



California Department of  
Resources Recycling and Recovery

JULY 2010

Staff Report

2009 Compliance Report for the  
Recycled-Content Newsprint Program

**S T A T E   O F   C A L I F O R N I A**

**Arnold Schwarzenegger**  
Governor

**Lester Snow**  
Secretary, California Natural Resources Agency

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

**Margo Reid Brown**  
Director

For additional copies of this publication, contact:

Department of Resources Recycling and Recovery (CalRecycle)  
Public Affairs Office, Publications Clearinghouse  
801 K Street, MS 17-15  
P.O. Box 4025  
Sacramento, CA 95812-4025  
[www.calrecycle.ca.gov/Publications/](http://www.calrecycle.ca.gov/Publications/)  
1-800-CA-WASTE (California only) or (916) 341-6300

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# Preface

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California's Recycled-Content Newsprint (RCN) Program was established in 1991 to support domestic markets for recycled-content newsprint and to reduce the amount of paper disposed in landfills.

The program's statute defines recycled-content newsprint as newsprint containing a minimum of 40 percent postconsumer wastepaper fiber, and, since January 1, 2000, mandates that at least 50 percent of newsprint used by each of California's commercial printers and publishers be recycled-content newsprint ([Public Resources Code](#) Sections 42750-42791). California printers and publishers (newsprint consumers) must annually certify to the Department of Resources Recycling and Recovery (CalRecycle, formerly the California Integrated Waste Management Board) their total usage of recycled-content newsprint and other newsprint. Newsprint manufacturers that produce recycled-content newsprint used by California printers and publishers must annually certify how much postconsumer waste paper and de-inked pulp they received or produced and how much recycled-content newsprint they supplied to California's newsprint consumers.

The Recycled-Content Newsprint Program regulations detail the program requirements (California Code of Regulations [Title 14](#) (14 CCR), Sections 17950 – 17974). The program website (at [www.calrecycle.ca.gov/BuyRecycled/Newsprint/](http://www.calrecycle.ca.gov/BuyRecycled/Newsprint/)) provides links to these regulations and other program information.

This report summarizes the results of the 2009 certifications and the program's ongoing impacts.

# Acknowledgements

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CalRecycle would like to acknowledge the continuing efforts of the California Newspaper Publishers Association and the Printing Industries Association of California to ensure their constituents are aware of the Recycled-Content Newsprint Program and the required annual certifications.

We also thank the newsprint manufacturers, printers and publishers for submitting their certifications, and, when requested, providing supporting documentation to help us ensure an accurate and complete report.

# Executive Summary

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The 2009 Recycled-Content Newsprint Program certifications showed a continuing decline in total newsprint production and usage, reflecting general declines in the print industry and publishers' increased efforts to contain costs by reducing the page size and paper weight of newsprint publications.

Eight manufacturers reported supplying a total of 329,337 metric tons of recycled-content newsprint for use in California during 2009, a drop of approximately 27 percent from reported supplies in 2008.

Total newsprint usage in California also fell (by about 23 percent) in 2009, parallel to the national decline of more than 20 percent.<sup>1</sup> California printers and publishers reported using 772,494 metric tons of newsprint in total, of which 384,409 metric tons (50 percent) was recycled-content newsprint.

Of the 128 consumers (printers and publishers) who reported newsprint usage, 89 (70 percent) were in compliance with the 50 percent usage requirement, and the other 39 (30 percent) claimed exemptions based on price (29), quality (10) and/or timely availability (15). This was an increase in the rate of exemptions claimed from 24 to 30 percent from the prior year. Support for the exemption requests was largely qualitative but included relatively higher prices for recycled-content newsprint, the frequent unavailability of recycled-content newsprint when just-in-time ordering is needed, and reportedly decreased quality of some recycled-content newsprint.

In conjunction with the general decline in newsprint production and usage, this program continues to support California's waste reduction and resource-saving efforts. Newsprint has declined both in volume and as a percentage of waste in California landfills from approximately 1.5 million tons and 4.3 percent in 1999<sup>2</sup> to 500,000 tons and 1.3 percent in 2008.<sup>3</sup> Additionally, per the recycled-content newsprint consumption reported in 2009, estimated 2009 resource savings and pollution reduction (compared to producing and using the same tonnage of virgin newsprint) included the following:\*

- 2 million trees.
- 678,000 cubic yards of landfill space, enough to fill a football field 34 stories high.
- 1.2 billion gallons of water, equivalent to a year's drinking water for 6.5 million people.
- 102 million kilowatt-hours of electricity, enough to power more than 11,000 U.S. homes for a year.
- 288,000 barrels of oil, enough to drive an average car more than 7,200 times around the planet.
- 7.1 tons of air pollutants, equivalent to the annual savings of taking 850 cars off the road.

