



**American  
Forest & Paper  
Association**

AF&PA Recycling Comments  
Joint Senate and Assembly Public Hearing  
New York State Senate  
October 21, 2019

On behalf of the American Forest & Paper Association, I appreciate the opportunity to share information on the status of recycling in New York State and the United States.

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, tissue and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative — [\*Better Practices, Better Planet 2020\*](#). The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states.

AF&PA's sustainability initiative — *Better Practices, Better Planet 2020* — comprises one of the most extensive quantifiable sets of sustainability goals for a U.S. manufacturing industry and is the latest example of our members' proactive commitment to the long-term success of our industry, our communities and our environment. We have long been responsible stewards of our planet's resources. We are proud to report that our members have already achieved the greenhouse gas reduction and workplace safety goals. Our member companies have also collectively made significant progress in each of the following goals: increasing paper recovery for recycling; improving energy efficiency; promoting sustainable forestry practices; and reducing water use.

In New York, the industry employs more than 30,000 individuals, with an annual payroll of over \$1.6 billion. The estimated state and local taxes paid by the forest products industry totals \$220 million annually.

AF&PA has offered and continues to share background and technical information on the paper and paper recycling industries with New York State, including submitting comments on bills to the Environmental Conservation Committee, participating in stakeholder and one-to-one meetings with the Department of Environmental Conservation, and hearings.

### **Paper Industry Recycling Record**

AF&PA supports voluntary paper and paper-based packaging recovery efforts that seek to improve upon the existing recovery and recycling programs in New York and the United States. AF&PA strongly believes that the voluntary recovery of paper and paperbased packaging is a recycling success story.

Our industry achieves a consistently high recovery rate. Based on US Environmental Protection Agency (EPA) data, in 2018, 68.1 percent of all paper consumed in the U.S. was recovered for recycling, and the recovery rate has met or exceeded 63 percent for the past seven years. Paper is the most-recycled material in the U.S. today. According to the Environmental Protection Agency, more paper (by weight) is recovered for recycling from municipal solid waste streams than glass, plastic and aluminum drcombined. In 2014, 96 percent of the U.S. population had access to community curbside and/or drop-off paper recycling services. More specifically, 97% of constituents have access to curbside and 94% have access to drop off for paper recycling in New York.

### **Impact of China National Sword on Recovered Paper Markets**

China implemented a ban on the import of mixed paper beginning January 1, 2018. The country also adopted a far tighter contamination limit for all grades of recovered paper – 0.5 percent – than is established by the U.S. Intitute of Scrap Recycling Industries (ISRI) beginning March 1, 2018. China’s action to limit imports of “unsorted mixed paper” disrupted the overall recovered fiber market in the U.S. and other major recovered fiber generating regions, but has had the biggest effect on the mixed paper category. Specifically, U.S. exports of all recovered paper to China were down 39 percent versus their year-ago tonnage volume during the first six months of 2018 to 4.2 million tons and U.S. exports of mixed paper to China were down 94 percent over the same period.

Meanwhile, U.S. exports of recovered fiber to other Asian markets increased over this period. U.S. exports of recovered fiber to other countries were up 114 percent versus their year-ago tonnage volume during the first six months of 2018 to 4.1million tons; U.S. exports of mixed paper to those countries was up 100 percent to 1.1 million tons over the same period. U.S. demand for all recovered paper, including mixed paper, is stable and anticipated to increase.

### **Response to Changing Markets**

There is strong evidence that technological advancements and the markets are adapting rapidly to the new situation.

1. Processing improvements are in development – new technology and investment in repulping capability will enable mills to access more fiber from marginal quality streams. In addition, some processors are making changes to better sort comingled materials to reduce contamination and increase fiber quality.
2. Paper companies have announced they are expanding manufacturing capacity that will create additional domestic demand for recovered fiber. Pratt Industies is

building a 100% recycled containerboard mill in OH, Green Bay Packaging will build a new 100% recycled linerboard mill in WI and the Midwest Paper Group is converting a WI mill that previously manufactured printing-writing paper to producing recycled containerboard.

