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WASTE MANAGEMENT

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May 14, 2018

Town of New Sharon
Board of Selectmen
PO Box 7
New Sharon, ME 04955

Dear Board of Selectmen;

Waste Management is seeking an extraordinary increase to recover the increased costs of recycling. This request is the result in changes implemented by the Chinese Government in 2018. Beginning with their ban of Mixed Waste Paper and Plastics Imports on January 1, 2018, and then their implementation of a 0.5% contamination limit, the impact of these policies on global recycling markets is significant, and is on-going.

Through 2017, over 25% of the world's recyclables were imported by China, including over 50% of the paper and plastics recycled across the globe. China's new import policies banning materials and limiting contamination means that China is no longer a viable export market for recyclables. This has resulted in an oversupply of commodities across the globe, which has led to depressed commodity pricing. Supply is high and commodity pricing is low for the material that cannot achieve China's 0.5% contamination limits.

Due to the new material bans and 0.5% contamination limits, recyclers have had to add operating expense and slow down processing lines. This has increased the cost of recycling at the same time that commodity values are low. See attached news article regarding Ecomaine new rates.

Beginning June 1, 2018 Waste Management will be charging \$140.00 per ton for all recyclable material at our commercial entrance and residential drop off. Please feel free to contact me directly if you have any questions.

Sincerely,



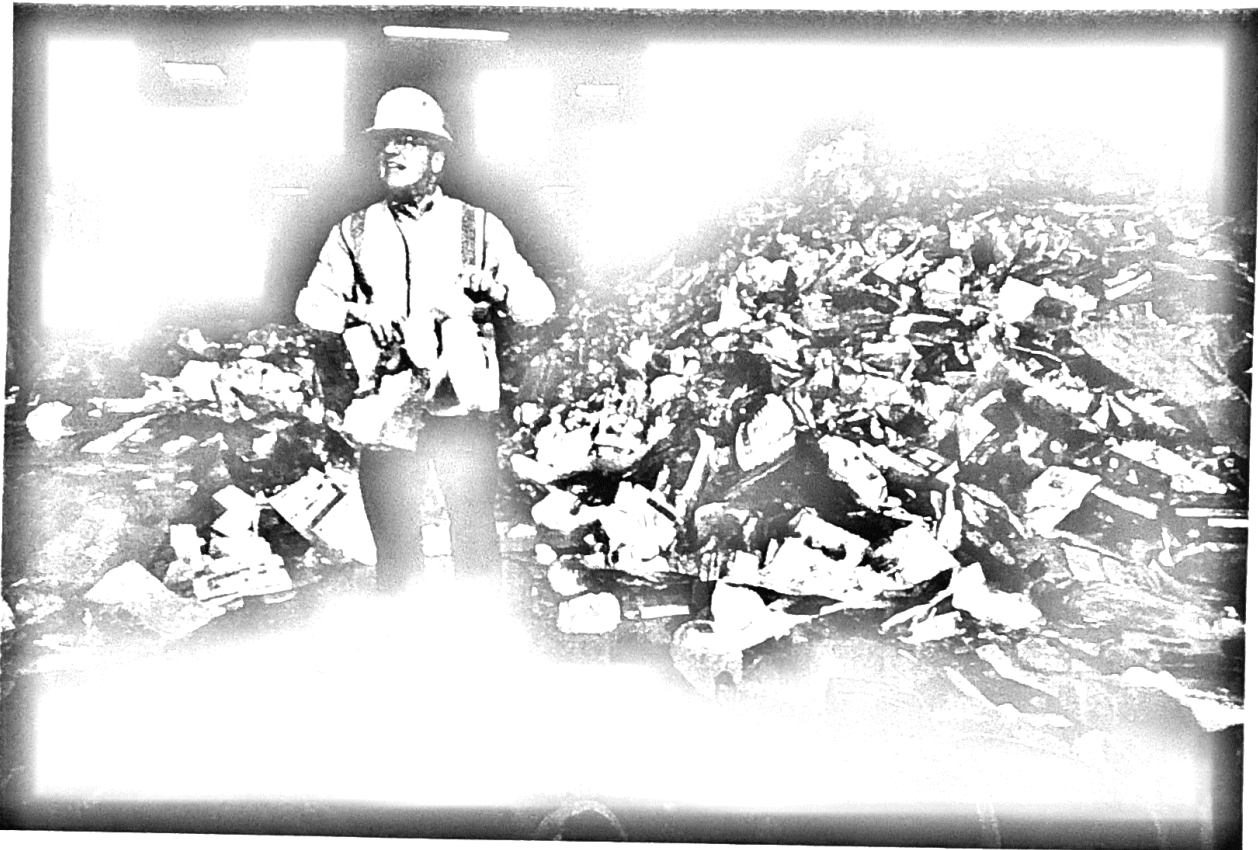
Pete Lachapelle
Waste Management
603-330-2104