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\* See Appendix 1. Note that these calculations assume only 40 percent recycled fiber content in the recycled-content newsprint used in California so are probably low estimates of the resource savings, even without factoring in the increased energy costs and pollution for long-distance shipping of some (reportedly about 11.7 percent in 2009) recycled-content newsprint from Asia.

# Report and Analysis

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## ***Newsprint Manufacturing***

### **Manufacturer Certification Process**

The Recycled-Content Newsprint Program regulations (14 CCR Section 17962) require manufacturers who produce newsprint used in California to certify to CalRecycle by March 1 of each year:

- The metric tons of postconsumer paper and/or de-inked pulp received or produced at each of the manufacturer's mills.
- The metric tons of recycled-content newsprint, by grade, produced at each of the manufacturer's mills and supplied for use in California.

Numerous newsprint manufacturers and mills have merged or closed since the program's inception, resulting in a decrease in the number of entities that provide recycled-content newsprint for use in California. In 2009, eight manufacturers (seven in North America and one in Asia\*) reported to CalRecycle that they supplied California with recycled-content newsprint. However, there may be additional overseas manufacturers now supplying recycled-content newsprint to California but not yet reporting, and this would explain the continuing gap between reported recycled-content newsprint shipments and usage.

### **Recycled Newsprint Reported**

The seven manufacturers submitting production information indicated that in 2009 they received or produced, in total, 1,453,728 metric tons of postconsumer paper and de-inked paper pulp.\*\* This was an increase from the amount reported in 2008 (1,135,095 metric tons) reflecting both the inclusion of data from an additional manufacturer and from additional mills now providing some recycled-content newsprint to California.

In total, the certifying manufacturers reported supplying California with 329,337 metric tons of recycled-content newsprint in 2009 (see Figure 1). This was a decline of 27 percent from supplies reported in 2008 (449,514 metric tons), despite the increased number of manufacturers reporting, and reflects the general declines in newsprint demand and production.<sup>4</sup>

This recycled-content newsprint was comprised primarily of 27.7 pound basis weight newsprint (almost 216,000 metric tons) with 26.4 pound and 28.28 pound having the next highest volumes (at approximately 49,000 and 39,000 metric tons, respectively). This appears to reflect the continuing trend among newspapers to trim costs by using lighter weight newsprints

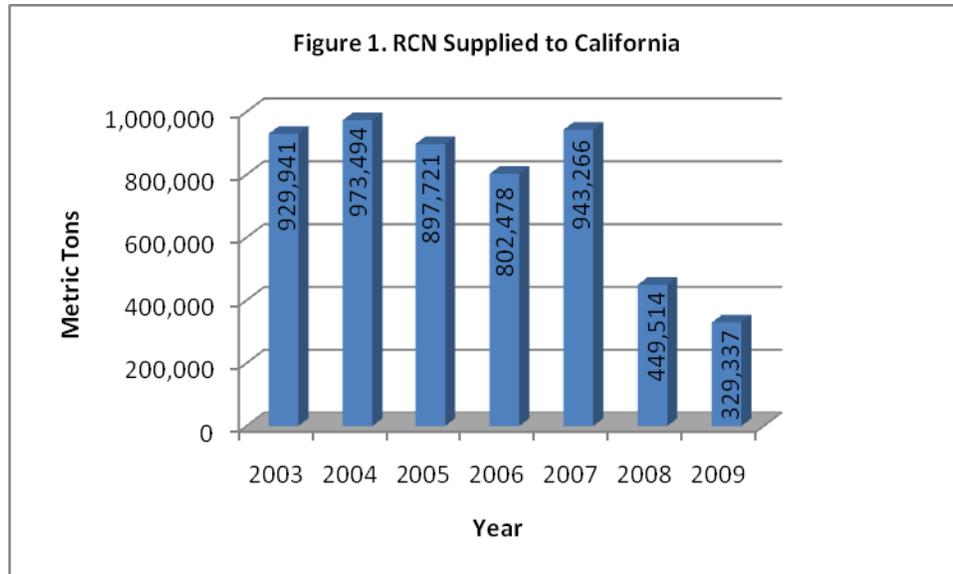
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\* Seven manufacturers with mills in the U.S. and/or Canada, and one with mills in South Korea.

