

### **6-3-6 Recycling Market Development**

Developing markets for recyclable material has become a major component of DEM's Commercial Recycling Program. A range of activities are covered under this element of the program. DEM frequently works with the Department of Economic Development on related legislation and grant proposals and they often meet together with recycling business interests. DEM works cooperatively with the Department of Administration/Office of Purchases on state recycled product purchases and policies. DEM also works with non-profit organizations, private institutions and trade associations when appropriate opportunities arise.

#### **a. Remanufacturing Research/Implementation**

In the summer of 1993, DEM received a \$5000 grant from the U.S. Department of Energy, which DEM matched, to conduct a remanufacturing research project. A graduate student from the University of Rhode Island's (URI) Chemical Engineering Department was hired to conduct the research. Plastics and textiles were chosen as target materials and companies that worked with the DEM's Pollution Prevention program were approached. The project resulted in finding a 100 percent post-consumer polystyrene replacement for 100 percent virgin polystyrene at an investment casting company for two-thirds the cost.

Upon the conclusion of this project, it was determined that a more comprehensive approach to reviewing manufacturing processes was desirable. In May 1994, DEM hired a graduate student for the summer from URI's nationally recognized Industrial Manufacturing and Engineering program to analyze over 60 manufacturing processes for the potential to utilize post-consumer materials.

The outcome of the second project presents a strategy for moving ahead with remanufacturing in Rhode Island. (The findings can also be applied nationwide.) The research concluded that over one-third of the processes analyzed have potential for further research and testing. The majority of the targeted processes involve plastic with the remainder involving glass.

A survey of Rhode Island manufacturers conducted during the second project revealed five companies using four of the targeted processes (all plastic). A database search requested of the Department of Economic Development (DED) revealed another 111 companies with the same SIC codes as the five mentioned above, potentially representing other post-consumer resin users and testing opportunities.

This next phase of the project will accomplish two things. DEM will:

- work with DED and business organizations to identify other RI manufacturers utilizing the targeted processes;
- work with URI to perform on-site assessments at selected companies and test the feasibility of post-consumer substitutes in the five processes that have been identified thus far; and
- attempt to correlate SIC codes with processes to more easily identify the manufacturers that might benefit from this research.

## **b. EPA Jobs Through Recycling Proposal**

The EPA's Jobs Through Recycling initiative was established in 1994 with the goal of stimulating the development of businesses that:

- use recovered materials that would otherwise be landfilled or incinerated; and
- contribute to economic growth and create/retain jobs.

In FY 1995, the EPA had approximately \$1.5 million available to distribute through a competitive process. DEM has received preliminary approval for a project that will bring together the following entities to establish, through requests for proposals and support services, a self-sustaining disassembly center and new material processors for electronics and appliances collected in the Northeast region: the Rhode Island Departments of Environmental Management (DEM) and Economic Development (DED), the American Plastics Council (APC), Citizens Bank, the University of Rhode Island (URI), the Rhode Island Export Assistance (RIEAC) and Small Business Development (SBDC) Centers at Bryant College, and the Northeast Recycling Council (NERC). Although potentially of high value, appliances and electronics are diverse in their design and material content, posing daunting challenges of collection, disassembly and marketing. This project is designed to overcome barriers by developing education and collection strategies; developing databases to aid in disassembly and material identification and in identifying export markets; and by assisting companies in employee training, business planning, operation and financing. Additionally, it will disseminate "design for disassembly/recycling" information learned from the disassembly process. DEM will receive approximately \$236,000 to fund this project pending approval of a work plan by EPA.

## **c. Recycled Product Procurement**

### **Public Sector**

Rhode Island General Law 37-2-76 requires the state to affirmatively promote the use of recycled products. Specifically, with respect to office paper products, at least 50 percent of the expenditures made by the state must be recycled by fiscal year 1995. Furthermore, a timetable is to be established for continued integration of other recycled products into the state's purchases based on research conducted by DEM.

Previously, a five percent price preference was the mechanism used to increase procurement of recycled products. Price preferences were used to bring the cost of recycled products in line with those made from virgin materials. However, the price preference became an administrative burden and was not producing the desired results. Price preferences were eliminated and replaced with RIGL 37-2-76, under which recycling content is established as part of the standard specification for products designated by DEM and DOA.

