



California Integrated Waste  
Management Board

June 2007

Staff Report  
To The Board

## 2006 Compliance Report for the Recycled-Content Newsprint Program

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Publication # 433-07-001

 Copies of this document originally provided by CIWMB were printed on recycled paper containing 100 percent postconsumer fiber.

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# Table of Contents

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Introduction.....	1
Report and Analysis.....	2
Consumer Certification Results.....	2
RCN and Non-RCN Usage.....	2
Compliance Rates.....	4
Exemption Requests Made by Printers and Publishers .....	4
Good Faith Certification.....	6
Manufacturer Certification Results .....	6
Program Benefits To Date .....	8
Voluntary Efforts by Industry Trade Associations .....	9
Conclusion .....	9
Appendix I .....	10

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# Introduction

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To promote the growth and development of markets for old newspapers, the California Legislature in 1991 established the Recycled-Content Newsprint Program (Public Resources Code sections 42750-42791). This program mandates that at least 50 percent of newsprint used by each of California's printers and publishers be recycled-content newsprint (RCN). Statute defined RCN as containing a minimum of 40 percent post consumer old newspaper fiber.

California printers and publishers (consumers) annually certify to the California Integrated Waste Management Board (CIWMB) the total amount of RCN and non-RCN that their businesses use. Newsprint manufacturers that produce RCN used by California printers and publishers must also annually certify how much de-inked pulp they received or produced and how much RCN they distributed to California's newsprint printers and publishers. Both consumer and manufacturer certifications are due to the CIWMB by March 1 each year.

The 2006 RCN certifications submitted by the consumers and manufacturers provide the following statistics:

- All of California's 139 regulated consumers certified to the CIWMB.
- 68 percent of all the newsprint used in California was RCN, representing the highest RCN use since 1991.
- 87 percent of the consumers were in compliance; only 13 percent of the consumers requested exemptions.
- Total regulated newsprint use decreased by 15 percent from 2005 to 1,301,115 metric tons.
- Total RCN use decreased by eleven percent from 2005 to 879,861 metric tons.
- 98 percent of the consumers submitted their certifications by the March 1 due date, representing the highest compliance rate since 1991.

This single low-cost program is clearly a value-added program to the environmental efforts of California. In 2006, estimated resource savings included the following\* :

- 4 million trees
- 870,000 tons of waste diverted from landfill
- 600,000 barrels of oil
- 127 million gallons of water from the paper making process
- 212,000 megawatt hours of electricity, which is enough energy to heat and air-condition 25,000 average North American homes for at least a year.

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\* See Appendix I

# Report and Analysis

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## **Consumer Certification Results**

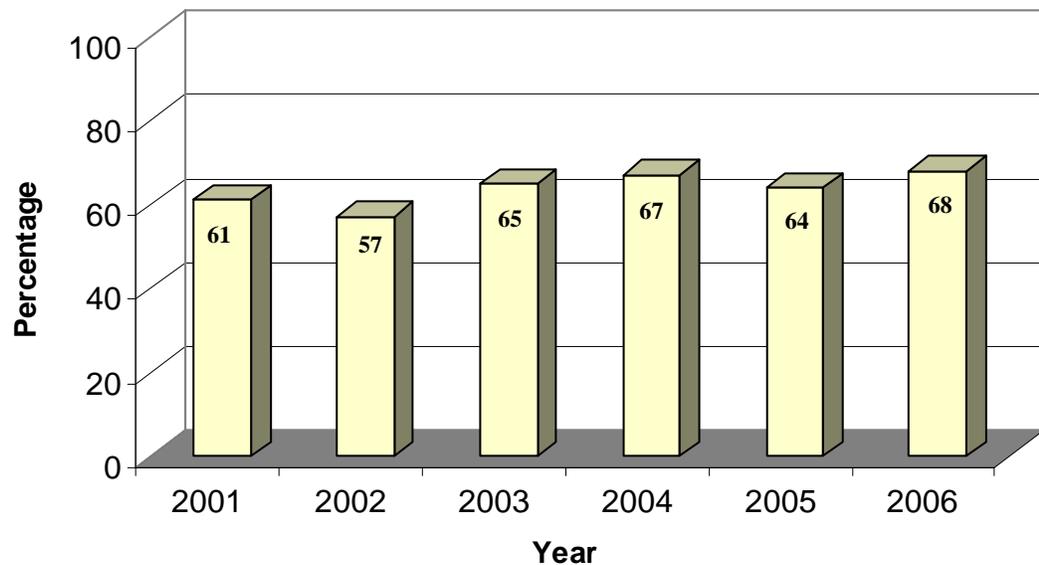
In late 2006, staff mailed RCN certification packets to all known newsprint consumers in California. Of the 137 certification packages mailed, 136 certifications were completed and returned. Two companies had merged and submitted one consolidated certification, hence accounting for one less certification submitted. However, as a condition of this merger, the new company had to divest itself of three of its holdings, thus creating three additional newsprint consumers that had to certify to the board. This brought the total newsprint consumer certifications to 139.