\*\* Staff did not gather this data from the Korean manufacturer as it was identified late in the certification process.

which yield more printable pages per ton at a lower price per page. Most of the manufacturers also reported producing a variety of both lighter and heavier weights in small quantities.

As usual, the recycled-content newsprint reported as supplied by manufacturers (329,337 metric tons) was less than the usage reported by California printers and publishers (384,409 metric tons) even though two more manufacturers reported in 2009 than in 2008. While some of the difference is consumer use of recycled-content newsprint inventories on hand, the majority of it is likely due to as yet unidentified and unreported recycled-content newsprint supplies from additional overseas manufacturers.



## ***Newsprint Consumption***

### **Consumer Certification Process**

The Recycled-Content Newsprint Program regulations require all consumers (printers and publishers) to meet the recycled-content newsprint use requirements and to certify their newsprint usage by March 1 of each year (14 CCR Section 17958).

To help ensure that consumers are reporting, in fall 2009, CalRecycle staff conducted a survey of consumers not on the program mailing list to determine which ones were active newsprint users that should be on the list. Of the approximately 265 papers initially surveyed, most were found to be included in the certifications of existing printers or publishers (i.e., the plant where the paper is actually printed). Eight firms (two printers and six publishers) were found to be active but not yet reporting so were added to the consumer mailing list for the 2009 certification. The remaining 37 firms who did not respond to the survey but appeared to be active newsprint users (per Internet research) were also added to the 2009 certification mailing list.

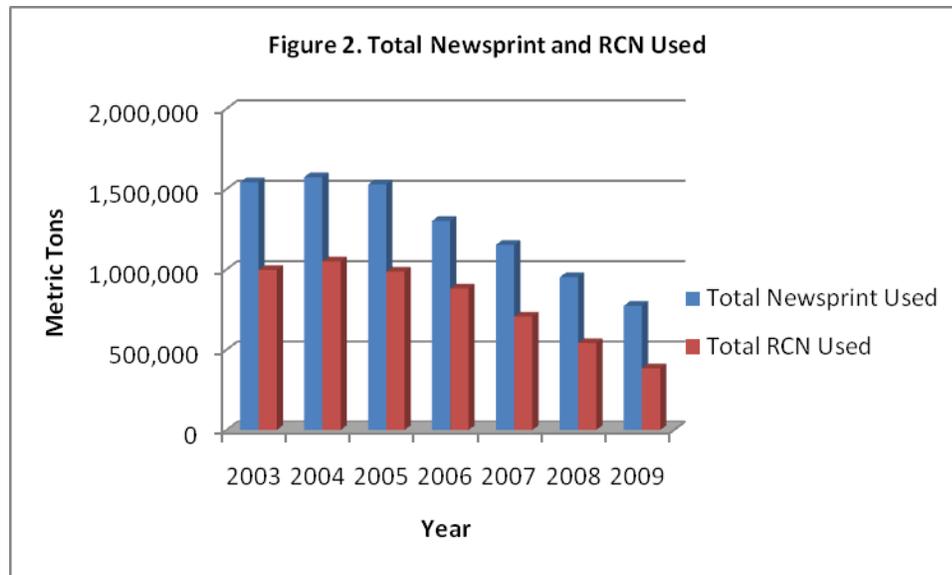
In early January 2010, staff mailed forms and information on the 2009 recycled-content newsprint certification process to the 168 known and apparent newsprint consumers in

California. Reminders were sent to those still outstanding in mid-February and again in early April. Of these 168 consumers initially contacted, 10 were found to be inactive (e.g., apparently out of business), 3 not using newsprint, 4 part of a larger operation, 19 certified that their publications are currently printed by another firm, 128 certified newsprint usage, and 4 did not respond at all.

Of the certifying consumers, approximately 75 percent submitted their certifications by the March 1 due date. Of the remainder, all but six certified within another 45 days. These last six consumers were each assessed a \$500 penalty for filing over 45-days late.\* Two of them subsequently appealed (and both were approved) and the remaining four consumers were assessed an additional \$500 penalty for filing over 90-days late or not at all. Of those four, one submitted a late certification indicating they contract out their printing and appealed the 90-day penalty, and that appeal was approved.

