

The US recycling sector in the post-China era

AN UPDATE ON LEGISLATIVE AND CAPACITY INITIATIVES

Restricted flow to China

HOW WE GOT HERE

China's actions

- National Sword introduced 2017
- China's Blue Sky introduced 2018
- Mixed paper and postconsumer plastic imports banned Jan. 1, 2018
- Contamination levels of 0.5 percent enforced as of March 1, 2018
- Tariffs of 25% introduced August 2018
- Tariffs increased to 30% August 2019



SWANA's Applied Research Foundation report

IMPACTS

- **50%, or \$400 million, reduction in recyclables revenue**
- **Greater processing costs, residue**
- **MRFs are re-evaluating costs, funding mechanisms and materials to improve program sustainability**
- **Contamination levels of 15% to 25% are the norm at a cost in excess of \$1 billion annually**

SWANA's Applied Research Foundation report

SUGGESTED RESETS

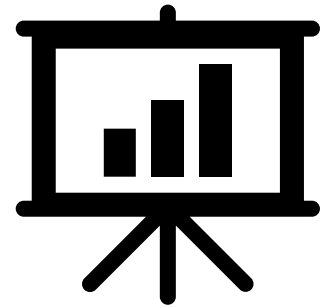
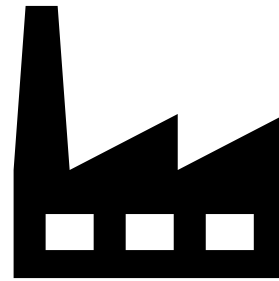
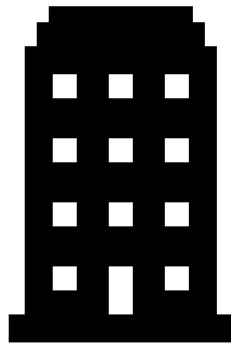
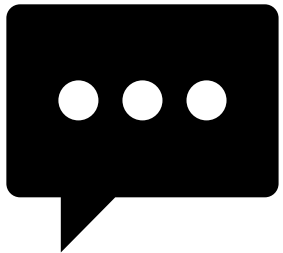
- **Transitioning from weekly to biweekly collection**
- **Removing glass from curbside collection to drop-off collection**

National Recycling Framework

- EPA to release in November
- Four working groups meeting over three months
- July status report: www.epa.gov/sites/production/files/2019-07/documents/ard_status_report_framework_pdf_for_website_july_2019_1.pdf

WORKGROUP ACTIONS

- Consistent messaging for key issues
- Information clearinghouse
- Regional and local market development
- Metrics and measures



EPA ACTIONS

- developing a concept for a limited pilot to divert plastic film from curbside collection to retail collection
- hosting regional and state market development workshops
- updating emissions reduction calculations
- soliciting public comments requirements for recycled-content products purchased by federal agencies
- updating the EPA's Measuring Recycling: A Guide for State and Local Governments

Federal legislation

- Udall-Lowenthal EPR bill
- Sanders' national EPR vision
- Omar's Zero Waste Act
- ACC/Plastics Industry Association
RECOVER Act



State legislation

- California passed AB 815 encouraging dual-stream recycling and AB 792 mandating recycled content in plastic beverage containers; SB 54/AB 1080 targeting single-use plastic packaging failed to pass.
- Michigan passed an executive order to improve recycling at the state government level.
- Vermont SB 113 bans plastic bags, EPS food service containers and plastic stir sticks and establishes a working group to explore ways to manage single-use products, including through EPR.
- Maine LD 1431 directs the state EPA to deliver statutory language for an EPR packaging bill.

Recovered fiber capacity additions

According to some analyses, capacity additions have been announced for the U.S. and Mexico that could account for as much as:

- **3.5 million tons of additional OCC and mixed paper capacity**
- **1 million tons of recycled pulp capacity**

Investments in nearby states and Mexico

- **Packaging Corp. of America, DeRidder, Louisiana (OCC; 2018)**
- **Hood Container, St. Francisville, Louisiana (OCC; 2018)**
- **Global Win/Shanying Phoenix Paper, Wickliffe, Kentucky (OCC and RMP; Q3 2021)**
- **International Paper, Riverdale, Alabama (OCC; Q1 or H1 2020)**
- **Copamex, Anahuac, Mexico (OCC, RMP; 2019)**

Investments in plastics film processing

- **Trex to add capacity for film processing in Virginia (2021) and Nevada (Q3 2019/ H1 2020)**
- **Avangard Innovative to open three processing sites in Houston, Nevada and Mexico in 2020**
- **EFS Plastics' Hazelton, Pennsylvania, plant, which is operational**

Investments in rigid plastics processing

- **EFS Plastics is looking to site a third plant near the West Coast**
- **IntegriCo Composites in Louisiana**
- **PreZero US Inc. to open plants in Arizona and South Carolina (also targeting film)**
- **Merlin plastics to increase capacity in Canada, while its U.S. subsidiary, Peninsula Plastics, is adding processing capacity for Nos. 3-7 in California**



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