Ninety eight percent (136) of the consumers submitted their certifications by the March 1 due date; the remaining three new consumers filed within the 45 day grace period. The 2006 certification year was the most successful year for RCN certification submittal since the program began in 1991.

## **RCN and Non-RCN Usage**

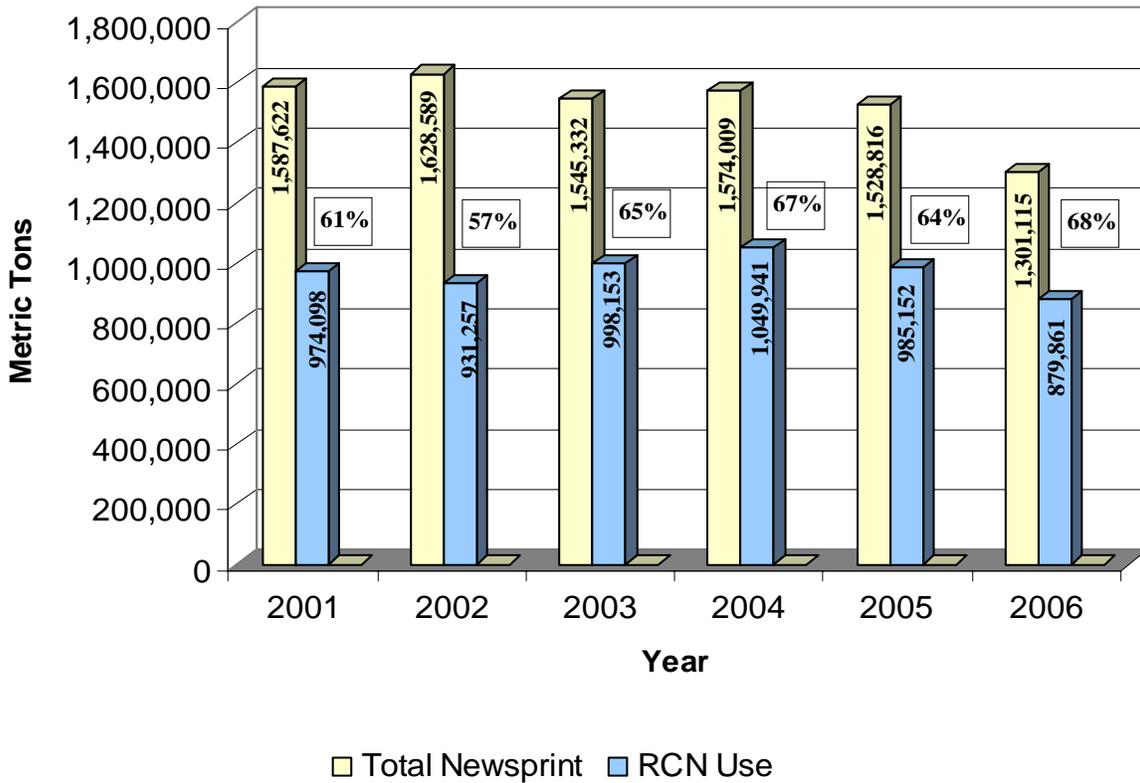
In 2006, 68 percent of the newsprint used by consumers was RCN, representing the highest RCN use since the program began in 1991 (see Figure 1).