### Recycled-Content Newsprint and Other Newsprint Usage

In 2009, consumers reported total newsprint usage of 772,494 metric tons, all of which was purchased since 1990, thus subject to the 50 percent recycled-content newsprint usage requirement.\*\* Of this total, 384,409 metric tons (50 percent) was reported to be recycled-content newsprint (see Figure 2).\*\*\*

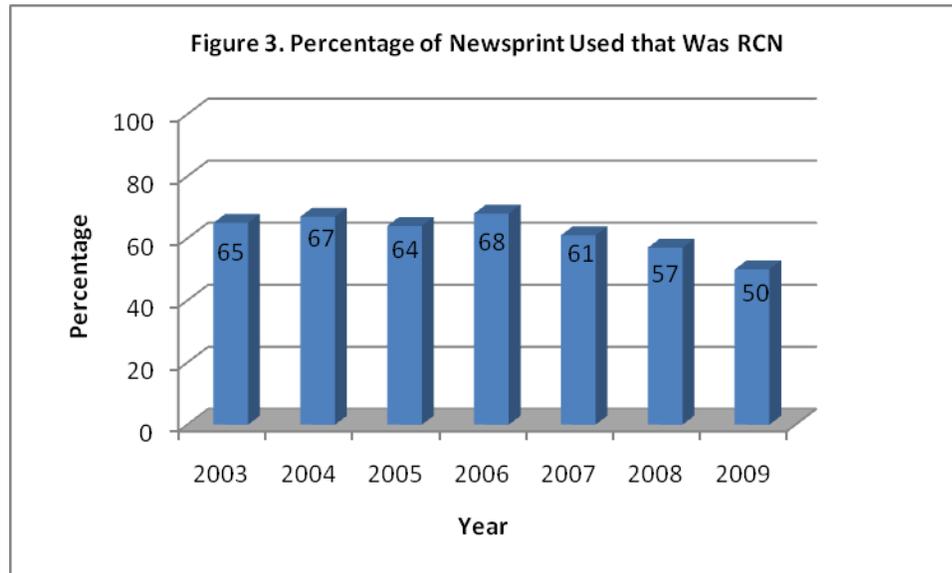


\* See [14 CCR Section 17974](#) for details on program penalties.

\*\* Starting with the 2009 certifications, CalRecycle ceased accepting any claims of “pre-1990” newsprint purchases based on contracts, since the statute simply exempts pre-1990 *purchases*. The statutory intent was to exclude pre-1990 inventories.

\*\*\* The pre-2009 totals in this chart do not include the newsprint that was claimed to be purchased before 1990, so are typically about 50,000 metric tons per year lower than they would be without those claims.

This overall recycled-content newsprint usage (see Figure 3) is the lowest rate reported since the mid-1990s. The decline in newsprint usage appears due to the general decline in print circulations, as well as widespread efforts of publishers and newspapers during 2009 to contain their costs by trimming the size and weight of their publications and eliminating print overruns. The decline in recycled-content newsprint mirrors these efforts, as well as relatively higher prices for some grades of recycled-content newsprint during 2009 due to the demand for recycled fiber exceeding supply and resulting in higher prices for old newsprint.<sup>5,6</sup>



The newsprint reported as “non-recycled-content” includes both virgin newsprint and newsprint with recycled content of less than 40 percent (e.g., 12 percent, 25 percent). Per the information voluntarily provided by some consumers, use of newsprint with a lower recycled content than recycled-content newsprint may have increased in 2009, but the program certification form does not provide for this level of detail, so it was not tracked.\*

As for the accuracy of the newsprint consumption data, staff conducted a desk audit of the purchasing and usage documentation from 47 consumers (representing approximately 38 percent of the reported recycled-content newsprint usage). The supporting documentation generally confirmed the tonnages reported but in some instances consumers had inadvertently over- or under-counted their usage due to an apparent misunderstanding of what constitutes recycled-content newsprint for this program (i.e., newsprint with at least 40 percent postconsumer waste fiber content by weight). For example, some consumers counted as “recycled-content newsprint” newsprint with lower amounts of recycled content fiber (e.g., 12 percent or 25 percent), when such newsprint should be counted as “non-recycled-content newsprint.” Other

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\* CalRecycle plans to ask the consumers to voluntarily provide this information on future certifications.

firms under- or over-counted their recycled-content newsprint usage by posting the weight of the postconsumer content fiber (i.e., a percentage of the recycled-content newsprint tonnage) instead of simply the recycled-content newsprint tonnage. The known errors were all corrected before the data was compiled for this report.

