



**NORTH CAROLINA
RECYCLING BUSINESS
ASSISTANCE CENTER**

A cooperative effort
of the N.C. Department of
Environment and Natural
Resources and the N.C.
Department of Commerce.

Recycling Works

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Recycling Businesses Featured at Carolina Recycling Conference and Trade Show

By Sherry L. Yarkosky, Market Development Specialist

From March 21-24, recyclers from across the Carolinas “caught the recycling wave” at the Carolina Recycling Association’s 15th Annual Conference and Trade Show in Myrtle Beach, S.C.

This year’s program featured a wide variety of session topics and exceptional guest speakers. Keynote speaker Pete Grogan, manager of market development for Weyerhaeuser, focused on the changing economy of recycling end-use markets. Grogan emphasized that we need to “pump up the volume” of paper recovery in North America to meet the demand of the emerging economies of China, India and Eastern Europe.

There was something for everyone at the CRA conference from the annual golf tournament to workshops and sessions on recovering more recyclables and improving markets for materials. This year’s conference addressed many recycling issues and challenges the industry is facing. Attendees learned about supply issues the beverage container industry is experiencing and ways to improve recovery rates.

One popular session included a description of programs and facilities that are successfully recovering materials from the growing construction and demolition debris waste stream. That

session included an in-depth presentation on the Griffin Brother’s state-of-the-art recovery facility located within two miles of the conference site. Conference attendees were encouraged to tour the facility, if time allowed. Participants at the electronics recycling session saw a presentation on the path the materials take after collection – from reuse all the way to breaking down and selling individual components and elements. A highlight of the electronics session was an update on the state of electronics processing in China. The program also included a look at a number of companies making major breakthroughs in the processing or manufacturing of a variety of recyclable materials. This is a small sampling of the exciting sessions that were held at this year’s conference.

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In North Carolina, Recycling Means Business!

By Matt Ewadinger, RBAC Manager

The N.C. Division of Pollution Prevention and Environmental Assistance recently conducted a survey to track recycling's impact on jobs and the North Carolina economy. This survey follows up on a similar effort conducted in 1994 and documents the growth of the recycling industry over the past decade. Some of the findings include:

- Recycling employs approximately 14,000 people across the state.
- In 1994, recycling employed 8,700 people, a 60 percent increase in 10 years to reach its current level.
- Recycling jobs as a percentage of the state's total employment has increased 40 percent in 10 years, from 0.25 percent of the total labor force in 1994 to 0.35 percent in 2004.
- Fifty-four percent of the businesses surveyed forecast creating more recycling-related positions in the next two years.
- Recycling employs more people than the biotech and agricultural livestock industries in North Carolina.

- The number of companies listed in the state's recycling markets directory has increased from 306 in 1994 to 532 in 2004, a 74 percent increase.
- Recycling companies in North Carolina range from Fortune 500 manufacturers to single proprietary, family-owned businesses, handling hundreds of different types of materials and products. Some of these companies now occupy old textile factories and other industrial plants abandoned by some of the state's more traditional industries.

For more information about recycling and its effect on the North Carolina economy, including a look at more than 40 North Carolina recycling businesses, check out RBAC's latest publication, "Recycling Means Business!" online at www.p2pays.org/ref/34/33912.pdf and our job-impact study "Employment Trends in North Carolina's Recycling Industry," at www.p2pays.org/ref/34/33911.pdf.

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RBAC Adds New Staff Member

By Matt Ewadinger, RBAC Manager

We are pleased to announce the addition of Ben Rogers to the RBAC team. He will take over the N.C. Department of Commerce liaison position formerly held by Sherry Yarkosky. Sherry will be job-sharing a position upon her return from maternity leave.



Prior to joining RBAC, Rogers worked as the director of ReUse operations for the Habitat for Humanity of Wake County in Raleigh. He led the ReUse Center to record-breaking sales and diversion rates for the past 3.5 years and broadened the scope of the ReUse Center to include community outreach and education, direct solicitation of manufacturers and suppliers and brokering services.