3. There are media reports of idled mills being considered by investors for restart to make recycled pulp for the Chinese Market. To that end, ND Paper, a subsidiary of the Chinese-owned Nine Dragons Paper, has bought paper mills in multiple states in the US since National Sword went into effect.
4. Public and private sector recycling companies are renewing their focus on educating consumers to combat contamination in residential single stream collection streams.

### **Quality of Recyclable Materials**

The disruption caused by China's import policy has created a misperception that there is a systemic problem with the recycling system. In fact, the problem is with poor-quality recyclable materials being put into the marketplace by some processing facilities, in particular by mixed-waste processing facilities.

Communities that improve the quality of the recyclable materials in their recycling streams and improve the quality of the recovered paper bales produced by their materials recovery facility (MRF) will have greater success in recovered paper markets. Investing in improving consumers' recycling behavior and improving MRFs' performance trumps investing in a new mill or new recovered paper processing equipment in existing mills. High-quality recovered fiber is most likely to come from commercial sources. The residential waste stream tends to have higher levels of contamination and MRFs that start with high contamination levels in their inbound streams have a harder time making bales that paper mills will accept.

AF&PA supports work to improve the quality of recovered paper in the marketplace. We recognize that reducing contamination in single-stream recovery systems is a long-term proposition. The two initiatives below are examples of our involvement:

- The Recycling Partnership – creates public-private partnerships that increase communities' capability to improve the quality and quantity of recyclable materials produced by community materials recovery facilities (MRFs). AF&PA is an inaugural funder of The Recycling Partnership.
- REMADE Institute – the University of Miami has undertaken research through the REMADE Institute to assess the key drivers of increasing contamination in single stream recycling systems and identify and assess new and promising collection and sorting methods that can decrease contamination in community MRFs. AF&PA serves on the technical advisory group for the project.

Jurisdictions around the country are also driving improvements in their curbside collection systems. Many cities and counties have made decisions – or are considering – returning to dual-stream residential collection to maximize high-value products such as paper and aluminum. Others are eliminating historically low-valued items such as glass from the list of recyclable materials accepted in their programs.

Other municipalities have taken efforts to improve the quality of their recovered materials a step further. The draft Massachusetts Solid Waste Master Plan<sup>1</sup>, highlights the successes of a recycling education campaign in Lynn, Massachusetts. Over an eight-week period, city staff attached “oops tags” to recycling carts containing problematic items in neighborhoods with the worst contamination. “Oops tags” included instructions on what to correct so that the carts would be collected the next time. The city supplemented this with mailers, newspaper and social media ads, store signs, etc throughout town. By the end of the program the overall rejection rate decreased by 71.5 percent (31.6 percent to 9.8 percent). The state was able to support this program by funding it with state grants focused on recycling education.

AF&PA believes that responsibility for materials recovery must be shared across the entire supply chain and include consumers. The paper industry is doing its part by meeting or exceeding voluntary recovery goals for our products. We urge you to consider promoting increased participation in community recycling programs and support sound policy to the benefit of the environment and best practices for doing business in the state.

We thank the Senate and Assembly for their consideration on this important matter and encourage the Legislature to avoid measures that penalize New York industries for doing business in the state. As always, we stand ready to assist you and offer our expertise as a resource as you shape policy on this important issue. For additional information, please contact Abigail Sztejn, Director, Government Affairs, AF&PA at (202) 463-2596 or [abigail\\_sztejn@afandpa.org](mailto:abigail_sztejn@afandpa.org).

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<sup>1</sup> [https://www.mass.gov/files/documents/2019/09/26/2030swmp-pcdraft\\_1.pdf](https://www.mass.gov/files/documents/2019/09/26/2030swmp-pcdraft_1.pdf), page 14