



January 11, 2019

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500

Facsimile
916.441.5507

The Honorable Gavin Newsom
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: Statewide Commission on Recycling Markets

Dear Governor Newsom,

Recent changes in China's trade import policies have significantly disrupted California's solid waste and 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 China's change in 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 the increased potential for fines and penalties.

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

California counties respectfully request that your Administration establish a statewide Commission to address these significant challenges to our recycling markets. We request that the Commission be comprised of state, local and industry representatives with the task of making recommendations for solutions to our declining markets for recyclable materials, while continuing to emphasize the need to divert materials from our landfills. The Commission should examine potential solutions including, the development of international and domestic markets, updated compliance standards in this new economic environment, ways to increase source reduction, and any other means that will alleviate this growing public health and environmental crisis.

Counties stand ready to work with your Administration and our industry partners to develop solutions to this significant issue. If you have any questions, please contact my staff, Cara Martinson, Senior Legislative Representative and Federal Affairs Manager at Cmartinson@counties.org or 916-327-7500, ext. 504.

Sincerely,

A handwritten signature in blue ink, appearing to read 'GKnaus', is positioned above the printed name.

Graham Knaus
Executive Director