Ecomaine warns public it may start paying a price for sloppy recycling

pressherald.com/2018/05/04/ecomaine-warns-public-it-may-start-paying-a-price-for-sloppy-recycling/

By Peter McGuire

May 4, 2018



Ecomaine has a message for recycling customers – if you keep sending us trash mixed in with materials for recycling, it is going to cost you.

The nonprofit corporation is losing thousands of dollars a month as it struggles to pick out as much non-recyclable material – called contamination – as it can from the thousands of tons of recycling it processes every year. The current problem: a global price collapse brought on by a Chinese ban on importing many types of waste.

RECYCLABLES at a glance

Paper, including but not limited to:

- All clean cardboard, paperboard and pizza boxes
- Newspapers, advertising inserts and mail
- Magazines, catalogs, phone books, hard-cover books
- Clean paper plates (not soaked or caked with food or oils)
- Wrapping paper that can rip

- Milk and juice cartons (it helps to remove caps, but isn't necessary)
- Drink boxes and other aseptic containers (such as nut milk boxes)
- Shredded paper (contained in a clear plastic bag)

Until the market turns around, the only way to bring down costs is to make sure ecomaine is getting "clean" recycling, CEO Kevin Roche said Thursday during a tour of the Portland recycling plant. That means checking to make sure plastic bags, Styrofoam, food waste, light bulbs and propane tanks aren't getting into the recycling bin with paper, glass, metal containers and cardboard.

Unless contamination rates come down, more than 70 towns and cities that send recycling to ecomaine could face hefty penalties – up to \$70.50 a ton for very dirty deliveries.

"The only variable we can do something about is contamination," Roche said. "We need everyone's help to fix this problem. The next time you go to a recycling bin, ask yourself, 'Which bin should I put this in?' If you don't know, please find out."

Ecomaine takes in 150 tons of mixed recycling a day, but a lot of what gets unloaded can't be recycled. Mixed in with newspapers, cardboard and metal cans are plastic scraps, broken lawn furniture, dirty diapers, old food and a galaxy of other refuse. Plastic bags, rope and string easily get stuck in the sorting machines and force the plant to stop work. On average, about 15 percent of "recycling" is actually trash, Roche said.

Ecomaine is stepping up a public education campaign to remind people what can be recycled and what can't, including its new online recyclopeda, a database of 700 common household items.

CHINA DISRUPTS THE RECYCLING MARKET

For years, selling dirty recyclable materials wasn't a problem because China, the world's largest recyclables customer, allowed contamination rates of 30 percent to 40 percent, Roche said. In January, the Chinese government banned or restricted 24 types of materials, including mixed paper, which accounts for about 60 percent of ecomaine's recycling.

In 2017, ecomaine was getting about \$100 a ton for mixed paper, Roche said. Today, it has to pay someone \$60 a ton to haul it away. Dozens of compressed paper bales are stored outside the recycling plant and may stay there for as long as six weeks until a buyer emerges.