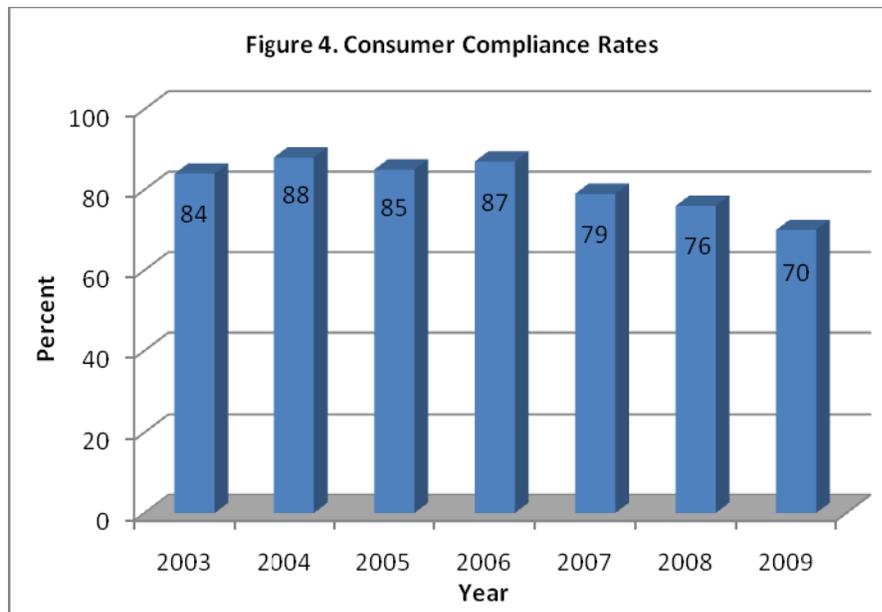
### Consumer Compliance and Exemptions

If a consumer cannot attain the mandated 50 percent recycled-content newsprint usage, it may request an exemption for one or more of the following reasons:

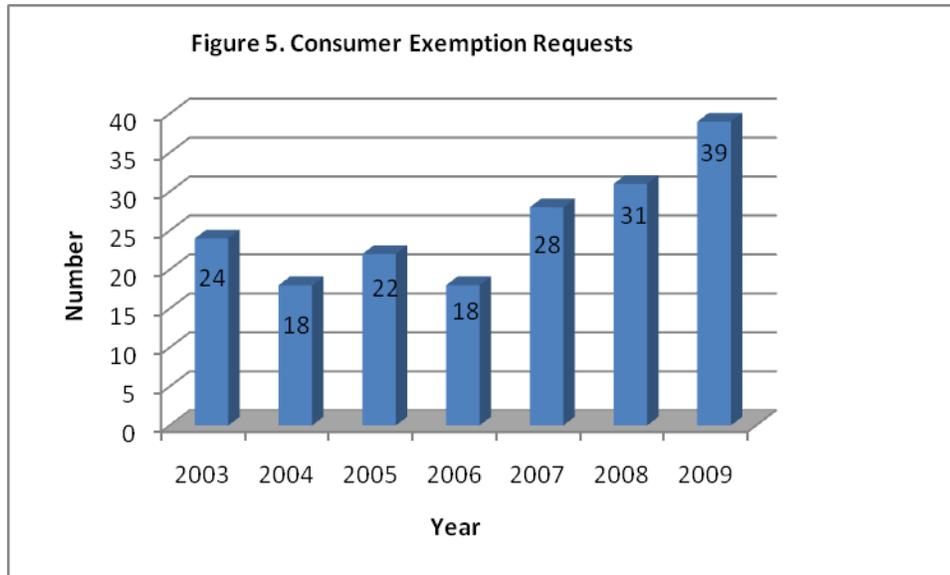
1. The recycled-content newsprint was not available at a comparable price (“price”).
2. The recycled-content newsprint did not meet the quality standards that are annually established by CalRecycle (“quality”).
3. The recycled-content newsprint was not available in a reasonable time (“availability”).

If claiming an exemption, the consumer must also document its good faith effort to obtain recycled-content newsprint by providing a listing of all newsprint suppliers with whom it had purchase discussions, or producers that offered to sell it recycled-content newsprint, within the preceding 12 months.

