

Smith Industries, Inc.
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BILL: House Bill 1538

COMMITTEE: Environment and Transportation

DATE: March 4, 2020

POSITION: OPPOSE

Smith Industries, Inc. respectfully requests an **unfavorable report on House Bill 1538.**

Smith Industries, Inc. operates 17 scrap metal recycling facilities throughout MD, DE, VA and PA with over 500 employees. Our MD locations are located in Allegany County, Baltimore County, Caroline County, Carroll County, Frederick County, Harford County, Prince George's County and Wicomico County. We purchase scrap metal materials which are recyclable materials from the general public, and we also utilize our own fleet of trucks to transport scrap metal from our business consumers to our facilities.

Scrap Metal/Recyclables Are Not Waste:

This Bill is problematic in that it will label recyclables as waste. It is paramount to the recycling industry that governments seeking to collect data on recyclable materials acknowledge that **recyclables are not waste and recycling is not disposal**. Solid waste by definition is that which has been discarded (e.g. refuse, garbage, putrescible materials and offal). Recyclable materials that are given, sold, donated or otherwise transferred in commerce are not discarded and therefore are clearly not waste. A recyclable material that was not destined for a landfill or has been diverted from the solid waste stream has intrinsic value and is not discarded; it never enters the realm of solid waste. Recyclable materials do not require management as solid waste and thus do not require regulation as solid waste. Thus, it is imperative that any reporting of recycling activities be clearly distinguished from solid waste management; recyclable materials reports should be separate and distinct from any solid waste reports. It is imperative that the distinction between recyclable materials and solid waste is clearly made. Notwithstanding the fact that recyclable materials processed by private sector recyclers are not solid waste, the efforts of the private sector recycling industry do contribute significantly to the reduction of solid waste that is managed through landfilling or incineration. However, **recycling and solid waste management are two different activities and should reporting of these activities be deemed necessary, they should be accounted for separately.**

Only Count That Which Is Appropriate:

This Bill further complicates things by mandating that haulers submit semiannual reports. MDE already provides County Recycling Coordinators with a "MD Recycling Act Tonnage Report for Processors" that they can have filled out by processors throughout their county on an annual basis. This report is strictly for recyclables and does not request itemized information on generators. **Recycling reporting by private sector recyclers should be limited to tonnages of recyclable materials handled as governmental entities have no need for information pertaining to vendors or customers or the cost of recyclable materials purchased or the sales price for the finished product that is sold.**

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Confidentiality:

This Bill would allow MDE to enter the sites at any time they choose to examine business records. **Business operations data collected from private sector recyclers is proprietary and must be accorded complete confidentiality, regardless of federal, state or local law to the contrary.**

Onerous Reporting Requirement:

Ignoring the conflict of confidentiality, the reporting requirements under this Bill will place an undue burden on businesses. **Maintaining these records will be extremely costly and technical** requiring expensive software packages, new training for employees and extra man hours to constantly track all of the minute details of every transaction. Our trucking fleet hauls hundreds of loads every week so we would never have the capability to itemize each load by customer.

Negative Implications For Haulers:

This Bill will open the door for many more requirements on haulers on the State level. In order to properly oversee this reporting program, we fear that the State will institute State hauling permits that include permits for every individual truck. Trucks used for hauling are already regulated on a federal level and, in many cases, on a County level. Haulers already pay much more for insurance to use their trucks for hauling. Surely, this Bill will lead to more costs that pile onto our already high fixed costs.

Thank you for the opportunity to submit testimony in **opposition of House Bill 1538.**

Brian Benko
Information Officer
Smith Industries, Inc.