**Figure 1. Percentage of Newsprint Used that Was RCN**



In 2006, newsprint consumers decreased the overall amount of regulated newsprint they used for the fourth consecutive year. California’s newsprint consumers reportedly used 1,301,115 metric tons of regulated newsprint (Figure 2), of which 879,861 was RCN. In 2005 consumers used 1,528,816 metric tons of regulated newsprint, including 985,152 metric tons of RCN. Industry is making every effort to reduce waste in the printing process, thereby reducing total newsprint consumed. Additionally, more and more customers are signing up for on-line subscriptions and receiving their news by alternative means.

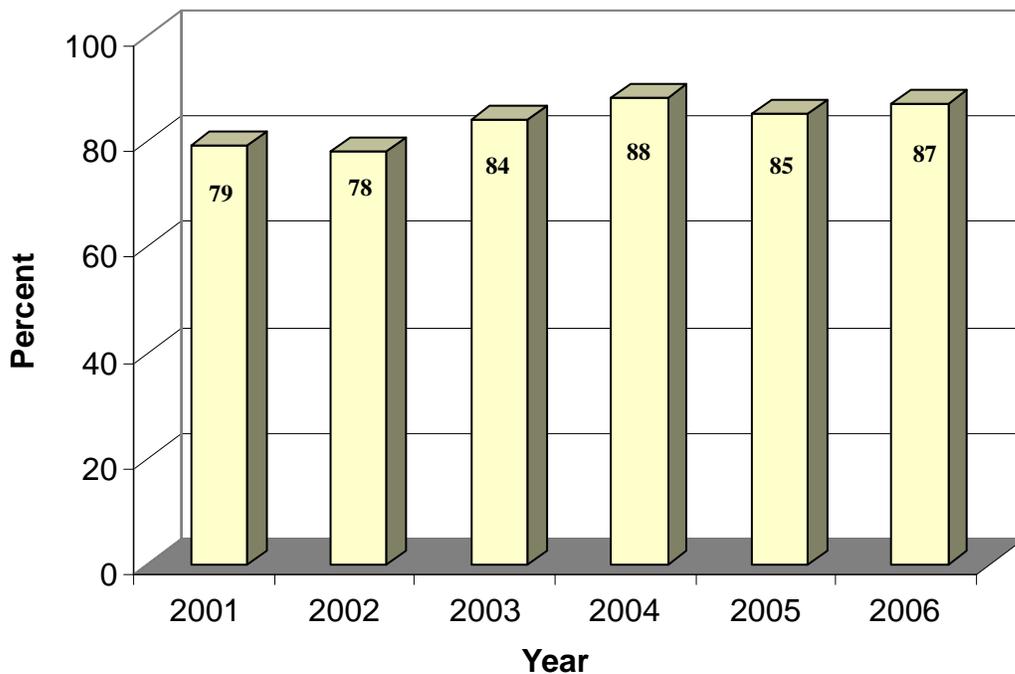
**Figure 2. Total Newsprint and RCN Used**



## Compliance Rates

The RCN Program mandates that at least 50 percent of the newsprint used by each of California's consumers be RCN. For the year 2006, 87 percent (121) of the consumers complied with this mandate (Figure 3). The remaining 13 percent (18) of the consumers requested exemptions from meeting this mandate.