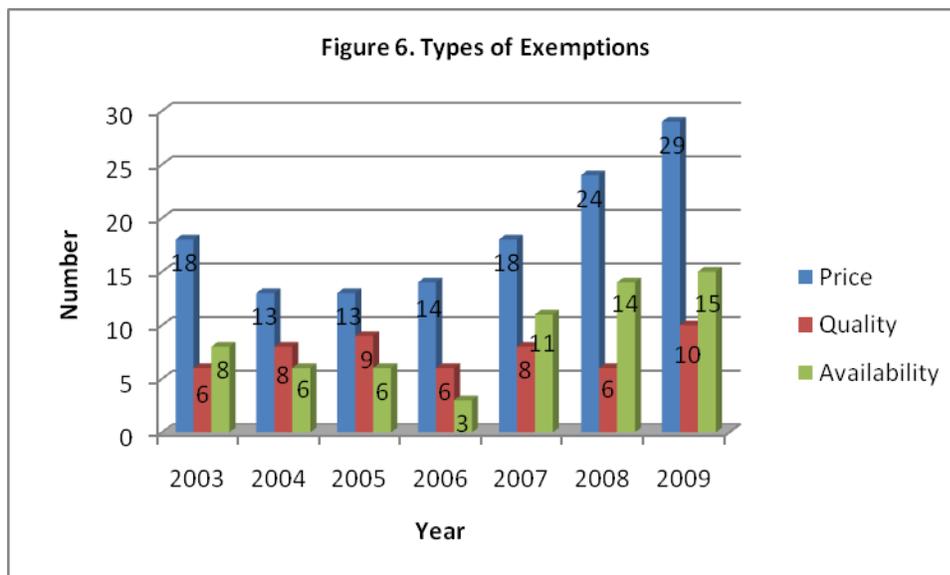
For the year 2009, 70 percent (89) of the 128 consumers who used newsprint met the 50 percent recycled-content newsprint usage mandate (Figure 4), the lowest rate since 1991, the year the program started.



The remaining 30 percent of newsprint consumers (39 of the 128) reported that they did not meet their minimum-use requirement and claimed one or more of the allowed exemptions. This was an increase of eight consumers when compared to 2008 (see Figure 5).



As in prior years, the majority of exemption requests in 2009 claimed that recycled-content newsprint was not available at a comparable price (29), while 10 consumers claimed quality, and 15 claimed the availability exemption (see Figure 6), for a grand total of 54 claims (i.e., reasons for exemptions) from the 39 consumers. The consumers requesting exemptions also provided their listing of suppliers contacted, yet most of the consumers’ “good faith” lists were minimal, and appeared to simply reflect contact with their usual suppliers and not broader efforts to obtain recycled-content newsprint.

