February 8, 2019

**RE: Federal Response to Recycling Challenges**

In Fall 2017 and Summer 2018, the Solid Waste Association of North America (SWANA) provided timely and useful information to you and your agency about China’s recycling import restrictions and their effect on state and local recycling programs and operations. This letter provides an update and further information about how markets and communities are responding to these important changes, and also explains some of the new responses being taken at the federal level.

SWANA is a non-profit association for waste and recycling professionals with more than 10,000 members in the United States and Canada. Our members are at the forefront of numerous recycling programs around the country, and we have been working to support their efforts and bring attention to this issue. On November 15, 2018, I participated as one of 44 senior executive representatives in a special Recycling Summit held by U.S. EPA in Washington, D.C. on America Recycles Day. Along with EPA Acting Administrator Andrew Wheeler, I joined other industry, government, and non-profit leaders and signed a pledge to work together to improve the nation’s recycling system via an ongoing dialogue over the next year. This event was followed by a facilitated discussion amongst the group. A recording of the Summit can be viewed here, with my remarks starting shortly after the twenty-minute mark.

EPA’s Recycling Summit brought together EPA’s leadership and representatives of the entire recycling supply chain in one room to highlight this important national and international issue. To begin fulfillment of the pledge signed that day, SWANA will be hosting the EPA and other signatories at our SWANApalooza conference in Boston, Massachusetts on February 25, 2019. The signatories will discuss next steps and begin efforts in four specific areas: Education & Outreach, Enhancing Materials Management Infrastructure, Enhancing Measurement, and Strengthening Secondary Materials Markets. SWANApalooza will also feature sessions on recycling, marine litter, landfill management, and shrinking disposal capacity in the Northeast. I invite you and your staff to attend.

In addition to these efforts led by EPA, a national response is also being sought legislatively. SWANA is a member of a broad coalition that has crafted a bill to provide federal funding to improve our national recycling infrastructure, promote sustainable materials management and create recycling-related jobs in the United States. The Realizing the Economic Opportunities and Value of Expanding Recycling (RECOVER) Act will authorize EPA to distribute funding to state agencies to award to local governments and companies for recycling education, expansion of domestic markets, and other recycling-related purposes. SWANA hopes your agency will support this effort when introduced. Please contact Jesse Maxwell at SWANA at jmaxwell@swana.org for more information about this legislation.

China’s imposition of import restrictions on recyclables has significantly challenged many recycling programs over the past year. Markets in Southeast Asia were suddenly inundated with additional
material and quickly moved to restrict or ban these increased imports, further limiting outlets. The cost to clean-up recyclable materials to higher grades for foreign and domestic markets still accepting them, along with investments in upgraded equipment, public outreach, and updated contracts have put a strain on many communities all over the nation. This is especially true for smaller municipalities, where increased costs are requiring hard choices, as outlined by a January 21, 2019, Washington Post article, “A move by China puts U.S. small-town recycling programs in the dumps.” As that article states, “Small towns cannot bear that financial burden. Instead, they’ve had to scale back the types of recyclables they accept or have started charging fees to cover the ballooning costs of their programs.” While this is not universally true, as a recent article points out, this is why funding at a national level is so important to help communities adapt to the new realities of the market without having to reduce programs, or even worse, end recycling entirely.

China has recently signaled that it will tighten restrictions on scrap and recycling imports even further. At the end of December, the Chinese government announced plans to restrict imports of eight different scrap categories – including aluminum, steel and copper – starting on July 1. This is in advance of the total ban on all scrap imports by 2020 that China has already pledged. Although final U.S. government data for 2018 has not yet been released, U.S. exports of recovered paper to China likely further declined by about 30-35 percent, and plastic exports declined by more than 90 percent.

As export markets have shrunk, numerous companies have been purchasing facilities in the U.S. with the intent of processing paper and plastic there. For example, the Chinese company Nine Dragons has been buying U.S. pulp and paper facilities, including sites in West Virginia, Maine and Wisconsin. A list published by the Northeast Recycling Council (NERC) identifies 18 planned facilities coming on line in the next 2-3 years.

SWANA’s work with EPA and on Capitol Hill is a continuation of our efforts to provide guidance on and solutions to this complex issue. We want to reiterate our availability to you and your agency to adapt to this new reality. Recycling has changed and it has become more challenging, but recycling has become no less important. If you have any questions, please feel free to contact me at dbiderman@swana.org or 240-494-2254.

Sincerely,

David Biderman
Executive Director & CEO
Solid Waste Association of North America