

Paper Recycling Legislation and Programs in the USA

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Dr. Ince provided an impromptu overview of recycling legislation and programs in the United States, including an assessment of which programs have been the most influential in terms of stimulating increased paper recycling in the United States. The summary of major types of legislated programs related to paper recycling was based on a report published annually by Raymond Communications, Inc., College Park, MD (State Recycling Laws Update, year-end edition, 1998).

Legislated programs in the United States can be grouped into two general categories in terms of impacts on supply and demand for recovered paper and recycled paper products – supply side and demand side programs. Supply side collection programs (both mandatory and voluntary) have probably exerted the most significant and lasting influence on paper recovery and recovered fiber supply. The number of local programs for recovery of recyclable materials has increased significantly in the United States, from only around 1,000 in 1988 to about 9,000 mandatory collection programs and about 10,000 voluntary programs in 1997. Annual recovery of paper in the United States (for domestic recycling and export) has increased from about 24 million metric tons in 1988 to around 40 million metric tons today.

Expansion of collection programs since the mid-1980s had a direct influence on capital investment within the pulp and paper sector. The long-run investment cycle is influenced by the forces of fiber supply and product demand, including trade. Supply and demand determine prices in the short run and influence decisions to invest in new production capacity. Change in capacity will in turn influence supply and demand in the long run. As increased collection flooded markets with low-cost recovered fiber in the 1990s prices for recovered fiber were generally depressed (except for a brief period around 1994 and 1995). This situation, combined with increased demand for paper with recycled fiber, stimulated investment in new recycling capacity.

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Different levels of government recycling programs:

Federal	State (50)	Local (thousands)
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Major categories of programs related to paper recycling:

- Supply side (programs that increase recycled fiber supply):

- Collection programs by local governments (recovery to avoid landfilling)

- ~9,000 mandatory programs today (vs. only ~ 1,000 in 1988)

- ~10,000 voluntary programs

- Landfill bans for paper in some states only; also some local bans

- All paper - 2 states

- Phone books - 1 state

- Old newspapers - 1 state

- Packaging in general - 5 states

- Demand side (programs that promote demands):

- Limited tax credits for recycling enterprises (less than half of all states)

- Grants and loans for recycling (mostly small business; 13 states)

- Recycled newsprint mandates (8 states)

- Mostly set at minimum 40% recycled content

- (5 states currently, 3 more states by year 2003)

- Purchasing preferences for government agencies

- (to purchase paper made with recycled fiber)

- Federal Government; 47 states; 500 local governments

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Source: State Recycling Laws Update

Year-end edition, 1998

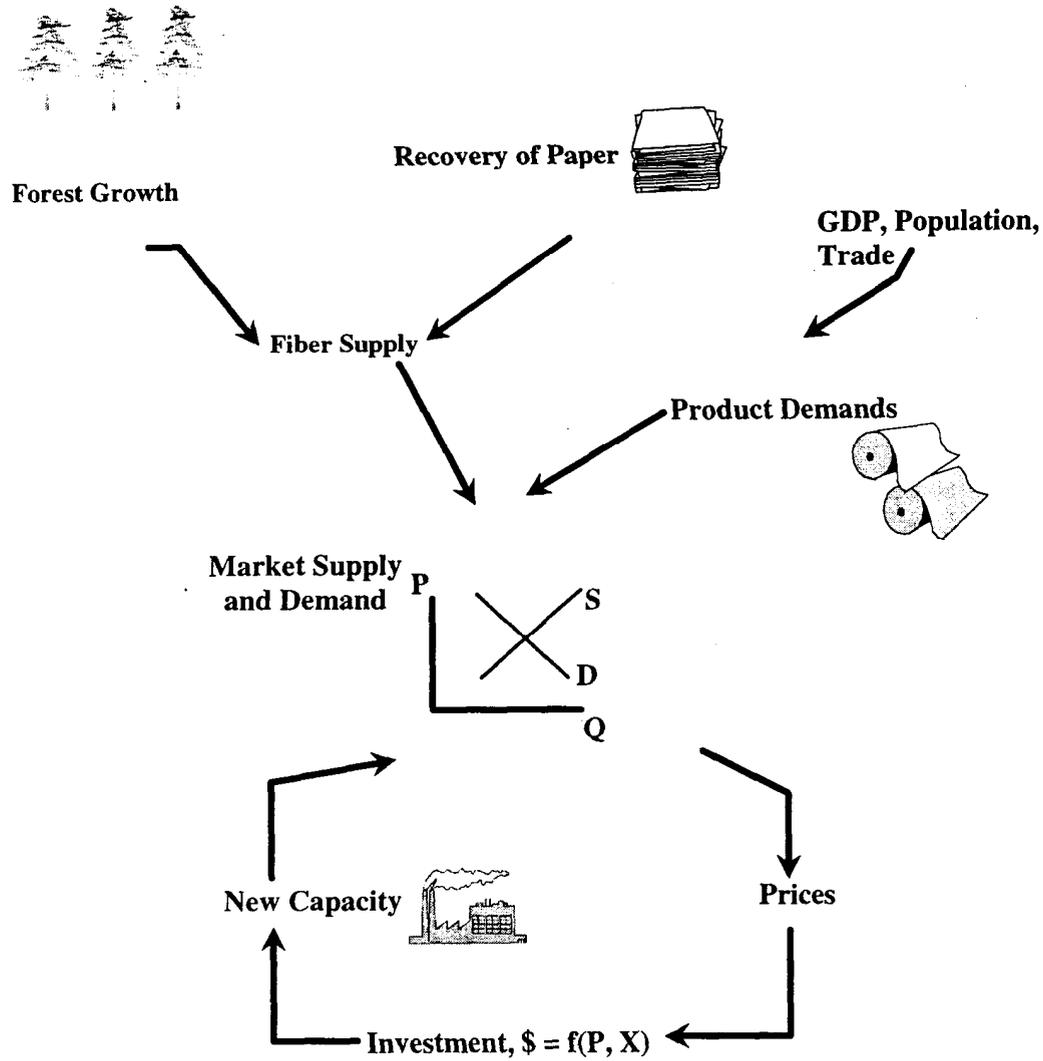
Raymond Communications, Inc.

College Park, MD

Web address:

<http://www.raymond.com>

Long-Run Investment Cycle
(influenced by recovery of paper for recycling)





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Workshop Proceedings

RECYCLING, ENERGY, AND MARKET INTERACTIONS

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*The workshop was held in Istanbul, Turkey
from 3 to 6 November 1998, under the auspices of the*

UN-ECE Timber Committee

Hosted by the Ministry of Forestry

**Compiled by USDA Forest Service, Forest Products Laboratory in conjunction with
Dr. B. Hillring Swedish University of Agricultural Sciences
and published by Ministry of Forestry, Turkey**