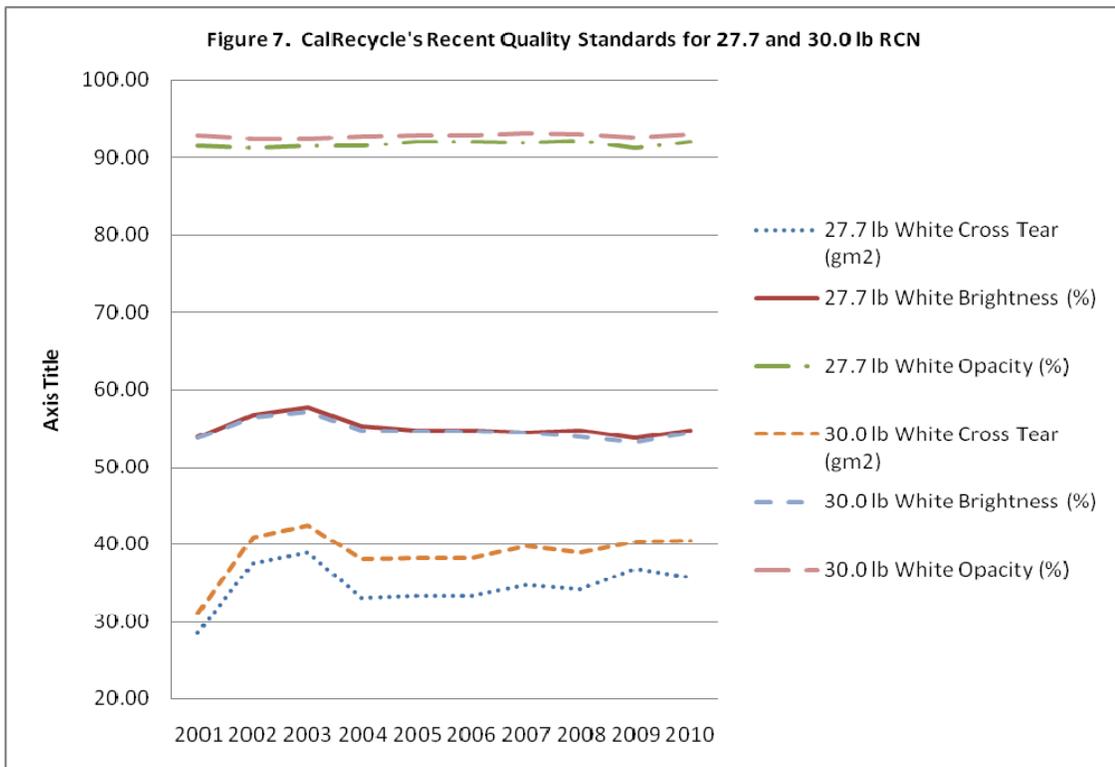


While it's uncertain if all consumers keep detailed records (as required by 14 CCR Section 17972) to support their exemption claims, the consumers at least provided the requested narrative explanations of the reason(s) for the claims, such as the following.

**Price.** Supporting reasons for claiming recycled-content newsprint was not available at a comparable price included a continuing surcharge from one of the recycled-content newsprint suppliers, purchase agreements with existing suppliers, and very small volume orders of newsprint.

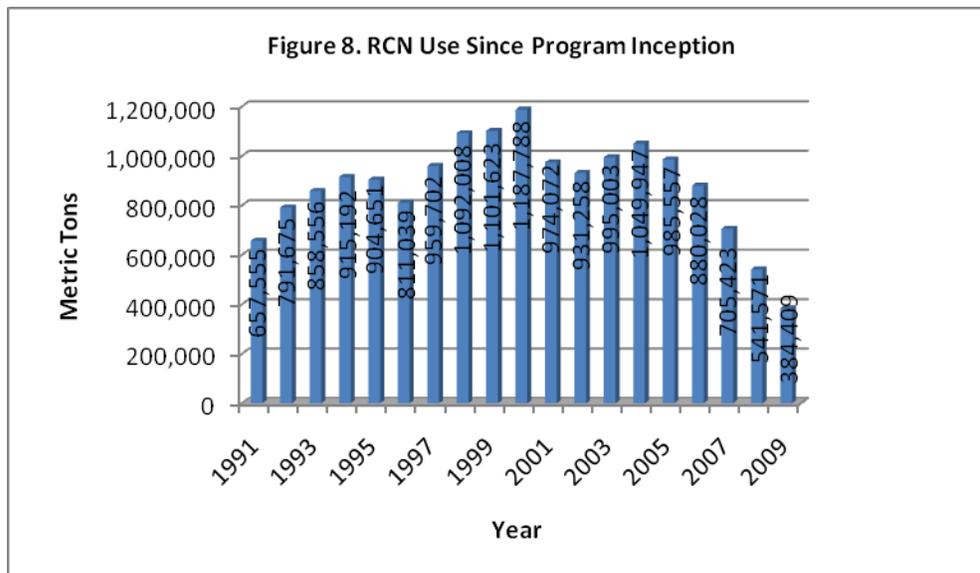
**Quality.** The typical reason behind this exemption is that customers' specifications cannot be met with the recycled-content newsprint available. A few consumers also reported their specific efforts to use recycled-content newsprint resulted in problems such as lint build-up, press breakdowns, and/or lower yields due to paper breaks. This may be most related to the type and age of the press, or to specific weights or shipments, as the trends in the quality standards for the most commonly used recycled-content newsprint grades have been fairly constant over the past several years. (See Figure 7.)

**Availability.** About half of the consumers making this claim attributed it to their lack of storage space and use of just-in-time ordering which made it harder to obtain recycled-content newsprint. Sometimes, too, consumers claiming this exemption noted that the grade of paper required for particular customers' jobs was simply not available in recycled-content newsprint or not available at the time needed.



## Program Benefits

Since the inception of this program in 1991, approximately 16.7 million tons of recycled-content newsprint has been used by California's newsprint consumers (see Figure 8).



Counting all the reported recycled-content newsprint as containing just 40 percent recycled content fiber (probably a low estimate considering many purchases are 100 percent recycled), this cumulative recycled-content newsprint usage (1991—2009) has resulted in the following estimated resource savings and pollution reduction compared to the resource requirements of producing virgin newsprint:\*

- 88.7 million trees.
- 29.6 million cubic yards of landfill space, enough to fill a football field 1,500 stories high.
- 51.7 billion gallons of water, equivalent to a year's drinking water for more than 283 million people.
- 4.4 billion kilowatt-hours of electricity, enough to power more than 491,000 U.S. homes for a year.
- 12.5 million barrels of oil, enough to drive an average car around the planet almost 318,000 times.
- 443.5 million pounds of air pollutants, equivalent to the annual savings of taking almost 37,000 cars off the road.

