

RAW MATERIALS



VOTE FOR DEVELOPING A **CIRCULAR ECONOMY IN COLORADO** AND IMPROVING DOMESTIC **SUPPLY CHAINS** FOR ESSENTIAL MATERIALS

Support HB22-1159: Waste Diversion and Circular Economy Development Center

Sponsors: Representative Lisa Cutter and Senator Kevin Priola

WHAT IS A CIRCULAR ECONOMY?

A circular economy uses a systems-focused approach that enables resources used in production processes and economic activities to cycle repeatedly, maintaining their highest value for as long as possible. It is a change to the model in which natural resources are mined, made into products, and then landfilled as waste. A circular economy reduces pollution, redesigns materials to be less resource-intensive, and recaptures "waste" as a feedstock to manufacture new materials and products.

COLORADO HAS AN OPPORTUNITY TO BUILD LOCAL SUPPLY CHAINS

Supply chain issues have greatly impacted businesses across Colorado and spurred inflation that hurts consumers and Colorado families. To relieve supply-chain constraints, Colorado has an opportunity to create a more circular economy within the state, where more local businesses make new products from locally recycled materials and return those materials back into our state's economy. The benefits include a robust local source for essential materials for manufacturing, including paper, glass, metal, and plastics; less waste going to the landfill; reduced transportation costs and emissions; and local job creation.

THE PROBLEM

Colorado is needlessly throwing away valuable feedstock that could contribute to a robust supply chain. The state landfilled over 5.8 million tons of recyclable materials in 2020, which could have instead been sold for over \$100 million in commodity value and used to make new products.¹ If manufacturers had access to a clean and steady feedstock of recycled materials for remanufacture, they could become more resilient to market and labor fluctuations by relying less on raw virgin resources or importing recycled feedstock from outside the state or country.



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¹ Front Range Waste Diversion Enterprise. "RRS Waste Diversion Survey." (2020) <https://cdphe.colorado.gov/front-range-waste-diversion#Resources>

Colorado lacks local recycling markets for most major recyclable materials. Nearly all of the paper, metal, and plastic that Colorado collects for recycling is shipped out of state before being made into new products. This is a lost economic opportunity for the state.

The cost of transporting recyclable materials creates a huge burden on local communities, especially in rural areas, and is a real obstacle to expanding recycling programs around the state.²

Colorado has one of the lowest recycling rates in the country. Colorado recycled and composted only 15% of our municipal solid waste in 2020—less than half the national average of 32% and far below the statewide goal of 28% by 2021.³

THE SOLUTION: HOUSE BILL 22-1159 WASTE DIVERSION AND CIRCULAR ECONOMY DEVELOPMENT CENTER

It is long overdue for Colorado to address the need for local recycling markets and attract end-market users and entrepreneurs to the state—proven solutions to growing recycling markets.

House Bill 22-1159 would create the Colorado Circular Economy Development Center that will:

- Grow existing recycling and composting end markets;
- Create new recycling and composting end markets;
- Attract remanufacturers and entrepreneurs to the state.
- Support and expand existing end-market businesses, including companies that recycle glass, electronics, and compost.
- Develop incentives for manufacturers to incorporate recycled materials into their products.
- Provide necessary infrastructure, logistics, and marketing to create a sustainable circular economy for recycled commodities.

Benefits of HB22-1159:

- Lessens supply chain disruptions.
- Increases the demand for recycled materials, which would in turn make recycling more economically viable.
- Decreases transportation costs for recycling, which would be particularly beneficial to rural parts of the state.
- Reduce greenhouse gas emissions and protect air and water quality. Recycling one ton of materials saves an average of three tons of carbon pollution.

2 CDPHE, 2016. "Colorado Integrated Solid Waste and Materials Management Plan." Accessed at www.colorado.gov/pacific/cdphe/Integrated-Solid-Waste-Materials-Mgmt-Plan
3 CDPHE. "2020 Recycling Data Totals." (2021) <https://cdphe.colorado.gov/swreports>. Accessed 11/1/21. And EPA. "National Overview: Facts and Figures on Materials, Waste and Recycling." <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/national-overview-facts-and-figures-materials>. Accessed 11/8/21.

THE CENTER WILL:

- Be run by a third-party administrator accountable to the CDPHE.
- First conduct a statewide, end-market gap analysis and opportunity assessment to prioritize the Center's goals and activities.
- Submit annual progress reports to CDPHE and the General Assembly.
- Be funded by the Front Range Waste Diversion (FRWD) Enterprise Fund and the Recycling Resources Economic Opportunity (RREO) fund without the use of general funds.
- Be repealed on Sept. 1, 2030; the state legislature will determine if they want the Center to continue and how it would be funded.
- HB22-1159 also removes limitations for waste haulers or landfill owners/operators in receiving funds from the FRWD program.