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RE: Impact of Chinese Waste Ban on State & Local Recycling Program

The Solid Waste Association of North America (SWANA) is a non-profit association for waste and recycling professionals with more than 9,000 members across the United States and Canada. On behalf of those members, SWANA is writing to share some important and recent recycling market developments that have implications for the movement of recyclables worldwide, and that may impact recycling programs in your state.

In July 2017, China notified the World Trade Organization (WTO) of its intention to prohibit the import of certain solid wastes and scrap into their country, including mixed paper and mixed plastics, beginning on January 1, 2018. In addition, China announced a new, and exceedingly stringent, contamination standard applicable to recyclable imports (0.3 percent). This proposal is inconsistent with the global standards followed by the recycling community and its industrial consumers, and if adopted, will effectively result in a ban on the importation of virtually all waste and scrap commodities, as the standard is nearly impossible to achieve.

In late August, SWANA filed comments with the WTO seeking additional clarity about China's filing, and raising concerns about the scope and timing of the proposed ban. China is the largest export market for recyclables generated in the United States. SWANA's comments note that China imports approximately 13 million tons of paper and 776,000 tons of plastic from the United States annually. We argued it is simply not feasible to expect domestic recycling facilities capable of handling all the material now sent to China to be permitted, constructed, and commence operations by the end of 2017. With the gap between domestic processing and market demand, the proposed ban could adversely affect municipal recycling programs through the country. Although SWANA and other industry participants support China's environmental improvement goals, we questioned the efficacy of its notices, and suggested a longer transition period for the implementation of new import controls. A copy of SWANA's WTO comments can be downloaded [here](#).





During September, we learned that China's Ministry of the Environment (MEP) is not renewing waste import licenses. As a result, material has started to pile up in Hong Kong (a major port of entry) and a handful of US municipal recycling programs have already begun to make [adjustments](#) in the materials they accept in response to the uncertainty created by the looming ban and new contamination standard. Market prices, particularly for paper, dropped significantly in September, with [market observers](#) linking that decline to the Chinese actions.

Along with other stakeholders, SWANA has met with the US Department of Commerce, Office of the United States Trade Representative (USTR), and the US Environmental Protection Agency about the ban, the contamination standard, and their potential effect on local recycling programs across the United States.

In response to our concerns, the waste import ban and related issues were raised in late September meetings in China among Commerce, USTR and MEP representatives, and at a WTO committee meeting last week. However, it is unclear whether China will consider any changes to the proposed import ban or contamination standard. To date, MEP has been reluctant even to clarify some questions about the affected materials and applicable contamination standards. SWANA will continue to press the waste sector's concerns with federal officials and others, and continues to monitor this dynamic situation closely.

What Should State Agencies Do?

Be prepared for increased market volatility, which is likely to drive greater uncertainty among your stakeholders. SWANA suggests state agencies take the following steps:

1. Communicate with local governments, industry partners, generators, and other interested parties about the current disruption in recycling markets.
2. Educate all stakeholders about the importance of generating high quality material. China's ongoing efforts to limit the amount of contamination in material imports -- dating back to the 2013 "Green Fence" -- highlight the need for recyclers to produce high quality material.
3. Renew efforts to encourage waste reduction and the development of alternative domestic markets for recyclable materials. Both have the potential to reduce reliance on Chinese markets.





4. Review current and contemplated recycling goals and regulations in light of current market conditions.

We will continue to monitor developments domestically and overseas, and will provide additional information as warranted. Some recycling programs in the United States have recently experienced reduced market prices for their material, and continued volatility can be expected in the short term.

SWANA remains committed to recycling and resource management, and to working with members and partners at the local, state and federal levels to improve and expand recycling programs in the United States. If you have any questions, please free to contact me at dbiderman@swana.org or 240-494-2254.

Sincerely,

David Biderman
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Solid Waste Association of North America

