



May 4, 2009

Honorable Bryan Barbin  
Pennsylvania House of Representatives  
4 East  
Harrisburg, PA 17120-2071

Dear Representative Barbin:

As the state's largest broad-based business association, representing thousands of Pennsylvania employers- from Fortune 100 companies to sole proprietors- the Pennsylvania Chamber of Business and Industry opposes House Bill 1069. This legislation is scheduled to be considered by the House Environmental Resource and Energy Committee on Tuesday, May 5, 2009. House Bill 1069 would authorize counties or their designated agent to impose a local recycling and waste management tax of up to \$4 per ton on municipal solid waste generated within their borders. Pass-through provisions are included in the bill allowing haulers to pass the cost on to their residential and business customers.

While more than half of Pennsylvania's counties previously imposed such a tax on waste, they did so illegally, without authorization, as the courts have since ruled. Therefore, the PA Chamber views House Bill 1069 as a new tax and if enacted, would clearly be seen as such by the public. This measure would place increased financial burdens on small and large businesses as well as the citizens of this commonwealth during an economically difficult time.

Additionally, this proposed new tax is a duplicative layer of taxation already addressed in Act 101. Established in 1988, Act 101 provided the catalyst for municipal recycling programs in Pennsylvania with a \$2 per ton statewide trash tax to provide funds to pay for recycling infrastructure. This tax currently generates an estimated \$49.1 million a year to the state recycling fund. We believe this current tax is sufficient. Adding another \$4 per ton tax, a 200 percent increase, is excessive.

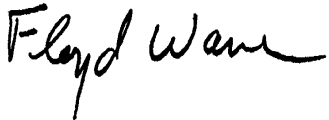
The Chamber believes that when the legislature originally passed Act 101, it never intended that municipal recycling would be subsidized indefinitely. The legislature reiterated this position in Act 175 of 2002, when it explicitly declared that recycling programs established under Act 101 were expected to become "financially self-sufficient." Adding an additional \$4 per ton tax hardly advances the goal of self-sufficiency.

Successful recycling can and must become financially self-sustainable. According to the newsletter of the Professional Recyclers of Pennsylvania, privatization of recycling in Mercer County has resulted in a 50 percent reduction in costs while privatization in Crawford County has resulted in a 65 percent reduction. The savings in Mercer County led the *Sharon Herald* to editorialize that “privatization done right can yield better services, cheaper.”

This new tax, whether paid to a waste company directly or through a municipality, would come out of businesses’ bottom-line.

The PA Chamber respectfully urges a “no” vote on the new trash tax bill, H.B.1069. If you have any questions or concerns please contact John Callahan, Director of Government Relations for the Pennsylvania Chamber, at 717-720-5431 or email [jcallahan@pachamber.org](mailto:jcallahan@pachamber.org).

Sincerely,

A handwritten signature in black ink that reads "Floyd Warner". The signature is written in a cursive style with a large, stylized "F" and "W".

Floyd Warner  
President