

Recycling / PCM Meeting 9-28-23

PHOTOCOPY
PRESERVATION

TCLF

Recycling / PCM Meeting 9-28-83

Kathy Chung

- Katie McGinty -- 20% PCM standard
 - Politically - upcoming climate & waste decisions not make euros happy

- Capacity is there
- cost not significant
- States doing this
- leadership on issue

Administrator

- Carol Browner - Recycling most important issue in State Govt

More & this policy

- ^{definition} Post-consumer is post-consumer

- Timing Issue - how fast phase-in
 - ~~PCM~~ PCM, immediate
 - 15% PCM by 95
 - 25% PCM by 97-98

Alice Gulin

- Govt only 2% purchases not mandating standard

Can start with 15 or 20%,
Ramp up to 25% by 1988

- 50-10 split - still with non-writing paper
- aspect of

20% by Dec 1984?

Political issues -- 15% start-up shows sensitivity to all concerned

- Mayors want 30% by end of term
- Congress is very nervous -- industry
- Statute -- 11.5% higher cost & can't purchase
 - Dec 98 30%
 - Dec 99 - 20%

Immediately -- Require all bds for paper request bds for recycled paper

— By tomorrow noon
Decision

MILL CAPACITY TO PRODUCE 20%

Currently there is enough capacity on-line to make 2.2 million tons per year (tpy) of 20% postconsumer recycled printing and writing paper. An additional 5 million tons of capacity will be on-line by the middle of 1996. The Federal Government purchases 300,000 tpy of printing and writing paper in a total market of 25 million tpy.

Here is a short list of large integrated paper mills slated to come on-line to meet the 20% standard. In addition to these integrated mills, 10 deinking plants are under development which will create an additional 2,690 tons per day of deinked pulp. (To meet 100% of Federal government demand we need roughly 300 tons per day of deinked pulp.)

Union Camp Corp., Franklin VA. On-line in February, 1995 with 508,000 tons per year of 25% postconsumer printing and writing paper. This will be one of the largest mills in the country. This empirically refutes the paper industry argument that large mills and machines cannot produce a 20% pcm sheet.

International Paper Co., Lock Haven, PA. On line November, 1993, with 90,000 tons per year of 50% postconsumer photocopy and fax paper. This will be marketed under the Hammermill brand (the brand now purchased by a large percentage of Federal agencies) and will reportedly be sold at a discount to virgin paper. If this is a successful product, IP has committed to use this process at four other non-integrated mills and may expand capacity at Lock Haven.

International Paper Co. , Selma, AL. On line in early 1995, producing 600,000 tons per year of 20% postconsumer paper. Installing a 400 ton per day deinking machine. Pulp will be mixed with virgin fiber to make pcm paper and excess sold to other mills for their production of pcm paper.

James River Corp., OR. Deinking plant in Halsey, OR produces approximately 400 tons per day of deinked fiber. This plant could produce 300,000 tons per year of 20% postconsumer. However, it now makes two brands of photocopy paper: Eureka! Premium 100 Recycled at 60% postconsumer and Eureka! Premium Recycled at 30% postconsumer.

SUMMARY OF RECYCLING ROUNDTABLE

- o In revising the standards we want to ensure that:
 - 1) we are providing leadership in the areas of solid waste reduction and resource conservation
 - 2) we set standards which begin to create markets for recyclable paper diverted from incinerators and landfills and create incentives for industry to invest in technologies which utilize this resource
 - 3) the product is produced in reliable quantities and at a reasonable price
- o The goal of the executive order is not to legitimize the industry effort. Setting a high pcw standard does not preclude the industry from continuing with their initiative. In fact, we would hope that the industry will continue with their initiative to get large, high speed mills to make a 10% pcw paper.
- o In 1990, 98% of paper waste sent to landfills or incinerators came from postconsumer sources. The only way to relieve the current burden on disposal facilities is to set a high pcm standard which is technologically feasible and allows for the production of a reasonably priced product.
- o To achieve a 20% pcm standard for 100% of federal government purchases, 60,000 tons per year of deinked market pulp must be available. Close to 523,000 tons is currently available, more than eight times more than is needed. Scott Paper company reports that there is currently overcapacity of recycled pulp.
- o A number of large integrated mills will come on line this year. The new Union Camp mill in Franklin, Virginia, one of the biggest in the country, enough to supply the entire Federal government demand, will be making a 25% pcm printing and writing paper.
- o JCP's most recent bid for 15% pcm paper experienced only a 2 to 3 percent price premium.
- o The capacity is there. The price will not be excessive. A 20% pcm standard will not discredit the industry initiative. It will send a strong signal that the Federal Government is leading, not following 26 states, in its effort to produce a market for recyclable paper.
- o According to Scott, the industry is currently undergoing a massive restructuring. This is the time to send the signal.