Figure 3. Compliance Rates



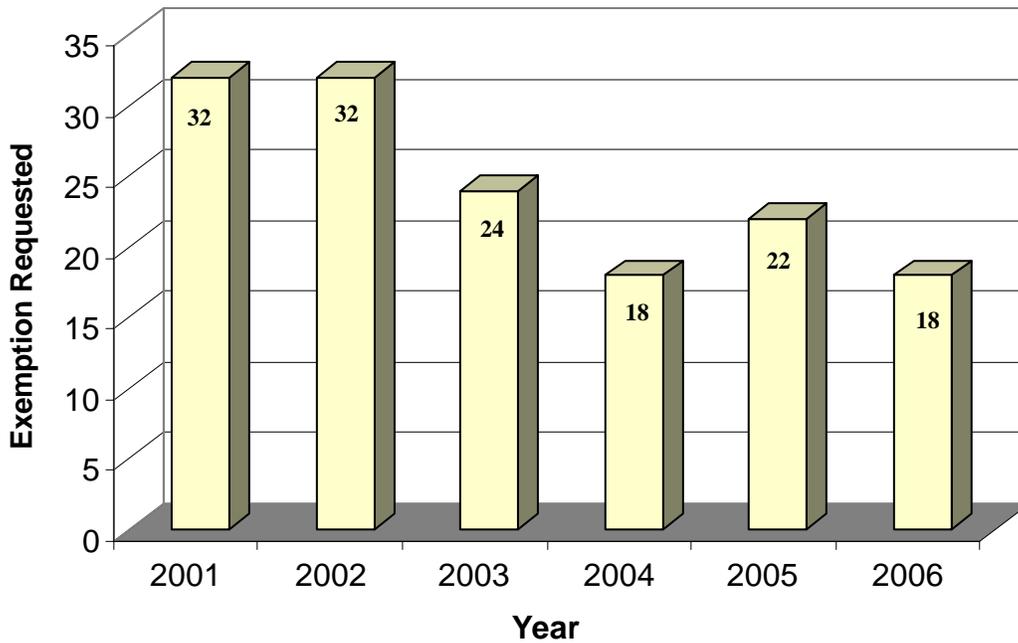
## Exemption Requests Made by Printers and Publishers

When a newsprint consumer cannot obtain and use enough RCN to attain its 50 percent use requirement, the business may request an exemption from the law to avoid being “out of compliance.” Exemptions are allowed only in the following three cases:

1. The RCN was not available at a comparable price.
2. The RCN did not meet the quality standards that are annually established by the CIWMB.
3. The RCN was not available in a reasonable time.

In 2006, 13 percent (18 of 139) newsprint consumers reported that they did not meet their minimum-use requirement based upon one or more exemptions allowed. This is four less exemptions than newsprint consumers requested last year (see Figure 4).

