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TO: CSAC Board of Directors
County Public Works Directors
From: Cara Martinson, Senior Legislative Representative & Federal Affairs Manager
Nick Cronenwett, Legislative Analyst

RE: Call to Action Regarding China's National Sword Recycling Imports Policy

Local governments are partners with the state in meeting our recycling and waste diversion goals. Under the Integrated Waste Management Act of 1989, cities and counties are required to divert 50 percent of all solid waste out of the landfill by January 1, 2000 through source reduction, recycling, and composting activities. AB 341 (Chapter 476, Statutes of 2011) also established a statewide goal that not less than 75 percent of solid waste generated be source reduced, recycled, or composted by the year 2020.

California has been largely successful in achieving and making progress towards these goals and others over recent years. However, recent changes in China's trade import policies have significantly disrupted California's recycling industry by restricting foreign imports of recyclable materials and requiring reduced contamination levels in recycling streams. These changes are collectively referred to as "National Sword" and will ultimately close off Chinese and Asian markets to California's scrap imports completely by 2020. These markets have served as the foundation for California's recycling system as the export of recyclable materials is a key component of California's recycling infrastructure.

Significant market disruptions for recyclable materials have a direct impact on California's local governments and our ability to meet state-mandated recycling goals. Since the change in China's policy, materials are piling up in local waste facilities across state with no place to go. This has caused slowdowns in waste processing of other materials, significant public health risks, and an increase in the likelihood of state fines and penalties.

In addition to this challenge, local governments across California will soon have to comply with new state regulations for organic waste processing and diversion. SB 1383 (Chapters 395, 2016) establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. Infrastructure required to implement these regulations is expected to cost billions. As a result, local government resource recovery and waste management operations are facing several significant infrastructure challenges over the next several years.

In order to more fully address this issue, CSAC urges your Board of Supervisors to adopt the attached resolution that supports the creation of statewide Commission to address these significant challenges to our recycling markets. The resolution also includes support for including representatives from local governments on the Commission who would have the task of making recommendations for the solutions to our declining markets for recyclable materials.

Once adopted, we respectfully request that you forward your resolution to the Governor's policy unit care of:

Melissa Immel, Deputy Legislative Secretary
State Capitol Building
Office of the Governor
Sacramento, CA 95814

If you have any questions, please contact Cara Martinson, Senior Legislative Representative and Federal Affairs Manager at Cmartinson@counties.org or 916-327-7500, ext. 504