

# Actions Related to Recycle Plus Residential Solid Waste Agreements and China's Policy of Importing Recyclable Material

City Council  
January 15, 2019  
Item 7.2



*Environmental Services*



Delivering world-class utility services and programs to improve our health, environment, and economy.



# Recommendations

- Adopt a resolution authorizing the City Manager to waive all or a portion of the contractor disincentives for not meeting the required diversion rates for calendar year 2018
  - If by March 1, 2019 the City Manager determines that the Recycle Plus contractors are unable to meet their required diversion rates because of China's "National Sword" policy on the import of recyclable materials

# China's National Sword Policy

- March 2018 - China implements 0.5% contamination limit on recyclables, primarily mixed paper and plastics
- August 23, 2018 – China levies 25% tariff on certain materials
- Uncertain if China will accept certain commodities again
- Southeast Asian markets, like Vietnam & Indonesia, becoming flooded, accepting limited amount of material

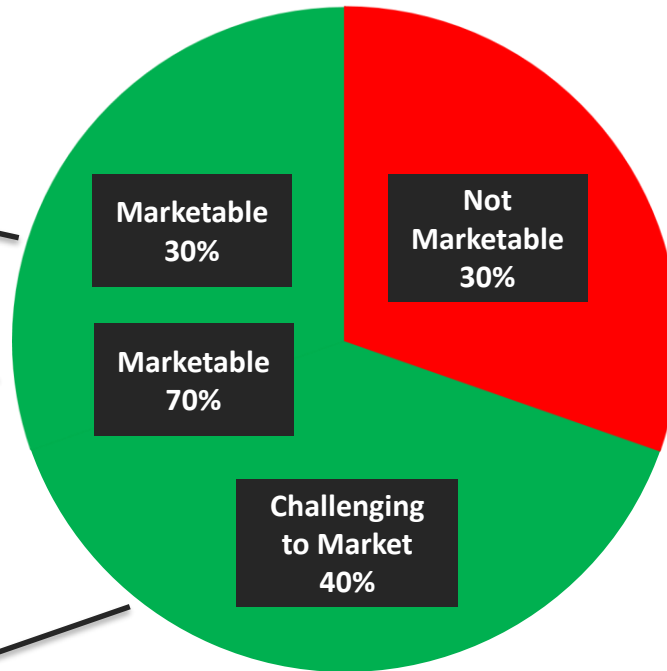


# Single-family Recyclables

**Before China** **After China**  
**Sword Policy** **Sword Policy**

*Markets available for past 10+ years*

Cardboard
Newspaper
Glass
Metal
Mixed Paper
Plastic
Textiles
Polycoated Packaging



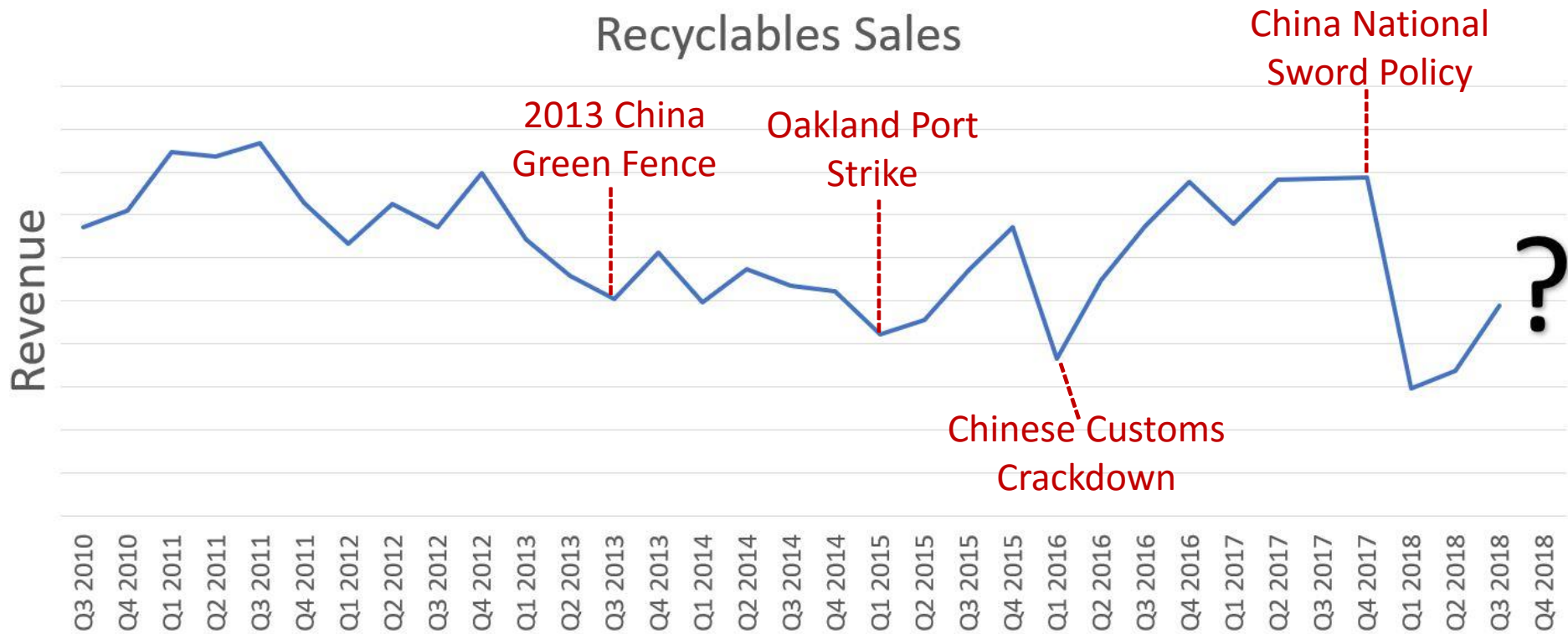
*No viable recycling markets for past 10+ years*

Non-Recyclable
Contaminated Mixed Paper
Compostable Organics
Contaminated Cardboard

*Markets impacted by recent global bans*

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# Impact to Recycling Haulers' Sales (CWS & GT)



Source: CWS and GT Monthly Reports



# Waiving Recycling Contractor Disincentives

- Resolution authorizes the City Manager to waive all or a portion of contractor (CWS & GT) disincentive payments for calendar year 2018 if contractor demonstrates inability to meet diversion rates due to National Sword
- Recommendation does not authorize landfilling of recyclables
- Staff will continue to monitor how other cities are addressing impact of China markets and handling contract diversion requirements



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