

Recovered paper market prices



Independent coverage of the recovered paper markets since 1990



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The Market: Office paper, pulp subs take a dive

By Ken McEntee

Recovered paper prices continued to drop this month. But it is office paper and pulp subs rather than old corrugated containers (OCC) that are taking the brunt of the hit, traders reported.

At the beginning of June, the average national domestic mill buying price for sorted office paper (SOP) was \$130 per ton, FOB seller's dock. That average represented as \$93 per ton drop since the beginning of the year and a \$40 per ton descent from the beginning of May.

"Deinking grades are getting crushed," said a West Coast broker. "They will be the sacrificial lamb this month."

Following the rapid fall of global market pulp prices, pulp substitute grades are fairly no better. Hard white shavings this month are selling at a national average of \$430 per ton compared to \$505 per ton at the start of the year and \$485 at the beginning of May.

"Things are dismal in a way that I haven't seen since the early 1990s," according to a Northeast broker. "It is grim."

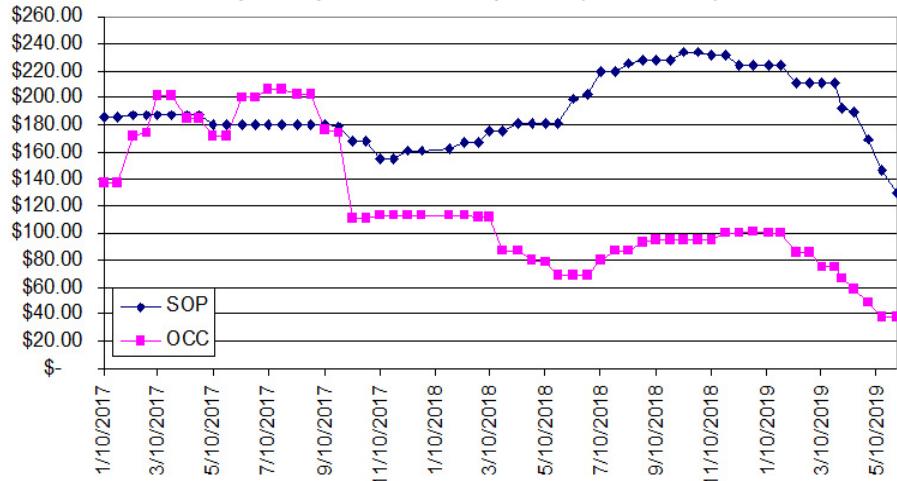
Old corrugated

OCC prices in the middle of the month dropped to a level that many traders declared to be the bottom. The national av-

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OCC, SOP prices

U.S. average national mill buying price, \$ per ton, FOB sellers dock, based on surveys of buyers and sellers by *The Paper Stock Report*



ISRI spec, not China's will feed Hudson Valley Paperboard

By Ken McEntee

the mill.

"I am delighted to tell you that our spec is not by any means driven or defined by China's specifications," he said. "Our stock prep capabilities will be exceptional to use OCC#11 the way you and I have known it from time immemorial."

Lambert said the percentage of mixed

(See Hudson Valley, page 3)

Highlights

- Current recovered paper prices
- 30 percent contamination charged in MRF suit
- Kentucky mill reopens

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Recovered Scrap Paper Prices: Dealer/Processor Prices

These prices reflect the estimated value of recovered scrap paper accepted by or sold to paper stock dealers and/or recycling centers unless otherwise indicated. Prices are listed in dollars per short ton for loose (not baled) material in small quantities, unless otherwise noted. Negative values indicate a charge to accept the materials. Estimated prices are based on surveys of buyers and sellers and are not binding. Prices for grades marked "at generator's dock" indicate the estimated value for material picked up by a dealer from the place where material is generated. Prices for grades marked "at dealer's scale" indicate the estimated value of material brought to the dealer's plant or recycling center.