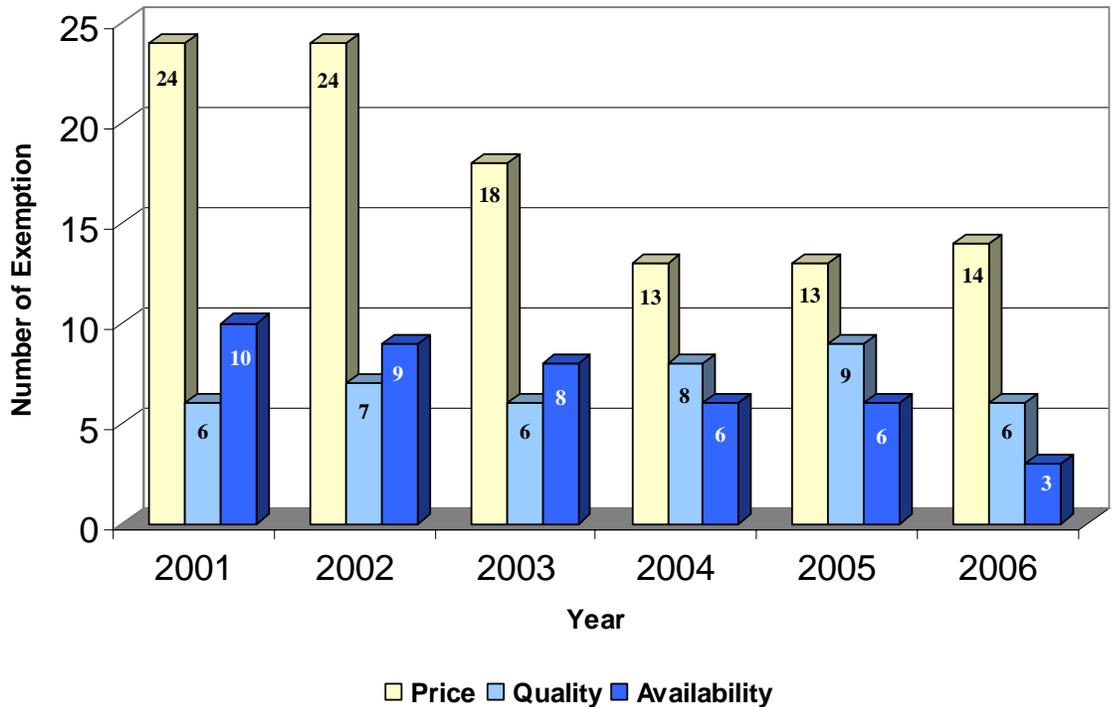
**Figure 4. Number of Companies Requesting Exemptions**



The majority of exemption requests stated RCN was not available at a comparable price. This continues to be the number one reason for not attaining the mandated use requirement.

In 2006, 14 consumers claimed the price exemption, 6 claimed quality, and 3 consumers claimed the availability exemption (see Figure 5). The difference between the number of consumers (18) seeking exemption and the total exemptions requested (23) can be attributed to some consumers claiming more than one exemption.

**Figure 5. Type of Exemption**



**Good Faith Certification**

Newsprint consumers who claim an exemption are required to document a “good faith effort” on their certifications. A good faith effort means listing all newsprint suppliers with whom the consumer had purchase discussions, or producers that offered to sell RCN within the preceding 12 months. If a good faith effort has not been made and documented, any newsprint consumer not complying with the statutory requirement may be subject to civil penalties of up to \$1,000. Since the inception of the program only one company has been subjected to civil penalties.

In 2006 all companies that sought an exemption documented their good faith effort on their certifications. Staff assisted newsprint consumers with their good faith effort through communications and providing a list of newsprint suppliers.

**Manufacturer Certification Results**

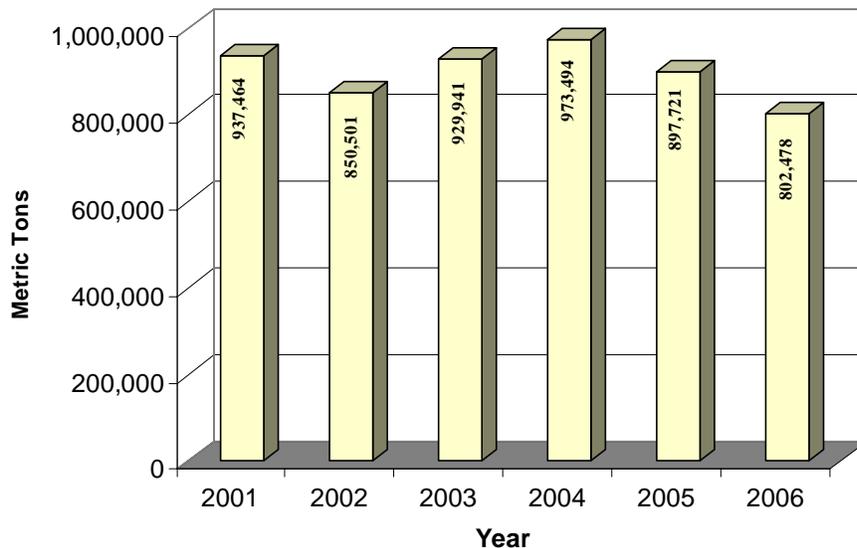
California State law requires manufacturers who supply newsprint in California to certify to the CIWMB by March 1 of each year. The certification is to include:

- 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 RCN, by grade, produced at each of the manufacturer’s mills and supplied for use in California.

