

# Changes in China's recycling could cost N.J. towns cash

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BY JAMES M. O'NEILL  
STAFF WRITER  
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A crackdown on trash halfway around the world has disrupted the U.S. recycling industry and could cost North Jersey municipalities some of the coveted revenue they earn from selling the paper, plastic and aluminum cans that residents put out at the curb.

For much of this year, China has rejected bales of recyclables shipped from the United States that are too contaminated by regular trash. China's effort to erect what's become known as a "green fence" against contaminated recyclables has prompted recycling companies here to start charging financial penalties to the towns and corporate clients whose recyclables are tainted with too much regular garbage.

"Make no mistake: This is a serious situation that can have major repercussions for the future of the recycling industry in the U.S.," Chris Riviello, managing partner of Atlantic Coast Fibers, a [Passaic](#)-based recycling company, told the municipalities it serves in a recent letter.

It's not clear how much North Jersey towns stand to lose, but some municipalities make between \$300,000 and \$500,000 on recycling.

And towns in [Bergen County](#) could be especially vulnerable because they use a system in which their recycling hauls are more likely than those in [Passaic County](#) to include regular trash.

Given the region's proximity to the Port of Newark, much of the recyclables collected in North Jersey, particularly paper, gets sent abroad, where mills turn it into new products. Much of it is sold to China, which bought \$11.3 billion in scrap metal, plastic and paper from the U.S. in 2011.

China's action — and the response by recyclers — has come at a time when towns, especially those in [Bergen County](#), have been trying to entice more residents to recycle by embracing simpler single-stream recycling programs. Residents can combine paper, cardboard, glass, aluminum and plastic in one container rather than separating them.

Some experts say single-stream recycling increases the amount of material collected by up to 30 percent and provides more revenue to the towns that sell their recyclables. But given China's crackdown, some in the industry question the wisdom of having moved to a single-stream system. They say that so much garbage gets mixed in with the recyclables that it significantly reduces its value.

"It's easier to recycle when you have single-stream. But it's also easier for residents to throw non-recyclables into the mix," said Jerry Lobosco, senior vice president with Green Sky Industries, a [Clifton](#)-based recycling company with many municipal clients in the region.

Lobosco said his company sends about 95 percent of its paper and cardboard to Asia — principally China, but also to South Korea, Taiwan, Indonesia and India.

Nationally, the typical single-stream load of recyclables contains 20 percent non-recyclables, he said. Whether companies sort recyclables by hand or invest in heavily automated sorting facilities, they are sometimes unable to separate out enough regular trash from the recyclables to satisfy the more stringent Chinese requirements.

Waste Management, which has numerous municipal clients in New Jersey, has seen the volume of residue in recyclables go from about 7 percent to 20 percent. "We've seen bowling balls, garden hoses, bar bells," said John Hambrose, Waste Management spokesman for the mid-Atlantic region.

China is taking a hard line on recyclables from America as it tries to clean up its industries' reputation for lax standards. The rejections are also for economic reasons, said Chaz Miller, director of policy for the National Waste and Recycling Association. "Their economy has cooled down, so their mills aren't screaming for raw materials right now," he said.

The trade with China had long been good business for both sides. China sends so many products to the United States that the shipping containers were going back empty. Then shipping companies realized the containers could be filled with cardboard, paper and other recyclables collected in the United States and shipped back to China, where factories in China could buy it and reuse the material.

Because China has been rejecting so many shipments, recycling companies such as Atlantic Coast Fibers, Waste Management and Green Sky Industries are more closely inspecting the loads they receive from municipal and corporate customers and charging them if they find excessive amounts of non-recyclables.

The recycling companies pay the municipalities for a load of recyclables, but then have to sort out the trash, and pay to have the trash disposed in a landfill. Those extra processing and tipping costs reduce their profit. Add to that the increasing amounts of their material being rejected by China, which further reduces revenue.

"Basically recycling companies have to work more to make less money," Miller said. "Single-stream can cut collection costs, but there are increasing processing costs."

Marie Kruzan, executive director of the Association of New Jersey Recyclers, agreed. "Single-stream created a problem and China's green fence makes it more difficult," Kruzan said. "The green fence is definitely affecting the marketplace. And it's not going away. The recycling world is changing." The changes mean municipalities will see changes in their contracts, she said.

Municipalities can often earn several hundred thousand dollars a year selling their recyclables. And the more people recycle, the less towns must pay in tipping fees to dispose of garbage at landfills. Tipping fees currently run about \$60 per ton.

The crackdown in China could cost towns. "There's certainly going to be a reduction in recycling revenue for municipalities, and of course we're concerned," said Guy Picone, director of public works for [Paramus](#).

Like many towns, [Paramus](#) has a five-year contract which guarantees the borough a floor price on its recyclables, but if the trend continues, the borough will likely see that floor price drop, Picone said.

[Paramus](#) has a dual-stream system, which insulates it a bit. Recyclables collected through a dual-stream system, where paper is collected separately from the other materials, are generally less contaminated with non-recyclables than those collected via a single-stream system. Paper can easily become contaminated by food, liquids and shards of glass mixed into the recycling stream.

Though contamination in recycling has increased because more municipalities have switched to a single-stream system, many in the industry say single-stream won't be going away. "Single-stream is not a mistake," Lobosco said. "It makes sense for some municipalities. It doesn't make sense for others. It comes down to how much care residents take — how well a municipality educates its residents."

Despite the trend toward the easier single-stream system of recycling, recycling numbers remain relatively low throughout the state, according to the latest data from the state Department of Environmental Protection. Statewide, there was a 40 percent recycling rate for municipal solid waste in 2011, down 31,250 tons from the prior year and well below the state goal of 50 percent.

Recycling, however, was up for a second year in [Bergen County](#), which had a 45 percent recycling rate in 2011 — fourth best among the state's 21 counties. It also ranked first in the total amount of waste recycled — about 525,000 tons. That was 42,000 tons more than in 2010.

Passaic County saw a 17 percent decline in municipal recycling in 2011, with 39,000 fewer tons of material collected. Passaic County's municipal recycling rate was 30 percent, ranking it 18th among the 21 counties.

But looking at recyclables collected by weight can be a misleading way to gauge the rate of recycling, many say.

For instance, many products now get packaged in plastic rather than far heavier glass containers to cut down on shipping costs. And plastic bottles themselves are thinner and lighter than they used to be, said Miller.

"Is it so bad for recycling tonnage to be down?" said Al DuBois, Clifton's recycling coordinator.

"Not necessarily. It could mean we are succeeding at source reduction. Bottlers and others are eliminating weight, and in the end that's all better for the environment."

Email: [oneillj@northjersey.com](mailto:oneillj@northjersey.com) Twitter: @JamesMONEill1

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