Grade	N.Y.	NewEng BOS	SEast ATL	PITTS/ CLEV	MWest CHIC	SWest Tex	L.A.	NWest SEAT
Mixed paper, at generator's dock:	-60/0	-60/0	-50/0	-55/0	-55/0	-50/0	-60/0	-60/0
Mixed office paper, generator's dock:	0/50	0/50	40/75	50/70	50/70	40/75	20/60	0/65
White ledger, at generator's dock:	90/130	90/130	90/120	110/140	110/140	105/140	90/130	80/140
Old newspaper, delivered to dealer:	-25/0	-25/0	-15/0	-15/0	-15/0	-15/0	-25/0	-25/0
Old corrugated containers, delivered to dealer:	-25/0	-25/0	-25/0	-25/0	-25/0	-25/0	-25/0	-25/0
Old corrugated containers, supermarket-sized bales	5/30	5/30	5/40	5/30	5/30	5/40	10/50	5/50
Old magazines, delivered to dealer:	0/40	0/40	0/40	0/40	0/40	0/50	0/50	0/45

Recovered Scrap Paper Prices: Mill Buying Prices

These figures are average prices paid by paper and board mills for the grades listed. Prices are listed in dollars per short ton, baled, FOB seller's dock (exclusive of freight), packed to PS-2017 specifications. Numbers in parenthesis are PS-2018 grade definition numbers.

Post-consumer grades:	Northeast	Southeast	Midwest	Southwest	LA	Northwest	Natl Avg	Last Issue	Last Month	Last Year
Mixed paper (54)	0/5	0/15	0/10	0/25	N/A	0/5	5.00	5.00	5.00	2.50
Sorted resid. papers & news (56)	10/35	20/40	20/40	20/40	10/20	10/35	25.00	25.00	25.00	5.42
Sorted clean news (58)	85/95	75/90	65/75	75/90	50/70	50/90	75.83	75.83	109.17	98.33
Old corrugated (OCC) (11)	25/40	25/50	25/40	25/50	35/50	35/55	37.92	38.33	49.17	69.58
Sorted office paper (37)	115/140	120/140	115/140	120/150	120/140	120/140	130.00	146.67	169.17	180.83
White ledger, post-consumer (40)	250/270	250/270	260/280	260/290	240/260	230/270	260.83	260.83	288.33	258.33
Old magazines (10)	50/80	60/100	60/90	60/90	80/100	70/90	77.50	77.50	92.50	127.50
Industrial / Commercial grades	Northeast	Southeast	Midwest	Southwest	LA	Northwest	Natl Avg	Last issue	Last Month	Last Year
Boxboard cuttings (4)	30/45	25/35	25/35	30/45	30/50	30/50	35.83	48.33	48.33	93.75
New double-lined kraft (DLK) (13)	60/70	70/80	60/70	70/80	60/80	60/80	70.00	70.00	76.25	110.83
White news blanks (24)	170/220	190/220	180/220	210/250	170/210	170/190	200.00	275.00	275.00	270.00
Coated soft white shavings (28)	300/320	300/320	300/320	300/320	310/340	300/330	313.33	343.33	363.33	263.33
Hard white shavings (30)	420/440	420/440	420/440	420/440	420/440	420/440	430.00	460.00	485.00	422.50
White ledger, post-consumer (40)	250/270	250/270	260/280	260/290	240/260	230/270	260.83	260.83	288.33	258.33
Coated book stock (43)	115/145	120/145	120/145	120/155	120/145	120/145	132.50	143.33	165.00	180.83
Coated groundwood sections (44)	50/85	60/100	60/95	60/95	80/105	70/95	79.58	79.58	92.50	137.50
Unprint bleached sulfate (SBS) (47)	350/380	350/380	350/380	350/380	350/380	350/380	365.00	390.00	405.00	422.50
Weighted average national price							66.13	71.14	78.99	100.96

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Use the survey form to submit your observations about current scrap paper markets.

Capacity

New recycled board mill planned for New York

By Ken McEntee

The development of a new 330,000 ton-per-year recycled containerboard mill has been announced for Rensselaer, N.Y., south of Albany. The Hudson Valley Paperboard Project was announced by CorrVentures LLC (CVL), a private development firm that says it specializes in strategic project development in the pulp and paper, and corrugated packaging markets.

The mill's geographic location is well-suited to secure old corrugated containers (OCC), available to the mill by common carrier, rail and deep-water barge, CVL said.

