

Green Fenced



Headline News

- ✓ **Operation Green Fence is hurting plastic export markets**
Resource Recycling
- ✓ **Chinese government's Operation Green Fence designed to run through Nov. 2013** *Recycling Today*
- ✓ **China's 'Green Fence' makes unprecedented cuts in recycled plastic imports** *Plastics News*
- ✓ **China waste crackdown sparks export 'volatility'**
letsrecycle.com
- ✓ **China's 'Green Fence' causes recycler to expand in U.S.**
Plastics News
- ✓ **American Chung Nam announces new paper mills in China and in Vietnam**

Green Fence (Customs)

- Starting February 2013 the Chinese Customs Inspection Compliance (CCIC) launched Green Fence special action
- Strengthens solid waste regulators “crack down on smuggling foreign garbage; fighting gangs, cracking major cases, destroying the network”
- Waste slag, spent catalyst, waste tires, waste batteries, electronic waste, industrial waste, old clothing, construction waste, garbage, medical waste, and hazardous waste
- Until November 30, 2013

Green Fence (Shipper)

- CCIC will not only open 50% of all containers at destination ports, but random barrels will be broken down and sorted for waste characterization
- If the contaminants exceed 1.5 percent, there will be a hefty fine AND rejection of material.
- This means shipment will have to be returned to its origins
- Make Quality Control your top priority

Green Fence (Broker)

- Green Fence objective is to improve quality of materials and outright reject sub-standard shipments
- Increased scrutiny of materials with at least two inspections of every container, one by CCIC and one by Customs
- Materials have to be good quality and not be contaminated with materials “inconsistent with the guidelines” established by Green Fence initiative

Green Fence (Broker)

- All food waste
- All living waste
- All electronic waste
- Old clothing or fabric
- Carpets
- All medical waste (including gloves)
- Non specific paper of that grade (e.g, wax in OCC; OCC in news)

Green Fence (Broker)

- Plastic waste including:
 - Medical tools
 - Fish net
 - Super sacks
 - Movie film
 - Ink cartridge
 - Motherboard
- Plastic waste including:
 - Carpet
 - Chemical bucket
 - Agricultural film
 - Mixed scrap bucket
 - Pipe
 - Etc.

"Supplier Letter of Awareness" from American Chung Nam

- Zero tolerance for banned items, such as e-scrap, textiles, green waste, animal/human waste, insects, animals, food waste, medical waste, etc.
- Prohibitive levels must be maintained below 1.5 percent on a bale-by-bale basis. Common examples include wood, metal, glass and plastic.
- Material shipped as "waste paper" but incorrectly declared is cause for customs penalty, including shipment of convertible items such as rolls, reels, boxed or plastic-wrapped paper, cut sheets, etc. Wire baling is the only acceptable form of packaging for "waste paper."
- Wet material (exceeding 12 percent "air-dry" standard) creates an environment for degradation where material can pick up dirt, inviting additional scrutiny, regardless of prohibitive level.
- Loading photos for each container must be sent on or before the cut-off date for each booking, so that they may be reviewed in a timely manner. Shipment will be suspended and potentially returned for any failure to do so.
- Make sure each container is clear of foreign matter/debris before loading (items such as those for blocking/bracing and items such as moisture absorbent gel packs left by previous shipper).