Several successful efforts to increase recycled product procurement through master price agreements have been made under this new statute. Master Price Agreements (MPA's) are three-year contracts that are entered into by the Office of Purchases for frequently purchased items (i.e. office paper, lumber, asphalt mix). MPA's are often used by government agencies to bid once for

frequently purchased items. DEM, in cooperation with the DOA/ Office of Purchases, has developed a timetable for integrating recycled-content products into MPA's where applicable. When an MPA is nearing expiration, DEM researches the availability of recycled-content products associated with that MPA for inclusion when it is re-bid. This has been accomplished for several MPA's, primarily paper products; however, other products will continue to be researched.

Although RIGL 37-2-76 does not apply to municipal governments, DEM decided to include them in the process as they are able purchase from state contracts. DEM developed a *Buy Recycled Guide* for use by state and municipal public sector purchasing agents when searching for information on recycled products. To keep state and municipal purchasing agents abreast of developments, DEM will update the *Guide* semi-annually. The *Guide* was distributed to over 60 state and municipal representatives at a public-sector Buy Recycled Workshop held on October 4, 1994 conducted by DEM and League of Women Voters of West Bay (League). DEM will attempt to monitor the progress of municipalities in buying recycled products; they are currently discussing a program with the League to provide training for volunteers to conduct face-to-face interviews with municipal purchasers.

### **Businesses**

The National Recycling Coalition's Buy Recycled Business Alliance (BRBA) is a national group of companies committed to increasing their purchase of recycled-content products. With resources provided by the BRBA, DEM is conducting an outreach program to business to encourage participation. In April 1994, BRBA paid for training for a DEM representative who in turn promotes the program in Rhode Island. DEM is planning to speak to purchasing associations and Chambers of Commerce in 1995 and also plans an informational mailing to businesses with more than 50 employees.

DEM has also developed a seasonal publication ("Business Brief") which is mailed directly to businesses who report to DEM, to Chambers of Commerce, and others. A regular feature that will profile recycled products will help provide on-going education on the diversity, use, quality, cost and availability of recycled products.

DEM is also developing a sourcebook of recycled content products manufactured and distributed locally. It will be available to government, businesses and the general public upon request.

DEM provides technical assistance, cost and availability information for recycled products to businesses upon request.

### **Consumers**

Both DEM and the Corporation participated in a Buy Recycled Campaign organized by the Environmental Defense Fund (EDF). EDF and the Ad Council, with input from states, developed television, radio and print public service announcements promoting the purchase of recycled products. Unfortunately, the public service announcements were not widely seen and more work needs to be done in this area.

DEM has teamed with the National Recycling Coalition on a "Come Full Circle Campaign," a multi-media consumer-awareness campaign. The primary goal of this initiative will be to encourage

consumer demand for recycled products and packaging through an educational and informational incentive campaign. The campaign is scheduled to kick off on April 7, 1995 and television ads will run for six weeks on the Turner Network.

### **c. Newspaper Minimum Content**

In 1990, the Northeast Recycling Council (NERC) expanded markets for recycled newsprint by securing agreements with newspaper publishers to phase in increasing amounts of recycled content by the year 2000 and by pushing for related legislation in member states. In 1991, Rhode Island General Law 28-18.16 provided a direct mechanism for improving markets for old newspapers by establishing a timetable for publishers to purchase increasing percentages of post-consumer content newsprint. The rates and dates are as follows:

- 11% by January 1, 1993
- 22% by 1996
- 31% by 1998
- 40% by the year 2001.

Publishers are required to report the previous year's recycled newsprint purchases to DEM on an annual basis. Reports received in 1994 revealed that Rhode Island publishers are exceeding the current minimum content requirement of 11 percent. Nine publishers are reporting post-consumer content usage which meets or exceeds the 1996 requirement of 22 percent.