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\* See Appendix 1.

# Conclusion

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Overall, the 2009 recycled-content newsprint manufacturer and consumer certifications reported a continuing decline in newsprint production and usage. This generally reflects the downward trend in the volume of print publishing and publishers' efforts to contain costs by reducing the quantity of paper in their publications. While these reductions have broad benefits (e.g., conserving natural resources and reducing paper waste), they also, at least indirectly, may negatively affect the prices and availability of recycled fiber and recycled-content newsprint. For example, in 2009 the prices for recycled-content newsprint apparently increased (at least in general) relative to newsprint with less or no recycled content. This was related to the continuing high demand for postconsumer recycled fiber and the generally falling prices for non-recycled-content newsprint (to maintain sales despite decreased demand).

Nevertheless, most California printers and publishers who reported using newsprint still met the program's 50 percent recycled-content newsprint usage requirement. Those who did not explained their reasons for claiming an exemption (usually due to price). So despite its reduced scale, parallel to the general reductions in newsprint production and usage, the program has continuing, significant environmental benefits.

# Source References

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1. Garcia, Debra, "FORESTWEB Report: U.S. Newsprint Consumption Continues Sharp Downward Trend," *All Business*, September 2, 2009, <<http://www.albusiness.com/economy-economic-indicators/economic/13405754-1.html>> (June 1, 2010).
2. Cascadia Consulting Group, Inc., *Executive Summary - Statewide Waste Characterization Study: Results and Final Report* California Integrated Waste Management Board, December 1999, p. 5.
3. Cascadia Consulting Group, Inc., *California 2008 Statewide Waste Characterization Study*, California Integrated Waste Management Board, August 2009, p. 6.
4. Ducey, Michael, "Newsprint demand, production continue freefall," *News & Tech*, Mar. 29, 2010, <[http://www.newsandtech.com/news/article\\_cac1f0dc-3b57-11df-b071-001cc4c03286.html](http://www.newsandtech.com/news/article_cac1f0dc-3b57-11df-b071-001cc4c03286.html)> (June 1, 2010).
5. "Another Recycled Newsprint Mill is on the Ropes," *Dead Tree Edition*, April 28, 2010, <<http://deadtreeedition.blogspot.com/2010/04/another-recycled-newsprint-mill-is-on.html>>(June 1, 2010)
6. "2009\_Recycled Paper Prices at Port of SF.xls" office compilation of data from weekly *The Yellow Sheet: Official Board Markets*, (May 26, 2010).

# Appendix 1

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The information for calculating the estimated resource savings was obtained from the following sources:

*Empire State Newsprint Project – 3.0 Project Benefits*, State of New York, December 2001, <[www.besicorp.com/empire/pdfs/ArtX/chapter3.pdf](http://www.besicorp.com/empire/pdfs/ArtX/chapter3.pdf)> (June 10, 2009).

“Energy Bill and Analysis Tools” <[www.smud.org/en/residential/saving-energy/Pages/energy-bill-analysis.aspx](http://www.smud.org/en/residential/saving-energy/Pages/energy-bill-analysis.aspx)> (June 23, 2009).

“Federal Recycling Tax Incentive Approved by Senate,” *Recycling Advocates Newsletter*, July 2005, <[www.recyclingadvocates.org/newsletter/july2005.htm](http://www.recyclingadvocates.org/newsletter/july2005.htm)> (June 10, 2009).

“Frequently Asked Questions – Gasoline” Energy Information Administration: Official Energy Statistics from the U.S. Government, p. 3, <[http://tonto.eia.doe.gov/ask/gasoline\\_faqs.asp](http://tonto.eia.doe.gov/ask/gasoline_faqs.asp)> (June 23, 2009).

“How much paper can be made from a tree?” <<http://www.conservatree.org/learn/EnviroIssues/TreeStats.shtml>> (June 10, 2009).

“How many pounds of carbon emissions does the average car emit in one year?” <<http://www.videojug.com/expertanswer/carbon-emissions/#how-many-pounds-of-carbon-emissions-does-the-average-car-emit-in-one-year>> (June 30, 2009).

“Still not convinced to recycle more...?” <[www.drf.umd.edu/Recycling/documents/stillnotconvinced.pdf](http://www.drf.umd.edu/Recycling/documents/stillnotconvinced.pdf)> (June 30, 2009).