DEMAND FOR RECYCLED PAPER

Consumer Demand

- o Significant numbers of consumers now consider environmental factors in their product purchasing decisions and demand products and packaging that are less burdensome to the environment.
- o Experts estimate that the total volume of demand for recycled content printing and writing paper by the beginning of 1996 to be at least 5 million tons per year, out of a total consumption of 25 million tons.
- o At a 10% recycled-content level, 13.7 million tons of recycled-content paper can be provided, saturating market demand.
- o Large mills will not switch to postconsumer use in a saturated market. Under these conditions, there would be less incentive for additional deinking projects to go forward and less postconsumer material diverted from landfills.
- o The goal of the executive order is to accelerate the construction of deinking projects until market demand is saturated and create a strong market for recyclable paper.

State and Local Governments

- o Local governments and businesses spend \$11 billion per year to dispose of waste paper. We must ask what the additional economic and environmental costs to society of not recycling.
- o To solve this problem, 50 states and over 400 local governments have adopted "buy recycled" programs.
- o Exactly 26 states require a 10% pcm standard for printing and writing paper.
- o 10 states are currently buying 20% pcm content paper.
 - * Seattle is buying 25% pcm paper cheaper than virgin.
 - * In 1991, New York State awarded 41 contracts for recycled paper with a minimum of 10% pcm, of which only 7 required a price premium.
 - * Oregon is buying 25% pcm paper with a 5-9% price premium.
 - * The Council of Great Lakes (TN, MN, MI, OH, PA, SD, WI) purchased a lot containing 10% and 20% pcm paper with a 7% price premium.

Private Sector

- o In the private sector, 72 companies, including Bank of America, Chevron, Pacific Gas & Electric and others have committed to buying 10% pcm paper or higher.
- o This year Bank of America purchased 15 million pounds of 25% pcm paper with a 3% price premium.
- o Bell Atlantic signed a three year contract for 20% pcm computer paper with no price premium.
- o Coca-Cola uses 15% recycled stationary, post-it notes, file folders and computer paper.

Recycling Meeting Notes

- Issue is **post-consumer (PCM) recycling** -- what % should the government buy?
- Purpose -- to re-direct paper from landfills
- What % PCM content should government purchase? 10% - 15% - or 20% ?
- **DPC feels that it should be 15-20%**, with preference for the 20% figure for the following reasons:
 - Based on meeting with industry reps yesterday, 20% is reasonable and doable.
 - Vice President called for 50% in 1991.
 - Reward smaller mills that have made commitment and invested in recycling technology
 - Larger mills' resistance is more a function of their comfort level with the issue than it is an economic or technical issue (based on yesterday's meeting -- no satisfactory industry answer)
 - 10 states have 20% pcm, 26 states have 10% pcm -- we are behind on this issue.
 - President made commitment in Earth Day speech to do something significant in this area.
- Premium on post-consumer recycled paper is now at 4-6%, will come down as more demand
- Federal Government -- 2% of market

OTHER ISSUE -- **TOTAL CHLORINE-FREE (TCF) REQUIREMENT**

- Should remain dropped from the executive order for political reasons -- lower industry's political resistance -- go with Panetta's feeling on this.