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Aluminum Association Comments on Recycling Rate Measurement, EPA-HQ-OLEM-2020-0443

The Aluminum Association appreciates the opportunity to provide input to EPA during the Recycling Rate Measurement Comment Period as per its notice on January 7, 2021.

The Aluminum Association represents U.S. aluminum recyclers, primary aluminum producers, and producers of fabricated aluminum products, as well as industry suppliers. Across the United States, Association members operate over 200 manufacturing and recycling facilities engaged in all facets of aluminum operations. Based on a 2020 analysis, the U.S. aluminum industry directly and indirectly accounts for 660,000 jobs and creates a domestic economic impact of \$172 billion.

Aluminum is a case study of recycling and the circular economy in action. Its light weight, corrosion resistance, ease of formability, and infinite recyclability without loss of attributes make it the sustainable material of choice for a wide variety of industrial, commercial, and consumer applications across the transportation, building and construction, electrical, and packaging industries. Specifically, in the consumer recycling space aluminum:

- Has the highest consumer recycling rate (46%) of any beverage container packaging material
- Has the highest recycled content (73%) of any beverage container packaging material
- Has the most economic value of any consumer recycled material (\$1210 per ton)
- Has the most efficient and mature end markets of any consumer recycled material
- Comprises only 3% of the weight of consumer curbside recycling container material but accounts for 48% of its economic value

Despite aluminum's leading sustainability position, there remains significant work to be done in the measurement of aluminum's contribution to the transition to a circular economy and below are the Association's comments for EPA to consider in revising its recycling rate measurement methodologies:

1. Sources of Recyclable Material –

The Association recommends that all the listed sources be considered in-scope for recycling rate calculations with the exception of the last one listed, which is "process related industrial materials (such as manufacturing scrap)". First, industrial scrap has a mature commercial management system in place to collect, trade and recycle. The Association believes that most industrial scrap, particularly metals, are fully recovered and recycled. This means that there is no need for EPA to track the fate of such scrap. Second, even if there is a reason for EPA to track the fate of such scrap, the Association foresees significant barriers for EPA to obtain the information since traders and end users usually consider such information as their proprietary business information. Third, all the other categories listed are generally considered to be post-consumer material that ends up being recycled versus the last category that is generally pre-consumer material.

2. Material Streams

Many of the materials listed that are beyond traditionally recycled packaging and printed paper streams are suitable for consideration in the recycling rate measurement methodology. However, some materials may be difficult to quantify given the limited accessibility of information by EPA. For example, appliances and other consumer durables are believed to be recycled at high rates but EPA has little visibility into it and so in the absence of data, EPA's default value for their recycling rate is zero. This then skews the reported overall recycling rates for consumer durable relevant materials like steel and aluminum inaccurately downward, an untenable situation. Based on EPA's current measurement methodologies, the United States loses almost 10 million tons of ferrous metals and 1.5 million tons of aluminum from durable goods to landfill each year. EPA also reports that 2 million tons of ferrous metals are considered "combusted with energy recovery", which is not scientifically realistic. Inaccurate measurement clearly leads to problematic policies and business decisions and it is therefore in the best interests of all stakeholders to obtain accurate data. In this case, most durable goods are actually recycled by the scrap shredding industry.

In order to correct this deficiency, the Association proposes several opportunities for improvement:

- Make the generation data more accurate. For products like durable goods that normally have a very long lifetime in service, EPA relies on material flow models to develop generation data. However, many factors can significantly affect the estimated quantity of material generation from these durable goods. These include but are not limited to: average material content of the goods in a particular model and manufacturing year, lifetime in service, etc.
- Contact stakeholders to obtain data on the actual recycling activity of these products through surveys of material processors (e.g. shredders) or in collaboration with national trade organizations that collect and manage data to support inclusion of these materials into the national recycling rate calculation.
- Segregate durable goods from the broader material recycling rate measurement. For instance, currently EPA's *Facts & Figures* report states that the aluminum recycling rate is 16% and steel is 33%. These numbers are highly misleading, and it creates extensive confusion for businesses, researchers, consulting firms, and policy makers.
- Drop durable goods out of the *Facts & Figures* report if EPA cannot get any information in the future. The Association believes that no information is better than wrong or misleading information, particularly from a government agency.

Regardless of the approach selected, the Association, in collaboration with its member companies, is ready to help EPA with outreach and/or data collection to the extent helpful to EPA for these purposes.

3. Material Management Pathways

The Association recommends that none of the bulleted items be considered 'recycling' for the purposes of the national recycling rate calculation. Although many of them are legitimate material use activities, they would not qualify as recycling in the sense that the term is traditionally defined.

In addition, the Aluminum Association recommends the adoption of net recycling rate as a better measurement methodology. The current *Facts and Figures* report measures only a gross rate for recycling. For most materials, it is only a collection rate, not a true material recovery rate. A gross rate is highly misleading since most of the materials collected can be either severely contaminated or contain large proportions of non-recyclable materials. In addition, some material will get lost during the

downstream processing stage. Thus, the ultimate recovery for many materials can be very low even if they have a higher collection rate. The Association therefore believes that a net recycling rate is a much better environmental and resource management indicator than a gross recycling rate.

The Association is happy to provide these comments on the EPA's Recycling Rate Measurement and if you have any questions about them, please contact Curt Wells, the Association's Senior Director of Regulatory Affairs at 703-358-2976 (office), 804-385-6351 (cell) or cwells@aluminum.org (email).

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