Prior to working with Habitat, Rogers was a financial analyst for Quintiles Transnational in Research Triangle Park. He holds a bachelor's degree in finance and religious studies from UNC-Greensboro.

Recycling Business Loan Fund Contract Extended

By Matt Ewanger, RBAC Manager

The N.C. Department of Environment and Natural Resources and Self-Help, North Carolina's community development banking group, have extended an existing contract agreement to continue the N.C. Recycling Business Loan Fund through June 2009. The loan fund, which is administered by Self-Help, nurtures fledgling businesses until they become bankable and graduate to full-service private sector financing.

During the first five years of the contract, North Carolina recycling businesses have received loans totaling \$1,175,300 and an additional \$1,617,810 has been leveraged. Forty-three jobs have been created, 18 jobs have been retained and 18,782 tons per year of capacity has been created.

Why is there a dedicated Recycling Business Loan Fund?

Banks are occasionally reluctant to fund start-ups or companies in untested sectors. While venture capital is designed to take on higher levels of risk, those firms often want only very large deals and those with some form of management participation. The loan fund is designed to function in the gap between bank loans and venture capital.

What types of loans are available?

The loans are structured as market-rate debt and can be used for working capital, inventory, equipment and real estate purchases. Initial interest-only periods may be available, where appropriate. The staff at Self-Help is skilled at using existing Small Business Administration funding pools and guarantee programs to help with the approval of riskier loans. Self-Help often uses SBA 504 and 7(A) guarantees in its underwriting.

Are current loan applications a hint of things to come?

Self-Help is currently entertaining a number of loan applications from recycling businesses. Is that an indication that more businesses are looking to expand? Be sure to check out the next issue of "Recycling Works" for more details.

For more information about the Recycling Business Loan Fund, contact Fred Broadwell, environmental finance coordinator, (919) 956-4490 or e-mail him at fred@self-help.org or visit the Self-Help Web site at www.self-help.org.

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N.C. Environmental Loan Fund: Self-Help established the N.C. Environmental Loan Fund to provide financing to small businesses and other organizations that preserve our natural resources. Projects that are targeted for financing include recycling firms, land conservancies, environmental consulting and services, environmental equipment firms, and sustainable development products and services. Self-Help has extended more than \$6 million in financing to this growing and important segment of our economy.

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Interview with Resource Recycling's Jerry Powell

By Scott Mouw, Chief, Community & Business Assistance Section

This is one of three interviews CBAS conducted to check the pulse of the recycling industry in North Carolina. Interviews with Brett Rhinehardt of Computel and Weyerhaeuser's Pete Grogan and Shannon Anderson follow Powell's interview.

Q. What is your prognosis for recycling markets for 2005?

A. Assuming no economic upheaval in China and continued economic growth of three to four percent in the United States, demand for recovered materials should remain healthy. Rising costs of crude oil and natural gas will result in near-record pricing for recovered plastics. A slight improvement in consumer spending will generate improved demand for recycled newsprint and containerboard. Scrap metal demand should remain at high levels.

Q. How about for the long term?

A. The key for the long term will be determined by two factors. First, if foreign economies continue to surge, offshore demand for North American recovered materials will rise even higher. At the same time, if American paper, plastic and metal producers continue to show market discipline by not rushing to open shuttered operations or quickly build new capacity, orders for recovered materials will remain at historically high levels.

Q. Are there any particular commodities that stand out as having unique market circumstances this coming year?

A. As suggested earlier, when oil gets above about \$45 per barrel, you'll see recovered plastic pricing at remarkably high levels (15 to 20 cents per pound for PET, 20 to 25 cents for HDPE). In addition, if the dollar remains weak, exporters will benefit. If a foreign buyer of U.S. recyclables can get more material than previously for the same expenditure in a local currency, then a weak dollar will increase the demand for common exported materials (metals, paper and plastic).

Q. It seems the biggest challenge recently has been generating large enough supplies to meet market demand. What can the various market players do to address the need for more material?

