



January 2018

Dear Customer,

We have always worked hard to save you money and handle your recyclable materials responsibly. The resulting non-recyclable leftover portions of your materials have been disposed of properly - either sent to a Waste-to-Energy (WTE) facility when possible or a landfill when necessary.

The last several years have been extremely challenging here in the recycling world and the problems have accelerated more recently.

China, one of the world's greatest importers of recyclable materials, announced in July 2017 that they would be placing an import ban on 24 categories of solid waste including certain types of plastics, paper and textiles. This ban took full effect on January 1, 2018.

Recyclable material values have dropped - in many cases, substantially. Future drops in value are predicted. As a result, recyclable materials have become harder and harder to move to end-markets. Due to a lack of market, many previously recyclable items have now become essentially unrecyclable.

In addition, local landfills have continued to close putting additional strain on Waste-To-Energy (WTE) facilities located in Massachusetts. This strain has resulted in long lines and in many cases in the inability to deliver non-recyclable WTE feedstocks, when needed.

All of these factors have led to a substantial back up of materials as well as a reduction in the number of materials that currently enjoy end-markets. The piles of material are growing and there is currently no light at the end of the tunnel.

Due to all of these factors, we have been forced to institute several changes. We have begun the process of raising our rates. When processing your materials, we will continue to seek recycling markets first, waste to energy facilities second and landfills third. However, based upon all the negative factors affecting our industry and your materials, it is likely that the percentage of materials that cannot be recycled or sent to waste to energy will increase, resulting in a greater portion of your non-recyclable materials going to landfill.

Your sales representative will be in touch regarding the necessary pricing changes for your account as well as to discuss the possibility of discontinuing the collection of certain materials that do not currently enjoy a recyclable market with slim prospects for improvement.

For more information regarding the current state of affairs, please see the following articles:

<https://phys.org/news/2018-01-china-import-upends-global-recycling.html>

<https://www.npr.org/2017/12/09/568797388/recycling-chaos-in-u-s-as-china-bans-foreign-waste>

<http://www.milforddailynews.com/news/20180104/mountains-of-paper-stacks-up-at-el-harvey-after-china-says-no-more>

Questions regarding this correspondence may be addressed to your sales representative or our General Manager.

Sincerely,

The Staff at Conigliaro Industries, Inc.