The company said the corporate investment and off-take partners participating in this venture will consist of major independent corrugated packaging and corrugated sheet feeder operations based in the North Central and Northeastern United States and Canada. Each of these companies will be selected for approach based on their established history and strong reputation of success in the industry.

CVL said at least 200 new construction jobs will be created directly as a result of the project, with substantial additional jobs being created through the multiplier effect to the surrounding Rensselaer County community.

The project schedule currently anticipates a financial closing in the fourth quarter this year, with commencement of commercial operations in the fourth quarter of 2021.

The project is subject to approval of state and local incentives, which have been offered to projects of a similar nature in New York, including sizable New York State Brownfield Program refundable tax credits.

The CVL development team said it has has substantial experience and prior success in designing, building and operating

business facilities similar to those planned for the project, as well as in managing printing and packaging businesses with significant purchase requirements for recycled containerboard.

The founders of CVL include Chairman Charles P. Klass, President and CEO Stephen R. Read, Executive Vice President Jan Lambert and Executive Vice President and Treasurer Eric Lawrence.

According to a CVL press release, the project will be built by a globally recognized firm that will have complete responsibility for the design, engineering, procurement and construction of the new lightweight containerboard mill operations. The DEPC contractor will provide appropriate completion and performance guarantees as required by the Project lenders and stakeholders.

CVL has retained Piper Jaffray as its exclusive investment banker to assist in structuring and placing the non-recourse senior secured financing for the project. Acorn Street Capital, of Boston, has recently joined the CVL team as an investment partner.

Operations will highlight state-of-the-art proven recycling and papermaking technologies from across North America and abroad, CVL said. The paper machine will include starch surface treatment and optimized calendering to provide enhanced strength and excellent printability.

Hudson Valley

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paper used at the mill could be in the 13 to 22 percent range, but that the exact fiber mix will depend on customer specs for its lightweight containerboard product and the markets for mixed paper and OCC when the mill ramps up - projected to be somewhere around the fourth quarter 2021.

"I am glad that we will be able to take 46,000 pound loads and we won't have to demand 54,000 pound (export) loads to fill a container, and I am glad to say the high density bales that are in place, and the systems that were put in place to clean the tons are satisfactory to us based on the last generation of retooling the MRFs had

Effective April 1,

The Paper Stock Report is now publishing recovered paper prices on the 1st and 15th days of the month.

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to go through," Lambert said. "We're not demanding a China spec. I think the MRFs that we can support are fine the way they are. They don't have to slow down anymore to make tons for us. We want them to run as fast as possible within reason and produce (recovered paper) within the ISRI definition. It's a spec that we think is fair."

Lambert added that Hudson Valley may also use higher quality grades, like industrial OCC and double-lined Kraft.

"We also will function to some extent to support our customers with the use of double-line or industrial OCC from the marketplace because the people who own those companies are suffering also, and those tons exist in the market too and they need a home," he said.

Lambert was less clear about how mixed paper would be used at the new mill other than to say that the mill would consume as much mixed paper as possible.

"That's a little hard to say because it isn't only a matter of what the buying price is for mixed paper and corrugated," he said. "You have to look at the blending of the fibers to get the density, and the needs of the customer and the marketplace."

The quality requirements of mixed paper used at the mill haven't been established, but Lambert said, "Our demand will not be based whatsoever on China specs. We're not interested in catching the wave of issues that have affected our very responsive MRF owners, whether they are public companies or private MRFs, whether you call them clean MRFs or dirty MRFs."

Lambert noted that before China began to dominate the market for mixed paper, the grade was packed according to the needs of North American mills.

"For 30 years we divided mixed paper

(See Hudson Valley, page 4)

Capacity

Hudson Valley

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into hard mix and soft mix depending on whether it had a high percentage of groundwood or a low percentage of groundwood," he said. "For the last 15 years the mixed paper marketplace was driven by the needs of the Chinese mills, which needed longer fibers. It changed the whole nature of mixed paper in the U.S."

Hudson Valley, Lambert said, hopefully will create a market for a traditional U.S. grade of mixed paper.

