

"**BUILDING A MARKET FOR RECYCLABLES**", by Cynthia Pollock Shea, was published in *World Watch* magazine,, Vol. 1, issue #3, May/June 1988. The following are excerpts from this excellent article.

- \* "Few states and municipalities know how to go about manipulating markets -or seem willing to spend the money to try. Most do not acknowledge that recycling 25% of a region's discards initially requires a quarter of the region's solid-waste budget."
- \* "**FSC Paper** of Chicago...promised to buy all of a community's waste newspaper if the local newspaper publisher agrees to buy **FSC'S** newsprint, which is made with 100% recycled fiber. One of **FSC's** customers, the **Chicago Sun Times**, currently uses about 45% recycled newsprint -almost double the national average. The potential value of this service is high. If the U.S. recycled just half of the newsprint it consumes every year, it would divert almost six million tons of material from landfills -enough to fill up 3,200 garbage trucks every day."
- \* "(U.S.) wastepaper exports have increased ninefold since 1970 and now account for one of every four tons of general cargo shipped through NY harbor. Including scrap metal, secondary materials make up **41%** of the harbor's outgoing cargo."
- \* "According to John Ruston, an economist at the Environmental Defense Fund, many of today's tax codes, pricing mechanisms, quality standards and purchasing practices are 'vestiges of 19th-century policies that sought to fuel economic growth by underpricing natural resources.' Some tax programs, for instance, encourage rapid extraction of such virgin materials as oil, minerals and underground water...Federal resource-management practices also result in the underpricing of virgin materials. The **U.S. Forest Service**, manager of **22%** of the nation's timberlands, has sold lumber over the past 10 years at more than **\$2 billion below its own costs** for planting and tending trees, building access roads, etc. The public ends up paying for subsidies that shrink demand for less-expensive recycled paper."
- \* "Analysts at the Washington-based Center for Renewable Resources (now the Renew America Project) estimated that the federal government provided **\$44 billion in energy subsidies in 1984**, a sum equal to one-quarter of the budget deficit. By underpricing fuel and other natural resources, the federal government promotes the continuation of a throwaway society and the disruption of eco-systems."
- \* "For recyclers, as for any new business, credit can be a major stimulus to growth. The case of **Rubber Research Elastomerics, Inc. (RRE)** is an impressive example of how states can simultaneously stimulate recycling industries and local economies. In January 1987, **RRE** opened a no-charge disposal center for used tires in Babbitt, in northeastern Minnesota's depressed Iron Range, with the help of \$2.7 million of state and local economic development funds. **RRE** grinds and chemically treats old tires to produce "**Tirecycle**," which can substitute for most of the virgin rubber typically used to make athletic and door mats, grocery cart wheels, liners for the beds of pickup trucks and other products. The company can also combine reclaimed rubber with recycled plastic to produce garbage cans that don't crack during cold Midwestern winters and laundry baskets that don't break. Under the financing arranged between economically depressed St. Louis County and **RRE**, the county will make a **\$600,000** profit. It and the state have put together another \$1.6 million to expand the plant's capacity to four million tires per year...Tires are coming in from as far away as Chicago. When it reaches full volume, the **Tirecycle** facility will employ at least 60 people."
- \* "St. Jude Polymer, a company named after the patron saint of hopeless causes, is another example of what government loans can accomplish. Shortly after the company was

*Printed on recycled paper, naturally*

founded in 1977, it obtained a low-interest loan from the Pennsylvania Industrial Development Authority to move into larger quarters. The company processed PET plastic, the type of plastic from which soda bottles are made. Ninety percent of its raw material comes from commercial and residential waste."

\* "A more direct way to tilt markets in favor of recyclables is to offer tax advantages to new companies that process wastes or make new products out of discards...From 1978 to 1983, a 10% federal investment tax credit, aimed at spurring energy conservation, motivated corporations to purchase **\$143 million** in new recycling equipment. Among the states, Oregon offers the most comprehensive tax-credit system. Since 1981, the state's Dept. of Energy has granted credits to 163 recycling projects. The 'Business Energy Tax Credit' allows companies a five-year period in which to deduct from their taxes an amount equal to 35% of the cost of any equipment used solely for recycling...In dollar terms, the lion's share of Oregon's credits has gone to help two paper mills expand their recycling capacity...Oregon's efforts to ensure long-term markets have paid off in a **state newspaper recycling rate of 67% - more than double the national average.**"

\* "The state-run Clean Michigan Fund has already disbursed five market-development grants worth a total of \$1.2 million to companies that produce animal bedding from mixed waste paper and 'lumber' from mixed plastics."

\* "The **U.S. Resource Conservation and Recovery Act of 1976**, along with subsequent amendments, directs government purchasers to buy 'items composed of the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.' Unfortunately, the development of procurement guidelines has proceeded glacially: **only one guideline (covering the use of fly ash in concrete and cement) has been issued.**" (!! Ed.)

\* "A new Vermont law requires state purchasing agents to figure 'life-cycle costing' into their buying decisions, meaning that they must assess how much is saved by using recycled materials instead of paying for their disposal."

\* "Maryland has had a program to buy recycled paper since 1977. Approximately 45% of the state's paper purchases contain at least 80% recycled fiber. Because making paper from scrap instead of wood pulp cuts energy use by approximately 50%, the state has saved energy equivalent to heating nearly 10,000 homes for a year."

" "The funds to establish incentives can come from landfill surcharges, packaging taxes, the savings from avoiding garbage disposal or general revenues. These investments will ease waste-disposal and pollution problems while creating new jobs and new products. Simultaneously removing subsidies for raw materials, landfills and incinerators will enhance the competitiveness of recyclables."

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