

**Testimony before the House Great Lakes and Environment Committee on
HB 4047 (Ebli) Moratorium on Landfill Construction**
January 31, 2007

Madam Chairman, congratulations to you and welcome to Lansing. Thank you for the opportunity speak today on, what is admittedly, a controversial topic. I look forward to working with this committee as we address the difficult issues facing Michigan.

First, let me quickly describe MMA and our members' importance to the Michigan economy. MMA represents about 3,000 members that operate in the full spectrum of manufacturing industries. Our members represent 90% of Michigan's industrial workforce, accounting for approximately 600,000 high-wage workers with full benefits. Michigan remains a large auto state with approximately 20% of the nations autos produced here. In addition, 50% of the nation's auto supplier base is here in Michigan. However, we are not just an auto state. Even without the auto industry, Michigan would be the 13th largest manufacturing state. I would like to point out that manufacturing competes in the global economy in ways that other business sectors do not. We don't compete with companies down the street; we compete with the lowest cost location anywhere in the world and we must compete on the basis of price.

On the bill, I have concerns, mostly focused on the cost of doing business in Michigan.

This bill is thinly veiled but heavy-handed government cost increase on citizens and job providers. By restricting supply, state government artificially increases the cost of disposal service for Michigan citizens and Michigan job providers.

Increasing disposal costs increases the cost of doing business in Michigan, creating a new barrier to success which translates into a new reason for manufacturers to do business elsewhere in the world.

In addition to increased cost, reducing disposal capacity will create greater uncertainty for Michigan manufactures who need long term disposal options.

Disposal costs in Michigan have been one of the few bright spots in Michigan in an otherwise high cost state – electric costs, healthcare costs, college costs, taxes and fees.

We must understand that waste is a recognized item of international trade just like automobiles or corn. Restricting that trade can have consequences:

- Canada receives a significant amount of hazardous waste form Michigan. While we are a net importer of hazardous waste, if Canada stopped taking the hazardous waste we export to them, we would increase the amount of hazardous waste disposed in Michigan by 150,000 lbs. On balance, we get some household waste while they take our hazardous waste.
- Also, out-of-state waste brings revenue to the state. If all out-of-state waste stopped today, the MDEQ would lose about \$1.3 million in operating revenue – no doubt a cost that would be shifted to Michigan citizens in their waste haulers' bills.

To keep the issue in perspective, about 90% of the Canadian waste we import goes to just two landfills in just two counties.

We have lost about 400,000 jobs in this state. Increasing costs on job providers is not a step in the right direction for Michigan.

Thank you for the opportunity to speak today.