The company has already spoken with potential OCC and mixed paper suppliers for the mill.

"We've got some early commitments that are non-binding because the mill isn't built yet, but we're comfortable about the nature of the sources of supply, which will be a combination of private and public integrated haulers," he said. "The mill will be designed to take advantage of a growth market in lightweight containerboard, and we feel very strongly about our regional positioning for fiber supply. We don't feel that we're in the business to interrupt the needs of competitors. We feel strongly about building integrative supply relationships based on supporting the people we're working with. We're not out there to try to take the bottom out of the market."

Although projects like Hudson Valley will help to absorb the surplus of OCC and mixed paper currently on the market, they are unlikely to make up for the reduction in Chinese buying, Lambert said. Since 2011, U.S. OCC exports to China have generally ranged between 7 million and 8 million short tons per year before dropping off to about 6.5 million tons last year. This year, China is on pace to take about 4.5 million tons. If the Chinese government carries through on its threat to ban the importation of all recyclables, the impact could be around 8 million tons of OCC that no longer have a market.

"We think the recycled Kraft market is very positive with projects like those in Biron, Wisc., Rumsford, Maine and Fairmont, W.Va. (all Nine Dragons Paper

projects) and a few more machines that are slated to convert, but when you add them up you're talking about a million tons of recycled Kraft pulp, that's all," Lambert said. "It's not going to solve the problem for our (recovered paper) dealers."

Charles Klass, chairman of CorrVentures and owner of Klass Associates, said he feels confident about the project despite the fact the containerboard mills are taking market downtime. The key, he said is that the mill will produce lightweight board, which he believes is a growth market in the U.S.

"There is demand for lightweight and overall containerboard in the Northeast, but a lot of the production is in the Southeast," he said. "We're going to be able to support the Northeast market."

The mill will produce about 70 percent linerboard and 30 percent corrugating medium, he said.

Klass said the new mill will be guided by experienced leadership. He noted that Steven Read, president and CEO of CorrVentures, was president of Schiffenhaus Industries when that company partnered with two other box makers to create Solvay Paperboard, near Syracuse, N.Y., which was later sold to Rock Tenn and is now operated by WestRock. Read served on the Solvay board of directors.

Lambert's family has been in the paper manufacturing business for four generations.

"Jan has done a lot of research on the use of mixed paper," Klass said. "And I think his research is more credible than some others that I have seen."

Klass said he is hopeful that financing for the Hudson Valley project will be in place by the end of the year.

Phoenix Paper starts Kentucky mill

Phoenix Paper Wickliffe LLC. said it successfully restarted operations of the Wickliffe, Kentucky paper mill formerly owned and operated by Verso Paper. The first roll of bleached hardwood pulp was safely produced, the company an-

nounced.

"A lot of hard work by many people went into making this a safe and successful startup," said General Manager Craig Tatum. "It is an honor to be a part of such a dedicated and committed team."

Tom Lawson, director of strategy North America, said the restart of the mill is the first step in the North American growth strategy for Phoenix and its parent company, Shanying International, one of the largest paper making companies in China. Shanying also owns CycleLink International Holdings Ltd., a recovered paper supplier based in Diamond Bar, Calif.

When Shanying purchased the idled mill from Verso last summer, the company said it would produce pulp and brown paper packaging. Mill officials were not immediately available this morning to discuss those plans.

A press release said that once fully optimized, the mill will produce about 300,000 tons of product per year and that the mill employs about 224 people. Earlier, the company said it expects the mill to employ about 500 people.

Market

Dive

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verage domestic OCC price on May 15 was about \$38 per ton according to traders reporting to *The Paper Stock Report*, and traders generally anticipated that the "official" index price would catch up this month with reduction of \$5 to \$10 per ton.

"People are gladly selling me OCC below the RISI price," said a Northeast trader.

Meanwhile, however, some traders reported seeing some positive signs that OCC markets could be on the verge of improving - possibly before the four-day Independence Day holiday weekend. Reports from overseas are less optimistic.

"We had 800 tons of orders in May and inventoried a lot of OCC," a Midwest recycler said. "This month we have orders for 2,100 tons with some mills suggesting they may be back for more later, prior to July 4 holiday. A step in the right direction, but there is an enormous amount of inventory

to clean up before the price moves up."