A. The disconnect between local collection efforts and the marketplace is a big problem in municipal recycling. When local communities cut the link to the marketplace by assigning all the risk to the collector or

processor, it looked like a good idea in the notoriously weak markets of the late 1990s. However, in this decade, the advantage is now held by that collector and processor. Communities should reconsider this strategy and consider a profit-sharing system. In this manner, revenues could flow back to communities for program expansion purposes (service to the multi-family sector, new promotional campaigns, recycling service to small businesses, etc.).



Jerry Powell, editor and publisher of Resource Recycling.

Q. Do you see any local, state or national policy initiatives on the horizon that will affect markets? Do you see the need for any?

A. Sadly, I do not see any new significant recycling market development efforts at the state or local level, with the possible exception of the new recycling market development center in Pennsylvania.

(See Powell, Page 7)



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Interview with CompuTel's Brett Rhinehardt

By Matt Todd, Market Development Specialist



Brett Rhinehardt leans on old computer equipment CompuTel recycles.

Q. How would you characterize your company's business (growing, stable, declining) in 2005? Why is that the case?

A. CompuTel is definitely growing. As more companies become aware of

the need (financial and from a liability standpoint) to recycle surplus electronics, they look for recyclers that can handle the material properly, and at an economical price. Additionally, the state's ban on commercially generated CRTs motivates that market to utilize companies like ours.

Q. What are your main opportunities (or conditions) for growth?

A. Our greatest need is education. Too few people understand the environmental, economical and liability impact carried with improper disposal and handling of their surplus information technology

equipment. The greatest opportunity for growth comes from the residential markets and those few corporations employing thousands in white-collar jobs (all with their own personal computer).

Q. What are your main obstacles to growth?

A. In addition to education, the greatest obstacle to growth is competition from less desirable alternatives, such as landfills. Throwing away the old equipment is still too easy and too cheap to motivate many markets.

Q. What is the state of your industry in general?

A. Our industry is growing nationally as well as in our state. Several large companies are emerging nationally, but they are partnering with local recyclers in order to cover larger areas. The need for the local handler remains a strong opportunity.

Brett D. Rhinehardt joined CompuTel IG LLC as vice president of operations in June 2001. He is responsible for all warehouse operations as well as sales. Rhinehardt currently serves on the board of directors of the Carolina Recycling Association and was recently appointed to Mecklenburg County's Solid Waste Advisory Board.

Interview with Weyerhaeuser's Pete Grogan

By Matt Todd, Market Development Specialist

Q. Looking ahead, how would you characterize your company's business (growing, stable, declining), especially in North Carolina?

A. Weyerhaeuser recycling will be increasing the volumes of paper we recover in North Carolina as well as throughout the country. In 2004, Weyerhaeuser managed 6.7 million tons of paper recovery in relation to the approximate 50 million tons of paper recovered in the United States.

Q. What are your main opportunities for growth?

A. We will begin to provide confidential shredding/recycling services in 2005. This will allow us to better service customers that require shredding services in addition to paper recycling services.

Q. What are your main obstacles to growth?

A. We are interested in growing all grades of paper recovery especially office paper recovery. We estimate that there are 40 million tons of paper yet to be recovered annually in the United States. New demand for recovered paper is growing globally at a rate of eight million tons a year. The average American will use 50 tons of paper in their entire life. Thus eight million tons of paper is a very significant amount of paper. By 2010, the new world demand for recovered paper will require a new supply as large as all the paper recovery.



