

## **MARKET DEVELOPMENT BUILDING A RECYCLED MATERIALS MANUFACTURING BASE**

### *Rationale*

Recycled paper and scrap metals are the two largest export commodities on the West Coast. Although such export markets have helped to ensure the economic viability of West Coast recycling programs when others in the nation have struggled to find markets, it is also a sign of weakness. Like many Third World economies, the United States is not value-adding. We are becoming a supplier of basic raw materials (from recycling) which other economies are processing into much higher-value materials and products; often for consumption back in the U.S. To build a recycling manufacturing base will not only strengthen the demand for recycled materials, but it will also assist in resolving our nation's balance of trade deficits, and will reinvest local waste resources that contribute jobs and taxes to local economies.

### *Policy*

Financing tools such as state and local bond issues should be structured creatively to foster such market development activities, to provide the seed money or economic margin to warrant significant investment by the private sector in recycled materials manufacturing in the U.S. Innovation by start-up businesses should also be encouraged to develop solutions to major problems in this field. Such an entrepreneurial emphasis will also enable the U.S. to offer new recycling services to other countries once they are developed here

*Cross-reference: Financing*