According to a West Coast broker, containerboard mill operating rates are improving and most mills' planned maintenance downtime has been taken as the industry moves toward its peak operating season.

"OCC generation is going to drop in the summer and the demand is going to increase," he said. "I think prices will continue to fall this month, but hopefully this is the bottom, as mills might be looking to build inventories for the long Fourth of July weekend. I think the market has a chance to flatten out in July and August, with a possible increase in September. Unfortunately, after that, mills start to slow down again and generation starts to increase again, so basically the whole year is lost."

A Chicago trader said fellow brokers in his company are divided about whether the OCC market will sink further this month or begin to improve.

"I personally think the price could come back a little," he said. "The last two or three weeks have been flat, but generation isn't where it was and some suppliers are starting to ask for a little more. On the other end, though, I'm not able to get any increases from my customers."

He said, however, that he expects a "slow upward crawl" in OCC prices by the end of June.

In Asia, sources say OCC markets continue to weaken while most mills have already expended their import licenses.

In China, finished containerboard prices have reportedly dropped by \$25 per short ton in the past week, with local OCC prices keeping pace, with reductions of \$13 to \$25 per ton. Further reductions are expected in the next week. U.S. OCC was reportedly moving into China at \$112 to \$120 per ton. Japanese tonnage, meanwhile, was moving into China dropped about \$20 last week, to less than \$100 per ton, while orders from Europe were arriving at \$100 to \$105 this week. It was unclear whether the European prices were being quote for short tons or metric tonnes.

According to media reports in Hong Kong, a large paper maker in mainland China has plans to cut the price it pays Hong Kong waste exporters for OCC to

US\$70 per ton. The reduction is reportedly due to lower demand for cardboard among Chinese factories caught in the crossfire of the U.S.-China trade war.

That price is half the price Hong Kong recyclers were receiving in December.

The local reports said Hong Kong exporters were declining to ship material at \$70 per ton, but were filling previous orders for about \$110 per ton.

Meanwhile, the reports said, Chinese suppliers were still getting about US\$250 per ton for OCC.

The Hong Kong government reportedly may provide temporary warehousing for local recycling firms to store their paper waste, so they could sell them when the price surge again.

A West Coast exporter reported that an OCC consumer in Vietnam is seeking OCC with no more than 1 percent prohibitives, but were willing to pay a No. 11 OCC price for the material. The buyer said 2 percent prohibitives would cause a high risk of rejection, and a moisture level of 20 percent also would cause a high risky of rejection.

"I have no desire to pursue that order," the exporter said.

Meanwhile, Indonesia was cracking down on scrap paper imports, announcing that all shipments would require pre-inspection.

"There was some upward momentum for OCC until this Indonesia thing came into play and I think some customers are attempting to use that as an excuse to drop pricing," said a broker in Chicago.

Some traders reported that mixed paper prices markets have somewhat stabilized, but with OCC prices dipping so slow, mills have incentives to use more OCC at the expense of mixed paper.

Office paper

Office paper, in the words of more than one trader, is in a "complete free fall."

"There is an overwhelming abundance of sorted office paper and coated book stock," said one broker.

Some suppliers expressed optimism about Marcal Paper, in Elmwood Park, N.J., starting up a machine after a fire that closed the mill down earlier this year. Others, however, said Marcal's impact wouldn't be significant as the machine

ramps up.

"They're so slow right now that unless you can throw a rock and hit the mill, you're not going to get a load in there," according to one supplier.

Traders in the Northeast and Midwest said SOP can be picked up as low as \$110 per ton.

A mid-May fire at Georgia-Pacific's Muskogee, Okla. mill impacted demand, but traders said domestic and overseas markets were taking well before that interruption.

A supplier in the Midwest said while the away-from-home towel and tissue season is about to start, many mills are buying market pulp instead of office paper and other deinking grades because of the availability and low price for pulp.

Pulp substitutes

The availability of cheap market pulp also causing the bottom to fall out of the pulp subs market, traders said.