Pete Grogan

(See [Weyerhaeuser](#), Page 7)

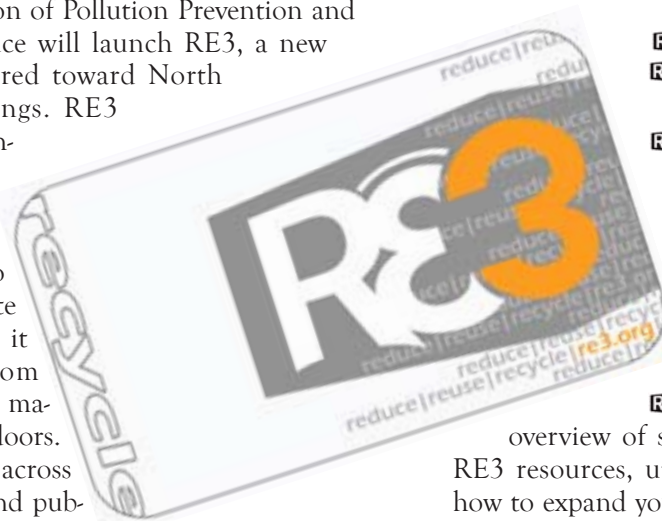
DPPEA Plans May Launch For RE3 Recycling Campaign

By Keefe Harrison, Waste Reduction Specialist and Allison Hauser, Marketing Intern

This summer the Division of Pollution Prevention and Environmental Assistance will launch RE3, a new recycling campaign geared toward North Carolina's 20-somethings. RE3 uses social marketing techniques to increase and maintain high recycling participation. This is of particular interest to North Carolina's private recycling companies, as it will improve the bottom line by delivering more materials directly to their doors. Recycling professionals across the state, both private and public, will be able to use RE3 materials in their programs, presentations and interaction with the public to promote positive behavior changes of recycling, reducing and reusing. Built upon a state-wide media campaign including television ads, truck ads and cinema ads, RE3 will kick off this May with three months of festivals and workshops.

RE3 will be accessible to everyone at no cost. Through the use of media and interpersonal channels, DPPEA plans to get the message out to the 18- to 34-year-old crowd and beyond in North Carolina. The message is new, different and true. RE3 aims to show North Carolinians other important aspects of recycling - the effect on the economy, jobs, energy use, air quality and land usage.

About half of North Carolinians recycle. North Carolinians threw away \$20 million worth of aluminum cans in 2003. Last year the state disposed of 47,262 tons of PETE but only recycled 9,800 tons. That's a 17 percent recovery rate. Surveys show that although people know why and how to recycle, they don't always recycle. Through social marketing, RE3 is a fresh approach to help change behavior. Social marketing examines the barriers people perceive to engaging in a behavior, and acts to change these barriers and increase the benefits to promote behavior change. RE3 will help people adopt recycling as part of their everyday behavior at home, work and play. Working to improve the quality of life for everyone, social marketing influences and changes public behavior through a strategic, targeted approach, using traditional marketing techniques. RE3 will assist in securing buy-in from the 18- to 34-year-old crowd.



The campaign includes:

- RE3 Six television commercials.
 - RE3 Cinema ads that can also be used as print PSAs or posters.
 - RE3 A dynamic media presentation that will serve as an introductory video for presentations. It can also be used on cable access channels and at booths.
 - RE3 Posters that can also be used as print PSAs.
 - RE3 Truck ads.
 - RE3 A resource guidebook with an overview of social marketing, how to use the RE3 resources, utilizing partnerships successfully, how to expand your program and more - with connections to where to find the information on the RE3 Web site.
 - RE3 N.C.-specific sustainability facts and figures.
 - RE3 Give away materials to help draw a crowd at education events and also serve as reminders of recycling and sustainable behavior. These will include:
 - RE3 T-shirts
 - RE3 Bottle openers
 - RE3 Stickers (can be used on water bottles, notebooks, cars, etc.)
- On the Web site:
- RE3 Clip art, factoids and sample articles for newsletters and programs.
 - RE3 Games, activities, program ideas for use on campuses to help engage people.
 - RE3 A clearinghouse of sustainability contacts, links and ideas.
 - RE3 Continuously-updated best practices guide with state-wide input.
 - RE3 Templates and designs for brochures, posters, bulletin boards and promotional items.
 - RE3 Tips for collegiate programs on working with house-keeping, dining and other service providers.
 - RE3 Ideas for addressing the "So, what's in it for me?" question that many coordinators face.

