

LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
900 SOUTH FREMONT AVENUE, ALHAMBRA, CALIFORNIA 91803-1331
P.O. BOX 1460, ALHAMBRA, CALIFORNIA 91802-1460
www.lacountyiswmtf.org

December 31, 2008

The Honorable Board of Supervisors County of Los Angeles 869 Kenneth Hahn Hall of Administration Los Angeles, CA 90012

Dear Supervisors:

SUPPORT FOR THE DEVELOPMENT OF LOCAL RECYCLING MARKETS, INCREASED CONVERSION TECHNOLOGY AND JOB CREATION IN CALIFORNIA.

On November 14, 2008, the California Integrated Waste Management Board (CIWMB) issued a press release (Enclosure 1) which addressed the recent decline in the value of recyclable materials and the need to develop local and regional markets to lessen our dependence on overseas markets. The rapid and significant decline in the value of recyclable commodities has had a significant impact on the recycling market in California. This decline has lead to warehousing of recyclable materials and may lead to increases in the disposal of such materials, potentially impacting local governments' ability to comply with California's fifty percent waste reduction mandate.

In response, on December 18, 2008, the Los Angeles Integrated Waste Management Task Force (Task Force) forwarded a letter to the CIWMB (Enclosure 2), requesting the State provide leadership in developing local/regional recycling markets and conversion technologies. Although the State's waste reduction mandate has helped to increase the supply of recyclable materials, it has not developed a corresponding market demand for these materials. Unfortunately, at a time when the collapse of the global recycling market has highlighted our overdependence on Asian markets for managing recyclable materials, the CIWMB has expressed its support for imposing mandatory commercial recycling, which would further exacerbate the excess supply problem.

Due to the urgency of this matter and its negative impact on efforts of local jurisdictions to comply with the state waste reduction mandate (AB 939), the Task Force respectfully requests your consideration to forward a similar letter to the CIWMB.

The Honorable Board of Supervisors December 31, 2008 Page 2

Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (AB 939, as amended), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and the 88 cities in Los Angeles County with a combined population in excess of ten million. Consistent with these responsibilities, and to ensure a coordinated and cost-effective and environmentally-sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a countywide basis. The Task Force membership includes representatives of the League of California Cities-Los Angeles County Division, the Los Angeles County Board of Supervisors, the City of Los Angeles, the waste management industry, environmental groups, the public, and a number of other governmental agencies.

If you have any questions, please contact Mr. Mike Mohajer of the Task Force at (909) 592-1147, or you may contact me at (626) 288-7308.

Sincerely,

Margaret Clark, Vice-Chair

Margaret Clark

Los Angeles County Solid Waste Committee/ Integrated Waste Management Task Force and Council Member, City of Rosemead

DC:cw

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Enc.

cc: County of Los Angeles, Chief Executive Officer (William Fujioka)
Each Member of the Los Angeles County Integrated Waste Management Task Force



For Immediate Release November 14, 2008 2008-Release 48

For more information contact: Jon Myers (916) 341-6300 E-mail the <u>Public Affairs Office</u>

Recycled Materials Going Through Shakeup: State Agency Working To Keep California's Environment Protected

SACRAMENTO—The California Integrated Waste Management Board (CIWMB) is pledging to work with California cities and counties, as well as the many recyclers, brokers, and processors who are trying to cope with the rapid decline in commodity prices for recycled paper, metals and plastic goods.

CIWMB staff are monitoring market trends and prices and examining regulatory and non-regulatory options to keep these materials from being disposed. The CIWMB will hold a special public meeting in Sacramento in early December to explore measures it can enact to ease the current situation. The Board will hear from brokers and others about possible short-term and long-term solutions.

"We're aware of the potential dilemma facing our state's recycling infrastructure," said Board Chair Margo Reid Brown. "We cannot undo the incredible progress our local cities and counties have done to reduce our waste in landfills. By working together, I'm confident we can develop short-term measures that will get us through these challenging times, while ensuring we remain true to our overall environmental goals."

Keeping waste paper and cardboard out of California landfills is one of the strategies being used to combat global warming. Paper products and other organic materials decompose in landfills and generate methane, which scientists say is 23 times more potent than carbon dioxide as a greenhouse gas.

California's environment may face a potential set-back as the depressed global economy and an excess in global inventory have reduced prices being paid for recycled newspapers, old corrugated cardboard and plastics around the world. Prices being paid to recyclers have, in some instances, fallen more than 50 percent in one month. An aggressive recycling program is why California leads the nation in diverting more than half of its solid waste away from landfills. The state converts an estimated 52 million tons of solid waste each year into new, higher-value products that add billions of dollars to California's economy.

Local jurisdictions are scrambling to find additional storage space to accommodate the steady flow of old newspapers and cardboard being set aside for recycling by California residents, businesses and industry.

"We must consider the health and safety of California as we look for short-term relief in the current situation and for long-term solutions such as locating new manufacturing and energy-producing facilities in California," Brown added.