"The market is flooded with pulp and markets are limited," said a broker in Chicago. "Every time I turn around its going down \$20 or \$30. Many of the mills we're selling to have the option of using virgin rather than recycled. Some need to buy the pulp subs for the recycled content. Each mill is a different story, but generally the pulp subs are going to flow downward along with pulp."

An East Coast trader said he was finding no buyers domestically or overseas.

"One European company said they aren't buying a pound of anything until they see how long pulp prices go in June," he said.

Meanwhile, a broker with a large firm said it has been a struggle trying to get orders for hard white shavings.

"One of our guys just flew to Europe trying to secure us some orders," he said.

Newspaper

Most traders said newspaper grades were as sloppy as pulp subs.

"The issue is that the insulators are having a very bad year because of the rainy weather," one broker said. "On top of that the only consistent overseas buyer has

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Market

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been Korea and they have been getting slow because of some really bad quality loads from certain exporters."

Prices for No. 56 - sorted residential papers and news - is one of the most difficult grades to price. For every source who reports that the grade is worth no more than mixed paper, another reports a price not far below the price for No. 58 - sorted clean news.

"While (No. 56) is a little sloppy currently, probably until July, it is undervalued on most indexes," said a supplier in the Midwest. "Demand for this grade is very good, if clean and dry, and most buyers recognize that the available supply of ONP (old newspaper) is dropping."

According to another Midwest supplier, "There are a few people who are making a cleaned-up curbside (news) and getting higher prices, but that is being buffered by getting a lot of claims. They might get \$80, but then they get a \$30 claim on it."

A West Coast broker said the Asian market for ONP has collapsed.

"China is focusing on digital over newspapers," he said. "India was a big exporter of finished news to China and the demand is not there. Japan was getting \$250 (per metric tonne) - a huge premium - because their paper is so clean. That has collapsed and the prevailing price is at around \$135."

This broker later received an email that

the price had dropped to \$120.

"With each email it gets worse," he said. "That's a drop of \$250 to \$120 in one month."

The export price for newspaper out of the Midwest U.S., he said, is now in the mid-\$30s, compared to the \$40s in May.

"Unlike office paper, there isn't much more room to fall," he said.

White news blanks have shown a similar free fall. Prices varied by region, but generally saw massive reductions compared to last month.

Litigation

30 percent contamination charged in MRF suit

By Ken McEntee

A lawsuit filed by a contracted MRF operator against Connecticut's Materials Innovation and Recycling Authority (MIRA) says MIRA allowed municipalities to deliver loads of single stream recyclables that contained more than 30 percent "unacceptable" materials - more than six times the contamination limit established by a contract.

FCR LLC, now owned by Republic Services, has filed a lawsuit in Connecticut Superior Court for breach of contract against MIRA, asking for the termination of the contract without penalty, and ask-

ing for monetary damages to be determined at trial. MIRA's failure to enforce the terms of the parties' agreement and to ensure that only acceptable loads are delivered to the facility results in more than \$279,000 per month in additional costs, or more than \$3 million per year, FCR said.

In the suit, FCR alleges several breaches in the contract that it originally signed to operate the MIRA-owned facility in Hartford in 2013. The contract, made with MIRA's predecessor agency - the Connecticut Resources Recovery Authority (CRRA), placed a contamination limit of 5 percent unrecoverable materials on loads delivered to the facility by about 70 municipalities. The contract also said FCR would not have to process loads that originated from more than a single municipality - a provision that helped the company to hold violating municipalities accountable for contaminated loads.

Both of those provisions, the lawsuit says, were repeatedly violated by MIRA.

Further, the suit says, MIRA did not enforce its operating permit from the Connecticut Department of Energy (DEEP), which prohibit the MRF from accepting single stream recycling loads that exceed 2 percent non-recyclables.

MIRA operates the Connecticut Solid Waste System ("CSWS"), a system that processes the single-stream recyclables of about 70 municipalities throughout the state. As part of that system, municipalities' single-stream recyclables are delivered to the MIRA-owned recycling facility.

The MRF sorts and screens incoming recyclables into different categories of recyclables, such as mixed paper, PET plastics and aluminum cans, which are then sold in bulk to specialized processing facilities throughout the United States and abroad, where they are turned into reusable raw materials.