The *Rules and Regulations for Newspaper Recyclability* were filed with the Secretary of State September 24, 1994. They were developed after meeting several times with the state's newspaper publishers. This, and similar efforts in other New England states, have spawned construction of several new de-inking facilities and the demand for old newspaper has increased substantially. It is widely believed that the demand for old newspaper, as well as other paper grades, will remain high for the foreseeable future.

### **d. Product/Package Labeling**

Rhode Island General Law 28-18.8-3 authorized DEM to promulgate regulations which established official emblems for use on products and packages to disclose their recycled content, reusability, recyclability or information on how the item was source reduced. Many surveys have indicated that a substantial portion of the population is influenced by "green" labeling. The intent of RIGL 28-18.8-3 is to preclude false claims that may entice a consumer to purchase one item over another. It is considered a recycling market development tool as the *Recycling Emblem Regulations*, which were filed in October 1990, set a high standard of compliance.

Rhode Island is one of only a few states that have a recycling emblem law and it is widely regarded as the most stringent. Having different laws in each state is cumbersome for businesses operating nationwide, so there is support for a federal labeling law. The Environmental Protection Agency, however, has chosen not to pursue a national labeling standard at this time. The Federal Trade Commission (FTC), however, has established a set of guidelines for the use of Environmental Marketing Claims under which recycling emblems are covered. The FTC Guidelines do not require

disclosure of post-consumer content when using recycling emblems and, therefore, are not as stringent as Rhode Island's regulations. The FTC has won several court settlements against companies making false environmental claims. FTC's Guidelines will be reviewed in the summer of 1995.

The Northeast Recycling Council (NERC) has recently revisited this issue in an attempt to reach consensus on a common standard for member states that is consistent with other policies. With the goal of the establishment of a federal standard in mind, NERC has decided to lobby the FTC with the goal of adding post-consumer content disclosure.

Stringent enforcement of the regulations would be very resource intensive. Current enforcement practices rely on notification by staff and the general public of incorrect use of labels and emblems. As labeling requirements become more standardized across the country, enforcement may eventually become a non-issue.

#### **e. Northeast Recycling Council**

To expand regional markets for recyclable materials and to develop markets for products made with recyclable content, DEM and Corporation both participate in regional market development efforts conducted by the Northeast Recycling Council (NERC). NERC's first large-scale project was a regional approach to buying recycled paper in 1989 that resulted in the standardization of state definitions and specifications for recycled paper. NERC is committed to addressing both supply and demand issues for many materials and has cultivated relationships with several industry associations for mutual education and problem solving.

#### **f. Waste-based Manufacturing Partnership**

In 1993 and 1994, a legislative study commission met regularly to discuss opportunities and barriers to increasing waste-based manufacturing in Rhode Island. Various interests were represented, including business and labor groups, public-interest/environmental organizations, elected officials, and the Departments of Economic Development and Environmental Management.

Following this effort, the Rhode Island chapter of the Clean Water Fund organized a public forum on economic development through recycling. This forum assisted in the development of an informal partnership amongst several interested parties who intend to increase activity in this relatively unexplored area. The Clean Water Fund has received funding to develop a formal partnership amongst the many interests around this issue. The partnership will be responsible for working jointly to create a market-development/economic opportunity strategy plan designed to create economic opportunities in the private sector while utilizing more locally-generated recyclable and reusable materials. The goal is to link these opportunities to neighborhood-based community development and redevelopment so that the benefit derived from using recyclables may be realized locally. Other benefits to the partnership approach include the following: (1) partners will work together to clarify opportunities and problems; (2) a joint scope of services for the market-development plan will be developed to reflect the mutual needs and concerns of all participants; (3) active involvement in the plan's development will ensure mutual support for the final plan; (4) an

alliance will have been formed that can help ensure implementation of the plan's recommendations upon its completion.

**g. Other**

**Local Recycling Markets List:** DEM maintains and distributes a list of businesses throughout the region that accept a variety of materials, including those on the mandatory recycling list. DEM plans to increase the level of detail provided by 1996.

**Recycled Products Sourcebook:** As mentioned previously, DEM is preparing a sourcebook of recycled products available in the state and region. This book is intended to increase the users' awareness of the variety and availability of recycled products and answer the often asked question of "Where do I find recycled products?"