The current drop-off in recycled paper exports could help encourage the development of additional local and regional markets for converting these recycled materials into new products or as a source of energy and fuel.

China is the primary export market for U.S. recycled paper products but has seen a global slowdown in demand for Chinese-made products using recycled materials imported from the United States.

The California Integrated Waste Management Board is the state's leading authority on recycling and waste reduction. It promotes reducing waste whenever possible, managing all materials to their highest and best use and protecting public health and safety and the environment.

The California Integrated Waste Management Board is one of six boards, departments, and offices within the California Environmental Protection Agency (Cal/EPA).



CHAIR

LOS ANGELES COUNTY
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December 18, 2008

Ms. Margo Brown, Chair California Integrated Waste Management Board PO Box 4025 Sacramento, CA 95812-4025

Dear Chairperson Brown:

SUPPORT FOR THE DEVELOPMENT OF LOCAL RECYCLING MARKETS AND JOB CREATION IN CALIFORNIA

On behalf of the Los Angeles County Integrated Waste Management Task Force (Task Force), I wish to express our serious concern with the recent drastic decline in the market value of recyclable materials as further substantiated by the Board's November 14, 2008, news release entitled "Recycled Materials Going Through Shakeup: State Agency Working To Keep California's Environment Protected." This matter has brought to light a long standing deficiency in the current model used for the diversion of materials. State mandates for recycling have created an extensive supply of diverted materials, but have failed to thoroughly address the market demand side of the "recycling equation." The result has been a substantial dependence on China and other foreign countries as markets for our recyclable materials, where there are substantially inadequate environmental controls for processing these materials, which manufacture goods for sale in the United States, and thus deprive Californians of jobs.

For many years, the Task Force along with local jurisdictions has been recommending that the State needs to take a greater role in the development of statewide markets which use recyclable materials. In a letter to the California Integrated Waste Management Board (CIWMB) in 1999, the Task Force voiced the opinion that local programs needed greater support to recycle materials which were being generated at that time. Since then, the amount of materials being generated has increased as has the amount being recycled. However, the development of statewide markets for the recyclable material continues to be substantially lacking.

While the CIWMB's November 14, 2008, news release acknowledges the significant impact of the recent foreign market decline on California's infrastructure, it does not identify what specific actions the CIWMB contemplates in addressing this issue. Instead on November 20, 2008, the CIWMB expressed its support for mandatory commercial recycling

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to the California Air Resources Board. The CIWMB's position in support of mandatory recycling without addressing the market demand side of the "recycling equation" will further compound the existing problem caused due to lack of adequate market for diverted materials.

The Task Force strongly supports recycling as an important element of our integrated solid waste management system, and recognizes its value in reducing our dependence on landfills. However, recycling efforts focused on collection of materials without developing a strong demand for diverted materials will not ultimately succeed. Therefore, It is recommended that the CIWMB: (1) conduct a life-cycle analysis of all the elements of an integrated solid waste management system with regard to recycling, composting, and conversion technology, (2) reevaluate the current waste management hierarchy, (3) develop and recommend actions (legislative and regulatory) and programs to promote the development of needed markets for diverted materials in California, and (4) update its current position regarding conversion technology to proactively promote these much-needed technologies. Many studies have shown there are synergies between recycling and conversion technology which, if used advantageously, would allow them to complement each other, thus maximizing overall diversion from landfills.

It is imperative that guidance and leadership be provided by the State and by its agencies such as the CIWMB. Working with local jurisdictions, the State can help create strong statewide and regional markets by providing economic incentives and assistance to innovative businesses. The Task Force looks forward to the opportunity to work with CIWMB in regard to this matter.

If you have any questions, please contact Mr. Mike Mohajer of the Task Force at (909) 592-1147.

Sincerely, Margaret Clark

Margaret Clark, Vice-Chair

Los Angeles County Solid Waste Management Committee/ Integrated Waste Management Task Force and Council Member, City of Rosemead

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cc: Governor Arnold Schwarzenegger
Assembly Speaker Karen Bass
Senate President Pro Temp Darrell Steinberg
Cal EPA Secretary, Linda Adams

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Each Member of the California Integrated Waste Management Board

Each Member of the California Air Resources Board

Mark Leary, Executive Director of the California Integrated Waste Management Board

James Goldstene, Executive Officer of the California Air Resources Board

Each Member of the County of Los Angeles' Board of Supervisors

California State Association of Counties

The League of California Cities

The League of California Cities, Los Angeles County Division

Each City Mayor in Los Angeles County

Southern California Association of Governments

South Bay Cities Council of Governments

San Gabriel Valley Council of Governments

Gateway Cities Council of Governments

Each Member of the Los Angeles County Integrated Waste Management Task Force

Each Member of the Los Angeles County Alternative Technology Advisory Subcommittee

CARB's Economic and Technology Advancement Advisory Committee