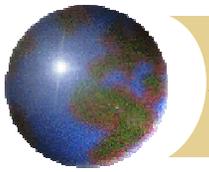


*Market Development
Subcommittee Report*

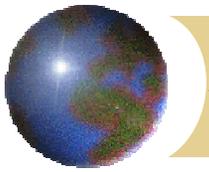
Solid Waste Plan Working Group
September 3, 2003



Market Development Defined

- "...fostering businesses that manufacture and market recycled-content products and strengthening consumer demand for those products."

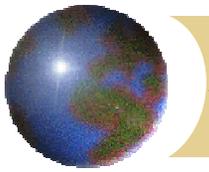
-U.S. EPA Jobs Through Recycling Program



Market Development Defined

- “Activities that provide or stimulate the demand for materials recovered for recycling or the utilization of material(s) that would have otherwise been disposed of as solid waste.”

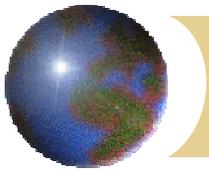
-Subcommittee Definition



Market Considerations

● Export Market

- China is currently the largest market for U.S. Scrap exports, accounting for 23% or \$1.2 billion in 2002.
- Scrap and waste was Rhode Island's second largest export category in 2002, for a total value of \$144,787,758
- Volatility of recyclables market

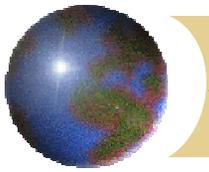


Market Considerations

● Fiber Market

- 80% of U.S. mills use recovered paper
- 200 mills use exclusively recovered paper
- AFPA recycling goal of 55% of all paper consumed in US to be recovered
- Flexographic Ink - impact on Marketing of RI ONP



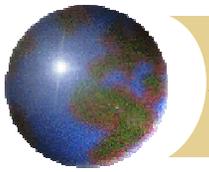


Market Considerations

- Plastic Bottle Markets
 - Insufficient feedstocks of PET (#1) and HDPE (#2)
 - Processing capacity currently exceeds supply



-NAPCOR, APC

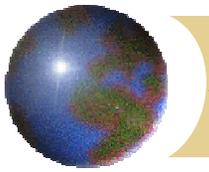


EPA Jobs Through Recycling (JTR) Program

● 1994 – 1999

- \$8M in seed funding
- 8,500 jobs
- \$640M in capital investment
- Created 15M tons of capacity
- Utilization of 13.9M tons of recovered materials

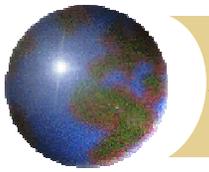




JTR Program

- ⊕ Market Development Roundtables
- ⊕ JTR List serve
- ⊕ Publications
 - ⊞ Market Share
 - ⊞ JTR Success Stories

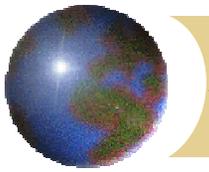




Recycling Economic Impact Study – July 2001

- Recycling Industry's Contributions
 - 17 States & the NRC
 - 26 Types of recycling organizations
 - 56,000 establishments
 - Employment of 1.1M
 - Payroll of \$37B annually
 - Gross of \$236B annually
- REI 2 Study being considered





Northeast Recycling Council (NERC)

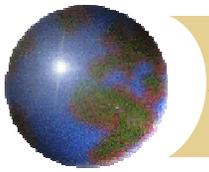
● Ten Northeast States

- Cooperative research & collaboration
- Regulatory, market and business dev. issues linking Recycling & Econ. Dev.

● Industry in the NE

- 13,000 businesses
- 206,000 employees
- \$44.2B in revenue

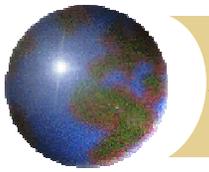




Northeast Recycling Council (NERC)

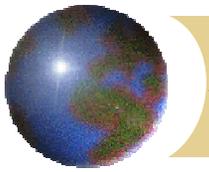
- 1998 Business Investment Forums
 - Recycling Companies seeking \$
 - Corp. & Indv. Investors, VC firms, Economic Developers, State officials
 - Investment of \$16M secured by 9 companies





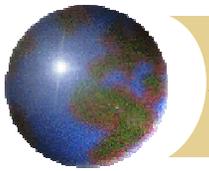
Northeast Recycling Council (NERC)