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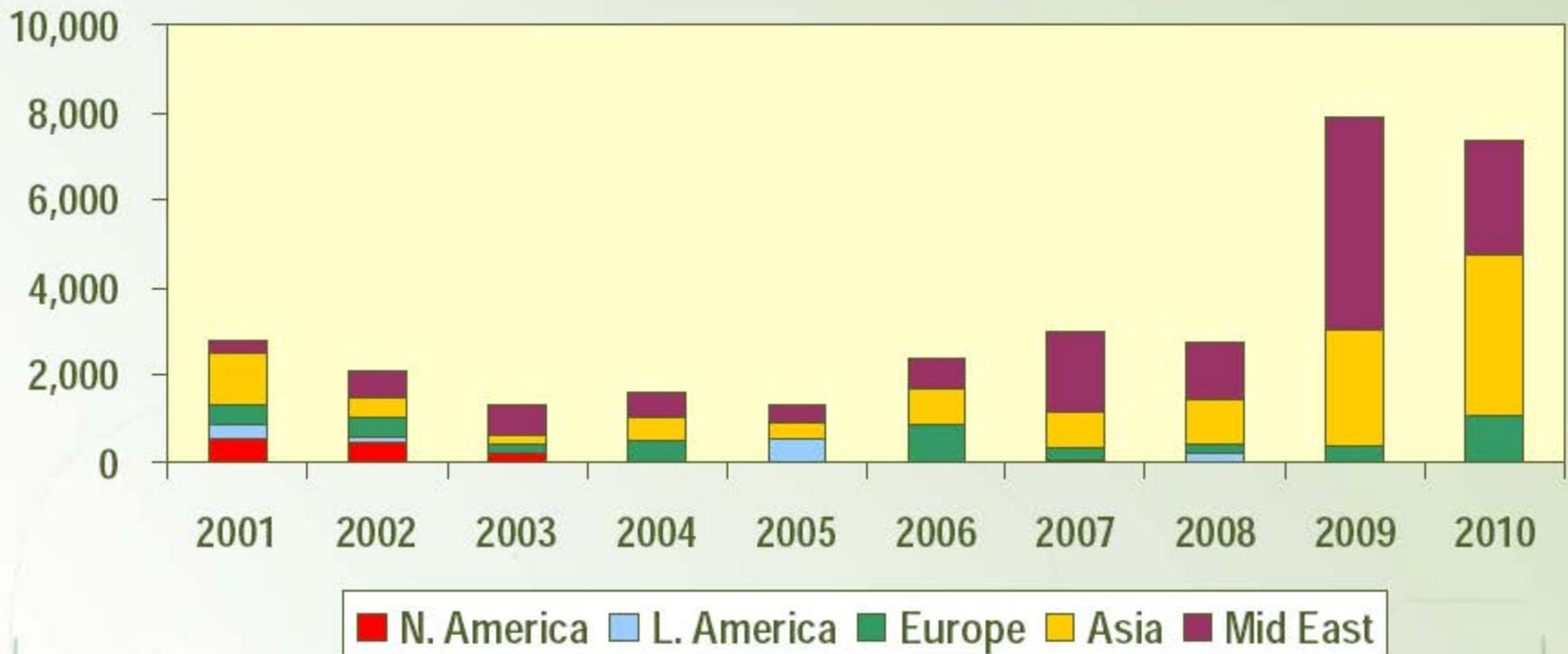
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