



## Utility Advisory Committee

### Waste ReSources Recycling Program Update

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#### **Title**

Waste ReSources Recycling Program Update

#### **Recommended Action**

##### **Committee Recommendation:**

Discussion only. No action requested.

#### **Report**

##### **Issue:**

Receive a presentation and discuss the impacts of China's National Sword Policy on recycle markets and its financial impact to Waste Resources.

#### **Staff Contact:**

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#### **Presenter:**

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#### **Background and Analysis:**

##### Briefing on Residential Recycling:

In July 2017, China's government announced that it would ban the import of recyclables, including "unsorted mixed paper" and "mixed plastics," starting in 2018. This ban originated from China's "National Sword" campaign to crack down on smuggling and contaminated scrap imports. In January 2018, the Chinese government implemented their proposed ban and imposed further restrictions setting a half-percent contamination limit for all recyclable imports. This is significantly below typical processing standards of 3-5 percent at Washington recycling facilities, which excludes virtually all domestic recyclables from sale in China.

These changes caused major disruptions in recycling markets causing a glut of material worldwide and plummeting commodity values significantly, while hauling and processing costs remain the same. Other nations such as Indonesia, Vietnam and Taiwan absorbed some of the material, but they do not have the same capacity and have put up their own restrictions to slow imports and increase the quality they receive.

China had been the largest consumer of North American recyclables. One-third of all scrap material collected in the U.S. was shipped overseas, with the large majority going to China. China will likely stop all waste imports by 2020, if not sooner.

Since before the ban went into effect, the City's Waste ReSources Utility has continued to monitor the situation and work closely with its recycle processor to ensure our material does not go to landfill. The lower material values have driven up the overall cost of recycling and resulted in a 5.5% residential rate increase for 2019.

Staff will brief UAC on the status of markets and its response to recycle market challenges, including changes in operational costs, efficiencies and customer outreach.

**Neighborhood/Community Interests (if known):**

All residential customers and those Commercial Businesses that utilize the City's organics program.

**Options:**

Not requesting action or recommendation at this time.

**Financial Impact:**

Waste ReSources budget, which is funded by customer utility rates for garbage, recycle and organics.

**Attachments:**

None.