- 2001 RI Business Financing Seminar
 - Understanding the Characteristics of Recycling and reuse firms
 - Recycling finance history
 - Unique aspects of Recycling and Reuse firms/similarities to other small businesses



Newspaper Publishers Agreement

- NERC 10 state effort – recycled content newsprint
- 86% of annual regional NP consumption has endorsed the agreement (as of July 27, 2001)
- DEM report / potential changes to RI legislation to reflect agreement targets



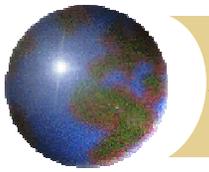
State Market Dev. Programs

✿ Diversity in state's MD programs

▣ Agencies:

- NY – EDC, Env. Services Unit
- ME – Maine State Planning
- NH – Dept. of Economic Development
- PA – DEP
- Ohio – DNR
- NJ – DEP
- South Carolina – Dept of Commerce
- CA – CIWMB

▣ County & Regional Programs



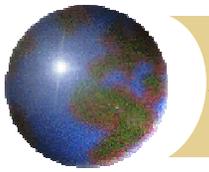
Priority Materials for MD

✚ Electronics

✚ Organics

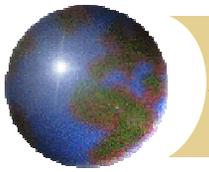
✚ Construction & Demolition
(C & D)





MD Strategies being employed

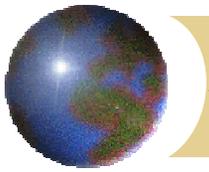
- ⊕ Product Stewardship/Extended Product Responsibility
- ⊕ Grants and Loans
- ⊕ Environmentally Preferable Purchasing and Buy Recycled



MD Strategies being employed

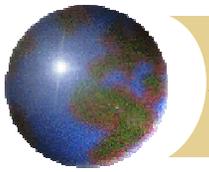
- ❖ Linking economic development and recycling market developments
- ❖ Providing targeted assistance to recycling enterprises





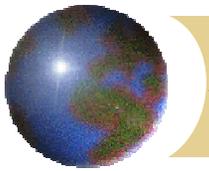
Chelsea Center for Recycling & Economic Development

- Strategic Technology Partnership (STEP)
- U MASS, EOEA, MA office of Business Development
- Funding from Clean Environment Fund (Unredeemed Deposits)
- Program Discontinued June, 2003



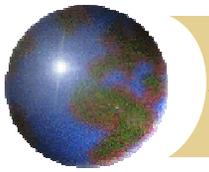
Chelsea Center for Recycling & Economic Development

- ⊕ Direct technical assistance
- ⊕ Funding for projects
- ⊕ Assistance to other state programs
- ⊕ Web Site – online information
- ⊕ Publications
- ⊕ Workshops, roundtables, focus groups



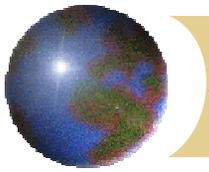
Market Development Initiative & Study - Pennsylvania

- Subcommittee recommendation: Have a consultant research & report on potential of Market Development in RI
- PA – Working w/ RW Beck – 2 Phases:
 - Phase I - 5 Reports
 - Phase II – Strategic Plan & Business and Implementation Plan



Existing RI Initiatives

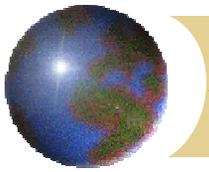
- RIRRC grant to Alkahest – Prototype Mollusk Shell recycling system
- RIRRC grants to support Recycling for RI Education
- Business Materials Exchange (SNEME)
- Residential Internet – based materials exchange



Potential Initiatives

- Marine Bioconversion Squid waste project
- Glass Cullet – additional utilization
- RIRRC Industrial Park

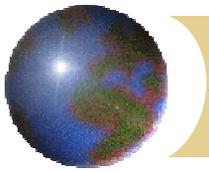




Other Items

- ➊ Recycled Roads Act
- ➋ Local Recycling Markets List
- ➌ Recycled Products Directory





Conclusions

- ❖ RI's size and lack of processors handicaps ability to promote market development
- ❖ Legislative or Executive mandate to initiate a formalized program
- ❖ Viable funding source critical to establishing a formalized program