



State Senator Sheila Harsdorf

Date: February 5, 2015

To: Senate Committee on Natural Resources and Utilities

From: Senator Sheila Harsdorf

Re: Senate Bill 7 - Newspaper recycling fee and the recycled content of newsprint in newspapers.

Chair Cowles and Committee Members:

Thank you for holding a public hearing on Senate Bill 7 (SB7) which seeks to eliminate the requirement that Wisconsin-based newspapers use 33% recycled content for their newsprint. I appreciate the opportunity to testify in support of SB7.

In an effort to increase the recycling of newspapers, legislation was enacted in 1990 that required Wisconsin-based newspapers to either pay a newspaper recycling fee or use at least 33% recycled content. At the time, only 35% of newspapers were recycled. Today, more than 73% of all old newspapers in the U.S. are recovered and recycled, being used in a variety of products such as cereal boxes, egg cartons, grocery bags and tissue paper. These efforts by recyclers have been so successful in finding markets and uses for recycled newsprint that it has become difficult for Wisconsin newspapers to actually find sources of paper that meet this requirement. Additionally, it can be more economical and environmentally friendly to recycle newspapers in the manufacturing of these other commercial products rather than shipping them to paper mills to produce newsprint.

It is also important to note that current law only applies to Wisconsin-based newspapers, which places Wisconsin-based publishers at an economic disadvantage compared to publishers that are located or print their newspapers in another state.

Finally, a report commissioned by the Department of Natural Resources (DNR) titled *Recycled Content Newsprint/Legislation, the Newsprint, and Old Newspaper Markets* found that this law has served its purpose and is no longer relevant. This report also concluded that a repeal of this law would have no impact on newspaper recycling and the environment, nor would it contribute to the further landfill or disposal of any additional newspapers.

I urge your support for this legislation that would eliminate an obsolete requirement and unnecessary burden on Wisconsin-based newspaper publishers. Thank you again for your time and consideration of this legislation.



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Senate Bill 7 – Newspaper Recycling Fee and Recycled Content of Newsprint
Senate Committee on Natural Resources and Energy
February 5th, 2015

Thank you members of the Senate Natural Resources Committee for holding a public hearing on Senate Bill 7 today. This legislation aims to remove an obsolete law that currently mandates Wisconsin-based newspaper publishers to use recycled newspapers in at least 33-percent of their newsprint content or pay a fee.

In 1989, Wisconsin became one of 14 states nationwide to enact a law that required mandatory recycled newsprint content. An additional 14 states had voluntary recycled newsprint programs. Throughout the 1980's and early 90's, environmental efforts caused recycling programs to grow exponentially nationwide. This led to an oversupply of Old Newspapers (ONP), and states like Wisconsin responded by requiring publishers to use that recycled product in newsprint. While this may have been a noble effort at the time, the requirement is no longer practicable.

Market conditions have changed since the 1989 requirement was enacted. Today ONP is used in consumer products such as cereal boxes, egg cartons, and grocery bags. These items are more valuable than recycled newsprint, and it makes more economic sense than shipping old newspapers to distant mills for recycling into new newsprint. In many cases recycled newsprint is simply not available to many Wisconsin publishers.

The DNR commissioned a report last summer from Moore & Associates, an Atlanta-based consulting company that specializes on the issue of paper recycling. The report concluded this current mandate has served its original intended purpose, is not relevant in today's era of recycling, and that the elimination of this mandate will not have a fiscal impact to the state.

SB 7 is supported by both the Wisconsin Newspaper Association (WNA) and the Wisconsin Paper Council. I am happy to answer any questions you may have.



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Thank you Mr. Chairman and members of the committee for allowing me to testify in favor of Senate Bill 7. As some of you may know I'm very familiar with the newspaper industry. Prior to being elected to the assembly I was the associate Editor at The Dodgeville Chronicle and very active in the Wisconsin Newspaper Association. I retired on December 31 last year after serving 24 years in the newspaper industry.

I am very familiar with the newspaper recycling fee and recycled content of newspaper requirement that was enacted in 1989. The requirement mandated publishers use an average of 33 percent recycled content in their newspapers. I am happy to say the intended purpose of the requirement has worked and as of today over 70% of old newspapers are being recycled.

However, the reporting requirement has now become cumbersome, costly and not needed for newspapers. The days where each individual newspaper is printed at their own facility is long gone. For example the newspaper I worked for contracted out the printing of the newspaper with Woodward Printing. Woodward prints over 60 newspapers in Wisconsin, Illinois and Iowa. However, Wisconsin is the only state that requires mandatory average of 33% recycled content. Each year Woodward must fill out paperwork for the 20 newspapers it prints in Wisconsin to certify the recycled content.

On average the recycled content for the Wisconsin newspapers Woodward prints is 44%. Recycled newsprint paper is more costly and harder to print on, which means Wisconsin newspapers are charged more for printing than a newspaper in Iowa or Illinois. We need to remember that the requirement is an average of 33%, which means one month the printer may print on 80% recycled newspaper and the next month only 10% in order to come up with the average.

Another disadvantage is that newspapers that are owned by out of state companies are not required to meet the mandatory 33% rule or fill out the DNR paperwork.

As I stated at earlier the intent of this requirement was to deal with old newspapers that were not being recycled. This has been met. As we have found out there are many uses for old newspapers, not just using them to be recycled and reprinted on. I support SB7 to remove an outdated and obsolete law that is no longer relevant, but is causing burden on the newspaper industry.



WISCONSIN NEWSPAPER ASSOCIATION

Repeal Outdated Recycled Newsprint Content ***Please Support Assembly Bill 11/Senate Bill 7***

What the bills do: AB 11/SB 7 repeals section 287.31 of the Wisconsin statutes which requires Wisconsin-based newspaper publishers to use recycled newspapers in at least 33 percent of their newsprint content.