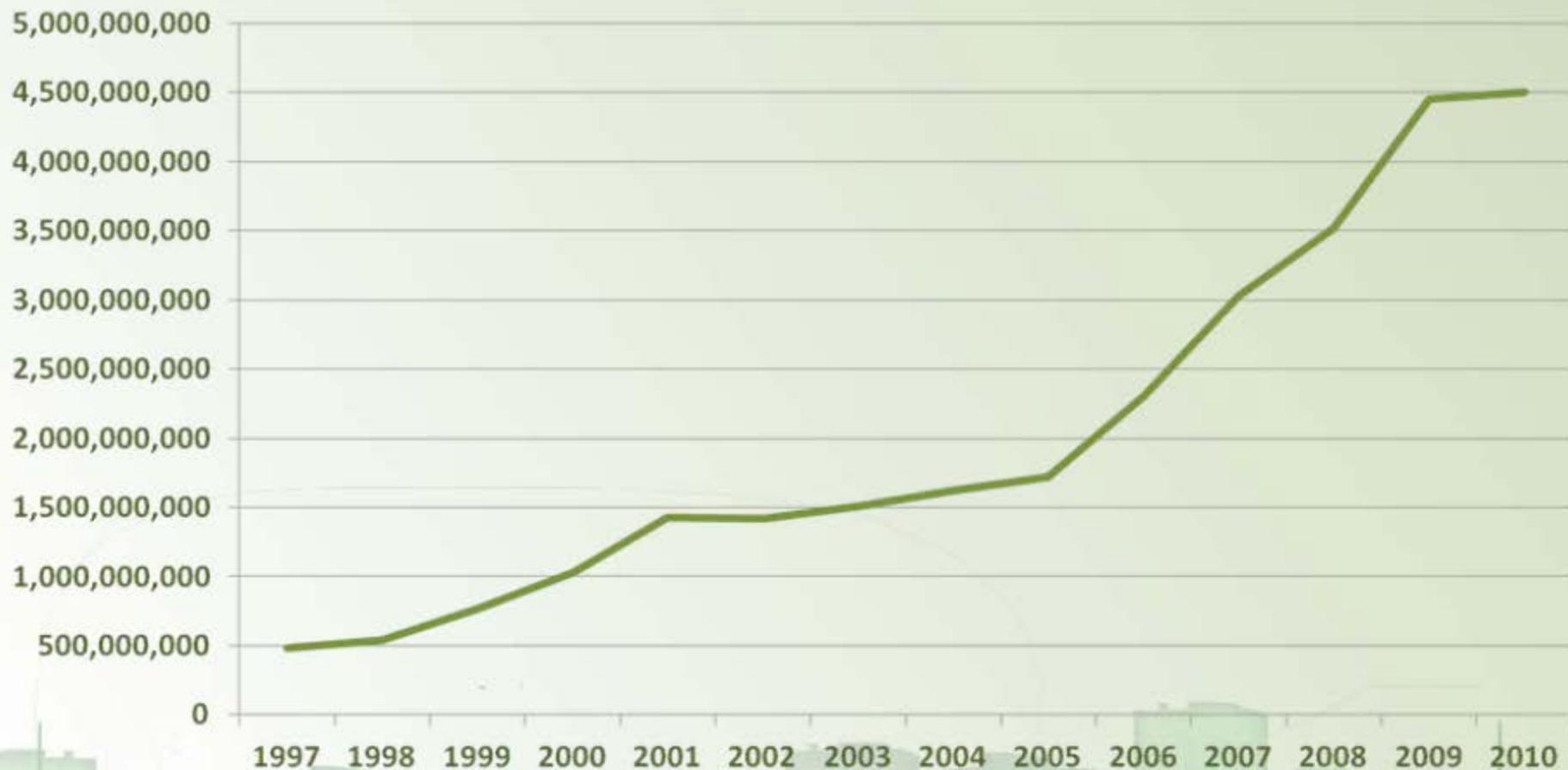
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No new PE plants in developed countries