Numerous newsprint manufacturers have merged in recent years, resulting in a decrease in the number of entities that provide regulated newsprint for this program. In 1992, when this program first received manufacturer certifications, 46 manufacturers reported. In 1998, the number dwindled to 13. In 2006, only eight manufacturers that supplied regulated newsprint to California reported to the CIWMB.

The amount of RCN reportedly supplied to California increased from 2002 to 2004, but decreased from 2004 to 2006. The eight manufacturers that submitted certifications indicated they received or produced 1,385,053 metric tons of de-inked paper pulp and supplied 802,478 metric tons of RCN to California in 2006 (Figure 6). Since the amount of RCN reportedly used in 2006 by printers and publishers was 879,861 metric tons, reconciliation for the figures that newsprint consumers and manufacturers reported is at 91 percent. The 9 percent difference between RCN use and RCN supply is most likely the result of material used that was supplied during the previous year.

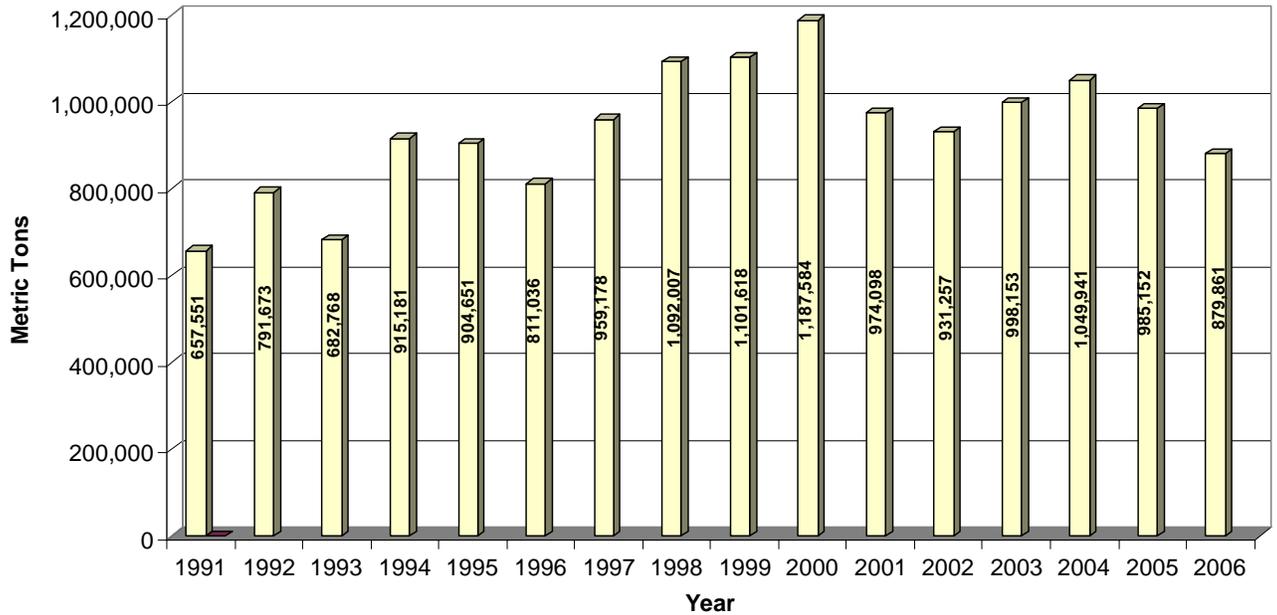
**Figure 6. RCN Supplied to California**



## Program Benefits To Date

Since the inception of this program in 1991, approximately 15 million tons of RCN have been used by the newsprint consumers (See Figure 7).