Background: While the newsprint content mandate may have made sense when the law was passed in 1989 to spur recycling, the law no longer reflects market conditions. In fact, it has been unenforceable for a number of years.

In 1990, 35 percent of all old newspapers were recycled. Today, more than 73 percent of all old newspapers in the U. S. are recovered and recycled. Old newsprint needed to produce recycled newsprint is being used to produce not just newsprint, but items like cellulose insulation, cereal boxes, egg cartons, grocery bags, pencil barrels and tissue paper.

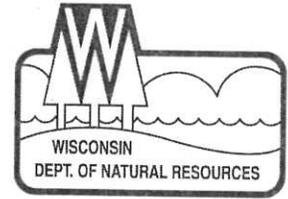
In many cases, it is more economical and environmentally friendly to manufacture these products than shipping old newspapers to distant mills for recycling into new newsprint. These market forces have combined to make recycled newsprint either prohibitively expensive or simply unavailable to Wisconsin publishers.

Should the recycled content mandate be repealed?

The Wisconsin Department of Natural Resources (DNR) recently commissioned a report from paper recycling consulting firm Moore & Associates that concluded the following:

- ✓ Wisconsin's recycled content newsprint has served its purpose and is not relevant in today's era of recycling.
- ✓ There will be no impact on newspaper recycling and the environment as a result of eliminating the state of Wisconsin's recycled content mandate on newspaper recycling.
- ✓ That repeal of the state's law will not reduce the recycling of newspapers nor contribute to the landfill or disposal of any additional newspapers.
- ✓ If Wisconsin continues its recycled content newsprint requirements, the state's newspaper publishers will be at an economic disadvantage compared to other states.

For further information please contact Sean Stephenson at 608-204-5810 or Beth Bennett at 608-283-7621



Senate Committee on Natural Resources and Energy
SB 7 - Newspaper Recycled Content
February 5, 2015

Good morning, Chairman Cowles and committee members. My name is Brad Wolbert and I am the DNR section chief in charge of recycling and solid waste. Thank you for this opportunity to testify, for information only, on Senate Bill 7, repealing the newspaper recycled content target and fee.

The state's recycling program dates back to around 1990. Newspapers were a high-volume, readily recyclable product, but there was more supply than demand for used newspapers. In an effort to stimulate demand for recycled newsprint, Wisconsin enacted the newspaper recycled content target and fee law in chapter 287 of the statutes. This law phased in recycled content targets that newspaper publishers had to meet; publishers had to pay a shortfall fee if they did not meet the target. The law was effective in raising the average recycled content of in-state newspapers and shopping guides to over 40 percent by 1998.

More recently, however, demand for recycled newsprint and other fiber has been sustained by the *export* market, while domestic demand for newsprint in general has sagged due to publishing industry trends. North American newsprint producers have been unable to compete and there are few suppliers left for recycled newsprint.

DNR was approached by the Wisconsin Newspaper Association to discuss this situation. As a result of our discussions, we commissioned a study by Moore & Associates, a paper recycling consulting company, to evaluate the current effectiveness and relevance of Wisconsin's law. The study concluded that conditions in the recycled newsprint and newspaper publishing industries have changed since the late 1990s, and that the need for stimulating recycled newsprint demand through this program is currently very low. The study also concluded that repeal of Wisconsin's law would not reduce actual recycling of newspapers because demand for remaining newspaper fiber continues at a high level relative to its overall supply.

Thank you, and I'd be happy to answer any questions you may have or provide further information to the committee and its members.



Leaders in Resource Renewal

A non-profit association that provides statewide proactive leadership on waste reduction and recycling through education, advocacy, collaboration, programs and services.

AROW Board of Directors- Legislative Position Paper

January 27, 2015

Wisconsin SB7/AB11-Relating to: the newspaper recycling fee and the recycled content of newsprint used in newspapers.

Associated Recyclers of Wisconsin (AROW) is a non-profit, 501(c)(3) organization that provides statewide proactive leadership on waste reduction and recycling through education, advocacy, collaboration, programs and services. AROW was established in 1994 by recycling professionals working from the public and private sector to implement Wisconsin's recycling law and to develop best management practices for the industry.

The AROW board of directors opposes SB7/AB11, a bill that would repeal the newspaper recycling fee and the recycled content of newsprint used in newspapers. The AROW board of directors opposes this bill for the following reasons:

- Wisconsin's recycling program, implemented at the local level, captures hundreds of thousands of tons of recyclables each year. These robust local programs serve as a significant source of recyclables for manufacturers who use recyclables in their manufacturing process.
- In support of the local programs, a Recycling Fee is charged at Wisconsin landfills. Of the approximate \$35 million collection by the state, \$20 million is provided to local programs to offset programming costs.
- For twenty-one years, AROW members have supported all efforts to increase recycling and to create markets for recyclable materials. Recyclable materials are used by state, regional and national manufacturers as raw feedstock to produce new goods. Their businesses are only successful when recycled-content goods are purchased.
- The mandate that publishers of newspapers use recycled content newsprint for its newspapers has been successful in developing those important markets.
- Given that Wisconsin Statute Chapter 287.31(4) provides for a number of exemptions from the mandate, publishers are able to avoid paying the fee for not meeting the target recycled content for a number of reasons, including financial hardship.
- The AROW board of directors is sympathetic to the challenges that small circulation publishers face. As such, it is suggested that Wisconsin Statute Chapter 287.31(4)(c) threshold for exemption from the fee of a publisher with a circulation of 20,000 be increased to a circulation of 40,000. This would capture a greater number of small publishers under the exemption and moderate the economic challenges they face.

Please feel free to contact AROW with questions about the above information.

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