge, if requested to do so.

STAR invites your involvement in this endeavor designed to promote economic growth in Texas and the recycling industry.

Respectfully,

Jason McCombs, Board Chair  
State of Texas Alliance for Recycling (STAR)

Brittany Rosenberg, Executive Director  
State of Texas Alliance for Recycling (STAR)

Richard Abramowitz, Business Council Chair  
State of Texas Alliance for Recycling (STAR)

The mission of the State of Texas Alliance for Recycling (STAR) is to advance recycling through partnerships, education, and advocacy for the benefit of Texas.



Enclosure: Proposed Texas House of Representatives Interim Charges, Texas Recycling Market Development Plan  
Proposed Texas Senate Interim Charges, Texas Recycling Market Development Plan

The mission of the State of Texas Alliance for Recycling (STAR) is to advance recycling through partnerships, education, and advocacy for the benefit of Texas.

512-828-6409 | [info@recyclingstar.org](mailto:info@recyclingstar.org)  
[RecyclingSTAR.org](http://RecyclingSTAR.org) | P.O. Box 142274 Austin, TX 78714