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President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

As you move to conclude trade talks with China in the coming days, I wanted to bring an issue to your attention that you may be able to resolve as part of these negotiations. For decades, the United States has exported a third of its recyclables to China to be processed and used in their manufacture of new products. This has been a mutually beneficial relationship given that the U.S. market for consumer recyclables commodities has lower demand. However, China has begun closing its doors to the import of recyclables, posing a threat on several levels.

The National Waste and Recycling Association (NWRA) is the trade association representing the private sector waste and recycling industry that is essential to maintaining the quality of American life by protecting public health and the environment. The U.S. solid waste industry directly employs about 420,000 people as of early 2018 with a total payroll of more than \$21 billion. It is estimated that the private sector waste and recycling industry accounts for over one million jobs and generates nearly a quarter of a trillion dollars in U.S. GDP.

Our members operate in all 50 states and the District of Columbia. Waste and recycling facilities number nearly 18,000 scattered throughout the U.S., mirroring population centers. Our nearly 700 members are a mix of publicly-traded and privately-owned local, regional, and Fortune 500 national and international companies. NWRA represents approximately 70 percent of the private sector waste and recycling market.

Beginning in 2013, China began to make a series of policy shifts to reduce the amount and types of recyclable materials into their country. In 2017, China announced that it would impose a standard for certain recyclable materials of no more than 0.5 percent contaminants, far below industry standards. Simultaneously, it also banned the importation of several categories of curbside recycled materials such as post-consumer plastics (e.g. water bottles, shampoo bottles, yogurt containers, etc.) and mixed paper (e.g. bundles of unsorted magazines, newspapers, and office paper.)

China's ban, which became effective March 1, 2018, on the import of recyclable materials that do not meet this impractical standard has shown a significant impact on the waste and recycling industry in the United States and Canada. Further, it could eventually lead to the loss of tens of thousands of jobs and closure of many recycling businesses throughout North America.

NWRA supports the efforts of the Chinese government to improve environmental protection and standards within its recycling infrastructure. However, its decision to ban the importation of recyclable materials that do not meet its impractical standard will have a significant impact on

the waste and recycling industry. Not only does this ban impact the recycling industry in the United States, but also the Chinese manufacturing industry that relies heavily on those materials. This could prove disruptive to the entire supply and demand balance for these commodities.

NWRA believes there are better ways to achieve China's goal of improving its environment than to place unrealistic restrictions on imported recyclables. The association has requested that the Chinese government phase in its new requirements over a period of five years to allow time for the global recycling community to adapt to the changes and new recycling infrastructure to be built here in the United States.

China has historically consumed over 50 percent of the world's recyclable paper and plastic feedstock. Given the amount of recyclable materials shipped to China, there currently is not enough global capacity to absorb the unsorted paper and post-consumer plastics that are now banned.

NWRA also has urged the Chinese government to adopt international standards and expressed concern that the environment would be the biggest loser when recycling programs fail and manufacturers revert to using resource intensive virgin materials. These internationally recognized standards were developed with the input of processors and end users to ensure that end users receive a high-quality product that can be utilized in their manufacturing while at the same time considering the limitations of recycling processors.

The fallout from this ban could have a devastating effect on recycling that may set the industry back decades. This has depressed the costs of these materials already – in some cases commodities' values have dropped to 60 percent of where they were just two years ago. In addition, the lack of markets for some of the materials altogether has resulted in them being stockpiled or, in some cases, landfilled. This could shake public confidence and create long term consequences in material quality and segregation efforts.

America's waste and recycling industry asks that you raise this issue with President Xi and seek a mutually beneficial compromise that allows for the import of clean, high-quality recyclable materials vital to their manufacturing base. Resolution of this issue would set a positive tone of goodwill and deliver immediately verifiable results as trade negotiations conclude.

Thank you for your consideration.

Respectfully,



Dr. Darrell K. Smith, PhD
President & CEO



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