



January 5, 2007

Governor Mitch Daniels  
Office of the Governor  
Statehouse  
Indianapolis, IN 46204-2797

Here are some of my thoughts.

I write to express my concerns about changes in state policy that I believe will significantly impact the recycling industry as well as my company's ability to survive.

My family has been in the scrap metal business since 1912. Over the years we have recycled over one million pieces of scrap metal consisting of more than 10 million pounds of recycled metals. We were awarded the first Governors award for excellence in recycling for turning scrap metal into long lasting playground equipment. We have employed well over 200 employees.

Goldsmith Group Inc. (GGI) is now in the eScrap business, helping to reuse or recycle up to two million pounds of electronics a year. At our peak, we had over 30 employees and generated close to \$1.5 million in revenue more than 2 years in a row. We have been awarded two state grants, one for market development and an innovation grant, to further our business.

I am now in the process of buying my father out of the business so that the company will be passed on to the third generation. I have plans to make a capital investment, hire new sales, warehouse, clerical and management personnel. The changes to state policy for recycling programs will significantly impact our ability to expand and grow.

I am very concerned that the Indiana Department of Environmental Management's (IDEM) misinterpretation of the definition of recycling to include waste-to-energy processes like incineration would significantly impact the availability of state funds for true recycling efforts like those my company operates.

The idea that waste to fuel or energy is anywhere near comparable or as useful to our society as recycling is something I just point blank disagree with. It is clear that once an item is burned for either fuel or energy then it can no longer be used again. Also the toxins left behind have to be dealt with, too often dumped into the air or water or soil, the best solution has been landfilling. In the case of recyclable materials, it is a lost resource that manufacturers would have to buy virgin materials vs recycled and thus need to be mined out of the earth and manufactured as needed. This impact is unfortunate and less necessary.

The potential impact of this change in definition would be reduced funds for true recycling programs. Having the ability to apply for future grants and loans through the state will help us to achieve our goals and grow our company. It would also reduce funds for collections at the solid waste district level or to schools that hire us to recycle their electronics.

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Our business also makes used/reconditioned equipment available at low prices or for free to low income and needy people and organizations. We might not be able to continue to do so many good things with these used assets from the Indiana companies we are recycling for.

I also see the proposal of closed loop recycling within Indiana contained in the "Integrated Recycling Plan" to be very much a problem. Currently there are NO smelters of precious metals, recyclers of leaded glass, and only the beginnings of plastic recycling for our materials in the state of Indiana. Much of this material is being processed out of the U.S. To create a closed loop market place would impact our markets and income generated by our recyclable materials.

In our case, CD-Roms, floppy and hard drives are made of aluminum, steel, plastic and precious metals. Aluminum and steel are easily made into cans, engines and other car parts and many other items we use on a daily basis. Some of these items are made here in Indiana. However some of the smelting is done outside of Indiana and the raw materials are sold back to Indiana companies. Thus the exchange of commodities for revenue is a good thing for our state.

Please consider this...Pay to throw systems motivates people to recycle!  
Homeowners and Businesses in Portland and Minneapolis pay to throw away waste with a small \$4 recycling pickup fee. Some things like electronics cannot be thrown away, these must be handled by a certain eScrap management or hazardous waste firms.

Some of the income generated could be used to help fund some of the grant and loan programs. We all agree this will help build valuable businesses and organizations recycling programs.

I hope you will take into consideration the impact that these changes will have on not only our environment but the small businesses around the state who are working hard to turn a profit in the recycling industry.

Sincerely,

Goldsmith Group, Inc.

A handwritten signature in black ink, appearing to read "Eric Goldsmith", with a stylized flourish at the end.

Eric Goldsmith  
Vice President