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China's Recycling Crackdown Continues to Impact U.S. Waste Companies

Haulers and governments work to adjust to China's mandates on some kinds of recyclables.

Arlene Karidis | Nov 09, 2017

China's crackdowns on imported recyclables are quickly driving changes in how some U.S. waste companies and municipal solid waste departments operate.

The West Coast has been hardest hit by new policies, including a drastically cut accepted contamination level, suspension of mills' import licenses and a ban some materials.

In California, 24 percent of exported freight is recyclables alone, most of which has historically gone to China. Haulers in Oregon and Washington are now asking for permission to landfill materials that previously had been diverted. Municipal governments in Lane County, Ore. , and Madison, Wis. no longer accept plastics they used to collect. Meanwhile, both Oregon's and Washington's environmental agencies are addressing emerging changes on their websites.

Of the 24 materials on China's list , only mixed paper and plastics are common in curbside collections, though they've gone to China in massive volumes.

Still, "China's move to stop issuing, and to even recall, some import licenses will likely have the most dramatic effect. It's led to bigger issues related to limited ability to get materials to China," says Anne Germain, vice president, technical and regulatory affairs for National Waste and Recycling Association (NWRA).

Though unconfirmed, she says, some licenses could be affected this month. And while the 0.3 percent contamination level is to officially be implemented at the year's end, the squeeze has begun; China has demanded higher quality for two months.

Still, some haulers say they have been able to adjust. Most of the publicly-traded companies talked of the new standards as part of reporting third quarter results .

Phoenix-based Republic Services exports 30 percent of its recyclables, but company officials say they do not anticipate significant effects.

“Nevertheless, as a proactive measure, we are taking additional steps at our West Coast operations to ensure that the quality of the product we ship is in line with the new specifications,” says Russ Knocke, Republic’s vice president, communications and public affairs. “We also are working with our customers to move them to a new recycling model that fairly covers the costs of collection and processing, and will help make recycling economically viable and available.”

On the East Coast, materials are moving but, as elsewhere, pricing is depressed.

Rutland, Vt.-based Casella Waste Systems has 17 recycling facilities in the Northeast that cumulatively process almost 800,000 tons of material a year. In response to China’s new demands, it has moved materials to India, Indonesia, Thailand, and Korea and is finding domestic buyers as well. About 25 percent of its fiber typically lands in China, all of which was diverted elsewhere in October.

The company is also attacking contamination both at the curbside, and on the tipping floor.

“We plan to buy and install more polishing separators within the next 60 days,” says Bob Cappadona, Casella’s vice president of recycling “We added labor to capture contaminants by hand. And we are ensuring systems are

operating at or below the level they are designed for to get the separation needed to better manage contamination.”

The company reported an increase of \$700,000 in labor costs during the third quarter as part of these initiatives.

Casella is also asking customers to improve quality at the curb and has heightened its education focus.

“We are analyzing incoming materials and taking pictures if there is much contamination, working with municipalities to backtrack and determine where the material came from,” says Cappadona.

Casella also implements a sustainable recycling adjustment fee, based on commodities' value. The fee has risen incrementally over the past 65 days.

At the governmental level, the Massachusetts Department of Environmental Protection convened processors to discuss operational and regulatory issues that may arise from China's policies. The agency is connecting municipalities and businesses to The Recycling Partnership's Shielding Your Program from National Sword Tips and webinars among resources.

In addition, some material recovery facilities (MRFs) are now storing recyclables in unusual places, says David Biderman, executive director and CEO of Solid Waste Association of North America (SWANA).

“When you can't move to market and you can't landfill, we've seen bales in MRF parking lots. Some of our members sent me pictures from Oregon of bales stored this way,” Biderman says, also citing reports of stockpiling in Quebec , Canada.

But some companies and investors are seeing market opportunities resulting from China's rules, particularly with paper.

“Even before China announced the ban and new standards, we saw an uptick in activity among companies looking to open new paper manufacturing facilities,” says Biderman, attributing this largely to on-line purchasing.

He calls the 0.3 percent contamination level “virtually impossible” for MRFs to achieve. But does not believe there should be a rush to landfill, anticipating modifications since China needs U.S. materials for manufacturing.

Meanwhile, SWANA and NWRA have been in touch with lead federal agencies to ensure they understand impacts on state and local governments, hoping these agencies can influence China's policy.

“And we will continue to emphasize that MRF operators need to produce a high quality product so it's on all of us to put the right stuff in the blue bin,” says Biderman.

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