For more information on the program contact Keefe Harrison at (919) 715-6507 or keefe.harrison@ncmail.net. You should also check out the Web site: www.RE3.org.

Weyerhaeuser, from page 5

ered in the country today. This offers the recycling community an excellent opportunity to increase recovery and everyone an opportunity to benefit environmentally.

Q. What is the state of your industry?

A. Change is one of the ongoing dynamics in our industry. Changes like single-stream residential recovery have created quality problems for the recovery of paper. Overall our industry is strong having reached the 50 percent paper recovery goal in 2003 and now headed for 55 percent recovery.

Powell, from page 4

Q. How do you see the role of export markets evolving over the next few years?

A. The foreign market is now much more sophisticated than in the past. Most of the big consumers have U.S. operations, often in conjunction with U.S. firms, and many U.S. steelmakers and paper producers are in partnerships in China and elsewhere. This has led to stabilization in the export market. No longer is the export market dominated by huge swings in demand, with prices rising at breakneck speed, only to come crashing down. The market has matured.

Jerry Powell, a 30+ year veteran of the recycling industry, is editor and publisher of "Resource Recycling" – North America's recycling and composting journal. For more information call Resource Recycling at (503) 233-1305, or visit its Web site at www.resource-recycling.com.

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Weyerhaeuser

Pete Grogan is the manager of market development for Weyerhaeuser Recycling. He began his recycling career in Boulder, Colo., where he co-founded and was the president of Eco-Cycle community recycling organization. Prior to working for Weyerhaeuser, Grogan was an international recycling consultant for R.W. Beck and Associates where he implemented numerous residential recycling programs in North America and worked with the recycling industry in Europe, Asia and North America.

CRA Conference, from page 1

While this year's conference was a great opportunity to learn new skills and become better informed about industry markets and trends, attendees also networked with professionals, colleagues, vendors, suppliers and markets. Some of the informal discussions and brainstorming sessions occurring outside the meeting rooms may turn out to be the genesis of future innovative recycling improvements. More information about the conference can be found in the CRA's weekly bulletin at <http://www.cra-recycle.org/>.

If you were unable to attend the conference, have any questions or would be interested in joining this organization, contact the CRA at (919) 545-9050 or staff@cra-recycle.org.

Environmentally Preferable Purchasing

- What are North Carolina state agencies and universities doing in green procurement?
- Where can local governments, schools and businesses find examples of policies, specifications and studies on recycled content and environmentally preferable products and services?

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The Recycling Business Assistance Center is a program of the North Carolina Division of Pollution Prevention and Environmental Assistance.

Call (919) 715-6500 or (800) 763-0136 for free technical assistance and information about preventing, reducing and recycling waste.



North Carolina market prices for recyclables

Prices current as of March 14, 2004

Item	Western Region	Central Region	Eastern Region
METALS			
Aluminum Cans, lb. loose	\$0.6625	\$0.38	\$0.66
Steel cans, gross ton baled	\$110	\$100	\$130
PLASTICS			
Central Region markets plastics together			
PETE, lb. baled	\$0.225	\$0.085	\$0.195
HDPE, lb. baled	Natural	\$0.28	\$0.28
	Colored	\$0.26	\$0.26
PAPER			
Newsprint, ton baled	\$85	\$80	\$83
Corrugated, ton baled	\$85	\$75	\$82.50
Office, ton baled	\$95	105	\$185
Magazines, ton baled	**	\$85	***
Mixed, ton baled	\$55	\$50	\$61
GLASS			
Eastern Region sells glass F.O.B. origin			
Clear, ton crushed delivered	\$40	\$26	\$17
Brown, ton crushed delivered	\$35	\$16	\$21
Green, ton crushed delivered	\$15	\$0	(\$9)

*Markets with mixed paper.

**Markets with newsprint.

Note: Prices listed above are compiled by RBAC and are for reference only. These prices are not firm quotes. RBAC obtained pricing information from processors for each category and developed a pricing range.

Visit RBAC online at <http://www.p2pays.org/rbac>

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