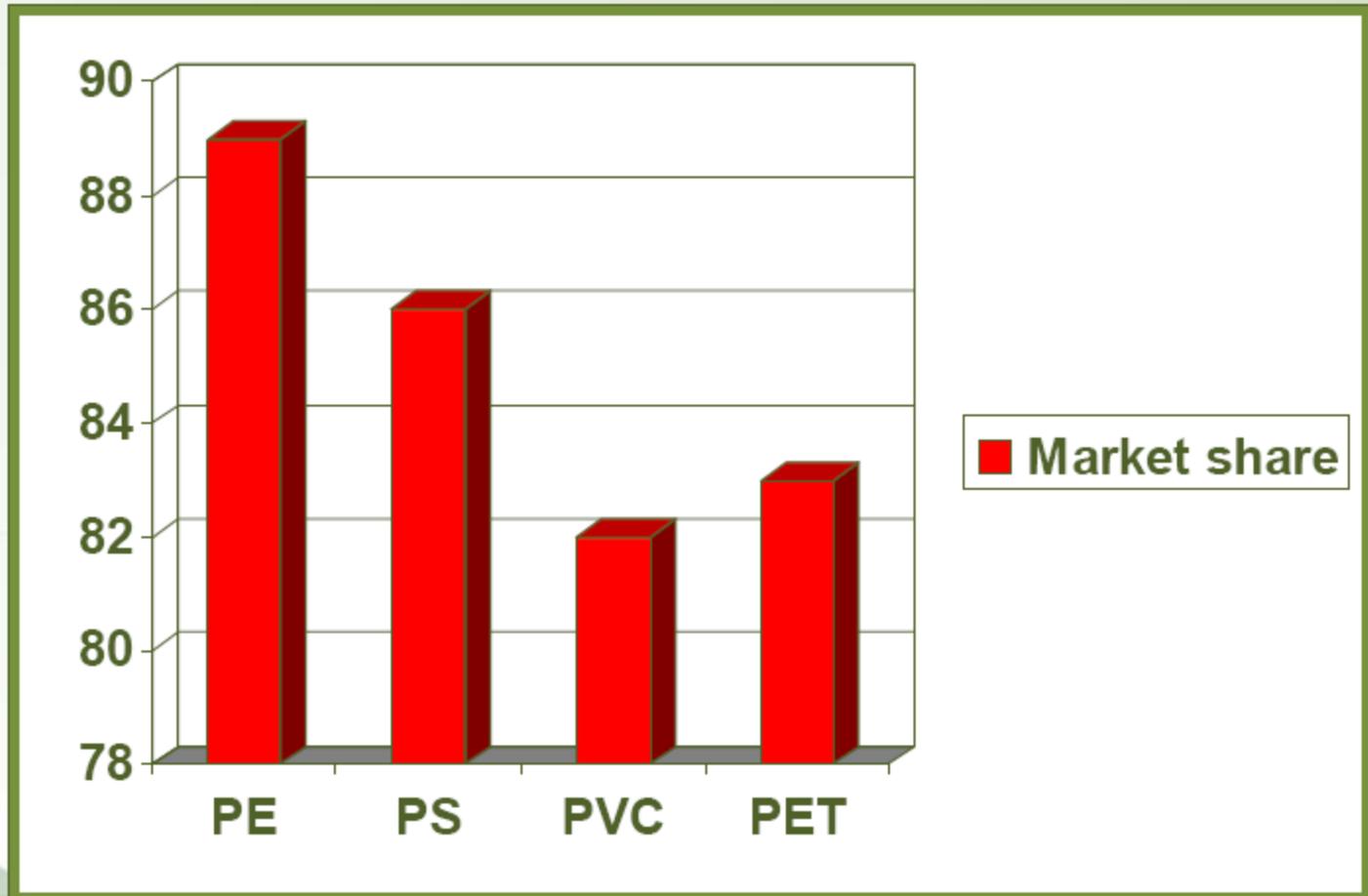


Plastics exports

(In pounds)



China's remarkable export market share



The future: Chinese economic growth

Recycling markets will again shift as China becomes a developed country:

- modest return of U.S. manufacturing
- higher westbound freight rates will dampen demand for U.S. recyclables
- investment by China in raw material production in Africa, Asia and elsewhere
- China will become much more self-sufficient in recycling

The future: Chinese economic growth

Why China will change:

- high literacy
- rising wages
- growing unionization
- increasing costs of land
- rising costs of energy
- growing concerns over environmental issues
- attention toward working conditions

Dr. Mike Biddle, MBA Polymers

- The reliance on the export model for recycled materials carries a number of risks.
- It shuts down recycling and supporting jobs in the domestic recycling sectors for the exporting countries.
- It reduces the availability of lower cost and more efficient materials for domestic manufacturers.
- China - and other countries -can change their import regulations rather and very quickly, such as the recent “Green Fence”.
- The local eco-systems and workers are often at risk due to lack of knowledge and resources for processing materials properly.
- The by-products are sometimes handled in ways that not only damage the local ecosystem but also find their way to the global ecosystem, so we ultimately pay the price and are not completely “exporting our problems”.
- Likewise, products made in developing countries and sold in developed countries can contain substances of concern which are not allowed for use in domestic manufacturing because the same controls are not necessarily in place in those countries.’
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