CRRA in 2013 entered into an agreement with FCR to operate and maintain the recycling facility. The contract transferred to MIRA when it replaced CRRA in 2014. The original contract expired on June 20, 2017, but gave CRRA/MIRA the option to exercise four one-year renewals. According to the lawsuit, on March 25, 2019, MIRA notified FCR of its intention

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to exercise its third renewal, carrying the contract through June 30, 2020, despite FCR having notified MIRA that it was in violation of contamination levels and the provision that prohibited the delivery of loads that originated from multiple municipalities.

Under the contract, the sale of recovered recyclables is FCR's only form of revenue. To protect FCR's revenue stream, the lawsuit said, MIRA agreed to reject loads that violated the contract.

"These requirements, particularly the contamination limit, were integral to the parties' agreement," the lawsuit says. "The more contaminated the incoming recycling, the greater the processing costs FCR must incur to refine the stream into salable sorted recyclables."

Excessively contaminated recycling also requires FCR to pay more to dispose of unrecoverable residue, reduces the volume of salable sorted recyclables FCR can recover from the incoming recycling stream and creates excessive wear and tear on the processing machinery that FCR is required

to maintain under the agreement.

According to the suit, when FCR and MIRA entered the agreement, they recognized that the scope of services FCR would provide may change over time. MIRA therefore reserved the right to unilaterally modify FCR's obligations, including by expanding the categories or definitions of the recyclables FCR must accept and process. However, MIRA recognized that unilaterally changing the scope of required services could have an adverse effect on FCR. MIRA therefore agreed that if FCR demonstrated that a required change in the scope of services would result in increased costs for FCR, then MIRA would negotiate in good faith with FCR to determine the amount of additional compensation FCR was owed.

"FCR has repeatedly raised these issues with MIRA, but it refuses to address them," the lawsuit says. "MIRA knows that the recycling material coming into the recycling facility far exceeds the contamination limits set by the agreement but MIRA is unwilling to hold municipalities to the

terms of their municipal service agreements or to ask them to pay more in fees to cover the costs their contaminated recycling material is imposing on FCR."

At the same time, the lawsuit says, MIRA has refused to negotiate with FCR regarding additional compensation to reimburse it for the substantial additional expenses it incurs because of MIRA's failure to take any steps to curtail the delivery of contaminated and unacceptable loads.

"Instead, in public comments, MIRA leadership has recognized that it is paying FCR far below the market rate to process single-stream recyclables," the lawsuit says. "By its own admission, and contrary to its obligations under the agreement, MIRA plans to continue paying as little as it can for as long as it can, until the agreement finally expires in 2021."

Earlier this year, FCR retained the services of MSW Consultants to conduct an audit of the incoming recycling stream.

(See Contamination, page 8)



The poster for the Regional Recycling Market Development Workshop features the logos of NMRC (New Mexico Recycling Coalition) and NRC (National Recycling Coalition). The text includes:

- Regional Recycling Market Development Workshop**
- June 11th - Albuquerque Museum
- 2000 Mountain Road NW - 8:00-4:00
- The New Mexico Recycling Coalition and the National Recycling Coalition are jointly hosting the southwest region's first regional recycling market development workshop on June 11th.
- JOIN US** in collaboration to learn how to enliven local and regional recycling markets as our industry evolves!
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Litigation

Contamination

From page 7

MSW's findings confirmed contamination levels in incoming loads greatly exceed the threshold at which MIRA is required to reject loads.

"Simply put, MIRA is knowingly requiring FCR to process a stream of recycling that is five to six times as contaminated as the maximum contamination level FCR agreed to process when it entered the agreement," the lawsuit says.

On March 21, 2019, the lawsuit says, MIRA formally refused to even participate in negotiations regarding additional compensation. MIRA contended that because it has never formally amended the definitions of the types of recycling material that FCR must process under the agreement, FCR is not entitled to any additional compensation. On May 30, FCR filed a Demand for Disclosure of Defense, which gives MIRA 10 days to inform the court of its intention to defend the case.

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