Recycling troubles: Bay Area companies struggle with China's new rules, tariffs

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The problems are "piling up" for Bay Area recycling and trash collection companies trying to comply with California's strict standards.

The main cause for their concern? China, which processes most of the world's recycling materials <u>and is now changing the rules</u>.

Some recycling plants in the Bay Area can do up to a 100 tons of recycled materials a day. But China does not want most of the trash from the United States. Pair that with new tariffs on plastics and cardboard, and that means producers need to find a new place to ship the materials.

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<u>Vallejo's Recology Center</u> features a large-scale recycling operation. It has plenty of material, but a murkier situation for buyers.

"We're recycling paper, plastic, steel, aluminum, and everything you can possibly think of," said Tom Phillips, general manager at <u>Vallejo Recology</u>. "At some point it's just going to grow. The stockpiles are going to grow."

Phillips also said the facility used to sell the materials, but are unable to now.

The issues are two-fold: one, China wants nearly "contaminant-free" shipments and are no longer willing to accept anything less.

"They've got air pollution. They've got literally mountains of garbage that have come from the recycling commodities that have been sent over to their country."

The second problem is more "timely."

A trade war initiated by this presidential administration that has led to Chinese tariffs on recyclable materials.

"It is a challenging time for us recyclers," said Christine Abreu, president of the <u>California Refuse Recycling Council</u>. Abreu represents roughly 150 garbage collectors around the state.

"We were at a point where we were paying China to take some of our materials," she said. "But at this very moment, as you and I talk, China isn't taking anything!"

When China does reopen the door, Abreu said the 25-percent tariffs will put added pressure on businesses and consumers.

No one in the industry NBC Bay Area spoke to on Tuesday said they have had to lay anyone off, but rates to recycle your material will almost certainly rise.