Related

China disrupts ecomaine and other recyclers with 'foreign garbage' ban

As of March, the company had earned \$1.9 million from recycling, which is \$582,000 less than it earned during the same period in the last fiscal year.

"We have entered territory that we have never experienced in this industry," Roche said. "Markets for residential mixed paper have reached an all-time low after a very long stretch of stable markets."

Exporters have found new markets for household paper in India, Vietnam and Indonesia. There is no local market for the material, Roche said.

With a global glut, buyers can be picky, only taking material with 2 percent to 4 percent contamination, he said.

To meet those standards, ecomaine has spent heavily to quadruple its sorting staff, slow down processing and invest in new technology. The plant's operations for the current fiscal year had cost \$1.6 million as of March, which is more than \$46,000 above budget and almost \$265,000 more than at the same time in 2017, according to a March finance report.

To recover those costs, ecomaine is starting to charge \$70 a ton to process recycling from about 40 communities that contract with the company. It also is inspecting recycling loads for contamination and charging customers \$40 to \$70.50 a ton if contamination is over 5 percent.

"It is not a new policy. It has always been there, but we are going to have to exercise it more in the face of these market challenges," said ecomaine spokeswoman Lisa Wolff.

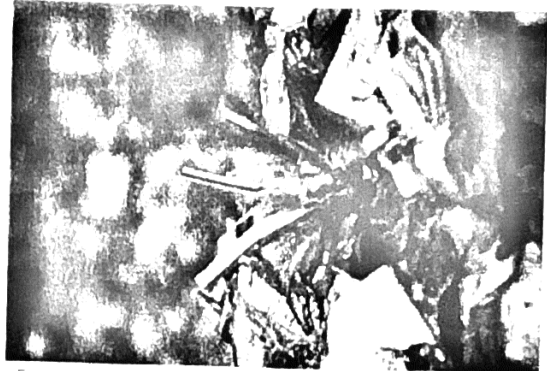
CAMPAIGN TO KEEP RECYCLING 'CLEAN'

The collapse of the mixed-paper market has American waste management companies scrambling to recover costs. In an April financial report, Waste Management, a Houston-based company with branches in Maine and across the U.S., said its recycling business was down \$77 million in the first three months of 2018 compared with the same period last year.

Waste Management public affairs director Susan Robinson decried the problem of contamination in an April blog post, claiming some consumers equated putting any material into a recycling bin with actual recycling.

"We call this wishful recycling or 'wishcycling' and it is lethal to our nation's recycling programs," Robinson said.

Waste Management, like ecomaine, is launching a campaign to limit the rubbish mixed into recycling bins and will likely increase fees.



Ecomaine is asking residents to abide by Do and Don't guidelines in hopes of keeping contaminating materials out of their recycling waste, such as straws and plastic shopping bags. Staff photo by Derek Davis



Ecomaine CEO Kevin Roche picks through unsorted materials delivered to ecomaine for recycling. He said, "The next time you go to a recycling bin, ask yourself: 'Which bin should I put this in?' If you don't know, please find out." Staff photo by Derek Davis

Casella Waste Systems, a Rutland, Vermont-based company with operations in Maine and other New England states, also is considering higher fees.

The market for recycling has gone up and down over the years, but the current crash is unprecedented, said Casella Vice President Joe Fusco.

"The problem here is that you have so much mixed paper around the world chasing smaller and smaller outlets," Fusco said. "The economics of recycling are broken right now."

If the market downturn persists, it may force a discussion about whether items that have no demand will still be listed as recyclables.

"One of the mistakes we made 20 years ago was pushing the idea that recycling was free," Fusco said. "I think that did recycling a disservice in the long-run. It has to make economic sense, and that means paying for it."

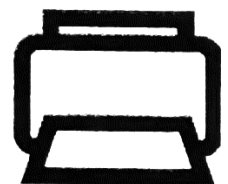
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