



INDIANA RECYCLING COALITION

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A Not-For-Profit Corporation

October 27, 2006

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

Dear Governor Daniels:

The Indiana Recycling Coalition (IRC) is gravely concerned about the future of recycling in Indiana. We believe that there is an overall lack of support for recycling and waste reduction efforts at the state level. This is seen in at least four issues that would reduce or eliminate state programs, technical assistance, funding, or other support for recycling activities. It appears to us that recycling is under attack in Indiana.

The IRC sees the following as attacks on recycling:

1. Recently the Indiana Department of Environmental Management (IDEM) has purposefully misinterpreted the definition of recycling to include waste-to-energy processes, like incineration (also called combustion and waste-based energy). Historically, Indiana, together with all the other states in the country, and the US Environmental Protection Agency, has said that waste-to-energy is not recycling—it is a form of disposal. The IRC fundamentally opposes this change. We believe that recycling's status is defined in statute and should not be arbitrarily changed. IC 13-19-1-1, Section 1 states: "the policy of the state is that source reduction, recycling; and other solid waste management alternatives; are preferred over incineration and landfill disposal as solid waste management methods."
2. IDEM is creating a new statewide "Integrated Recycling Plan," (IRP) and the current version would set recycling standards that are unattainable and unfair. The two most egregious aspects are 1) requiring "closed loop" recycling within Indiana, and 2) requiring recycling programs to be revenue neutral ("self sustaining"). These standards completely ignore the existence of an efficient, global marketplace for recyclable materials, and the fact that public services cost money--other public services/utilities are not required to be revenue neutral. The IRP standards could make many established recycling programs ineligible for state support, and reduce opportunities for recycling businesses to get started or expand in Indiana.
3. These first two initiatives would allow Indiana to divert today's recycling funds (from dedicated grant and loan programs established in legislation) to non-recycling activities such as waste-to-energy projects. The IRC believes that it was the clear intent of the legislature that the dedicated recycling funds be spent on recycling activities as defined in statute. The diversion of recycling funds governed by your Recycling and Energy Development Board

(REDB), or shifting IDEM recycling grant funds to waste-to-energy, flies in the face of both legislative intent and established standards.

4. The possibility of legislative or policy changes that could eliminate or weaken local solid waste management districts (SWMD) and the hundreds of recycling and waste prevention programs that they operate at the local level. SWMDs are the backbone of recycling in Indiana and are essential to accomplishing the state's solid waste management goals. It is imperative that districts continue to play this critical role.

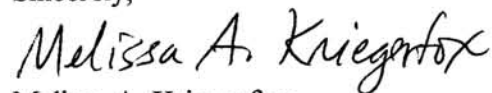
As our state leader, you have demonstrated strong support for business and industry, and recycling is a huge economic driving force in Indiana. The last major study, *Recycling's Economic Impact* (2001) demonstrated that Indiana is home to:

- 1,700 recycling/reuse establishments
- 75,000 jobs in the recycling industry with
- \$19 billion in annual revenue
- \$3 billion in annual payroll, and
- \$285 million in annual state tax revenues

In addition, private sector waste haulers and other recycling businesses have invested millions in buildings, equipment, vehicles, and worker training for their recycling programs and services.

Because of this important economic impact, and the many other benefits recycling provides Hoosiers, we are confident that you will support efforts to preserve and improve recycling in our state. Assuming that you do share our support for recycling, the Indiana Recycling Coalition is eager to work with your administration to find ways to preserve Indiana's recycling infrastructure and improve the efficiency and effectiveness of recycling programs. We hope to hear from you in the near future.

Sincerely,



Melissa A. Kriegerfox
President