Figure 7. RCN Use Since Newsprint Program Inception



■ **Approx. 15 million tons of RCN used since the newsprint program began in 1991**

This small, inexpensive and effective program, over the last 16 years, has brought tremendous environmental benefits to California. Cumulatively, over the last 16 years, this program has saved an estimated:

- 72 million trees
- 10 million barrels of oil
- 3.6 million mega watts of electricity
- 2 billion gallons of water from paper making process
- 15 million tons of waste from being landfilled.

# Voluntary Efforts by Industry Trade Associations

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The CIWMB would again like to acknowledge the efforts of the Printing Industries Association of California and the California Newspaper Publishers Association in ensuring their constituents are aware of the mandated RCN Program. If not for the efforts of the trade associations, many newsprint consumers would have been less aware of the program requirements and possibly subject to fines. The exceptional results of the program and the tremendous compliance rate, can in part, be attributed to their continued participation and support. In particular, a special acknowledgement is given to Thomas W. Newton, General Counsel & Legislative Advocate for California Newspaper Publishers Association, for his outstanding efforts in supporting the RCN Program.

## Conclusion

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The year 2006 brought the highest RCN use and the best on-time reporting ever achieved by the newsprint consumers. California's newsprint consumers and their suppliers are clearly aware of and responsive to their environmental responsibilities as required by this program. Their effort to abide by the law and meet the RCN use requirements is a testimonial to their respect for the environment and the people of California.

In 2006, the newsprint industry successfully achieved a double win. These businesses used less regulated newsprint overall, meaning less resources used, less waste created, and less finished product at the end of its lifecycle to manage. Also greater percentage of the material they used was RCN. This is a great benefit to solid waste management, the industry and California as a whole. The recycled content newsprint program is helping to create and strengthen markets for secondary paper, creating more jobs than what would have been created by simply landfilling the recovered paper, conserving landfill space, conserving natural resources, and reducing energy consumption.

Energy savings are particularly applicable to recycling of newsprint. This is because production of mechanical pulp from which newsprint is made is more energy intensive than production of chemical pulps used for other paper grades. Making one ton of recycled paper uses only about 60 percent of the energy needed to make a ton of virgin paper<sup>2</sup>.

At a time of heightened interest in reducing energy consumption, which consequently reduces air pollution and greenhouse gas emission, recycling produces a double bonus. First, use of recycled materials in manufacturing instead of virgin materials reduces the consumption of energy.

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<sup>2</sup> See Appendix I

Second, at the disposal end, this energy savings outweighs any energy recovery achievable at the best state-of-the-art incinerator<sup>3</sup>.

Air pollution, water pollution, toxic waste, global climate change, and deforestation are some of the most pressing human and environmental health hazards that threaten California. Reducing waste and using recycled materials in the manufacturing of newsprint reduces pollution, saves energy, conserves resources and thereby protects California's environment.

## Appendix I

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The data for the estimated resources savings has been obtained from the following sources:

American Council for an Energy Efficient Economy ([www.aceee.org/pubs/ie962.htm](http://www.aceee.org/pubs/ie962.htm))

Conservatree ([www.Conservatree.com/learn/EnviroIssues/TreeStats.shtml](http://www.Conservatree.com/learn/EnviroIssues/TreeStats.shtml) )

University of Oregon ([www.darkwing.uoregon.edu/~recycle/TRIVIA.htm](http://www.darkwing.uoregon.edu/~recycle/TRIVIA.htm))

Empire State Newsprint Project (<http://www.besicorp.com/empire/pdfs/ArtX/chapter3.pdf>)

Recycling Advocates (<http://www.recyclingadvocates.org/newsletter/july2005.htm>)

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<sup>3</sup> See Appendix I