

Recycling: Riding an eco-wave

Amanda Smith-Teutsch

Dennis Soriano is chief operating officer of Greenstar North America, a Texas-based recycler of paper, plastic, glass and metals. The company currently processes 2 million tons of materials annually in the United States with 15 material recovery facilities and 5,000 locations in all 50 states.

WRN: What regulatory change do you see coming in the year ahead?

Soriano: From what we see going on, there is a much bigger push today in preserving the environment. Recycling is a significant part of that. The government has a climate bill that we hope will be passed in the next year that supports recycling programs and puts the correct importance on what we should be doing and what people can do to help. If we have lacked one thing, it's been good national leadership on this. Recycling is a valuable industry that has contributed for a long time to preserving the environment, and if the government passes a bill giving it the credibility it certainly deserves, I think that is significant to us.

WRN: Do you see increasing interest in the industry?

Soriano: I have been doing this for 20 years. More people engage me today in conversations about what I do, how we do it, where the products go and the economics of recycling. It is very encouraging to see how interested people outside of the industry are, and to see how interested the people are who set the laws and standards this country lives by.



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Greenstar North America

WRN: Do you see recycling businesses becoming more concerned with their own environmental impact?

Soriano: Stormwater runoff and permitting has always been a very significant issue for us. We do have some outside storage, and it is always important that we have planned properly to collect the stormwater and are conducting testing necessary. It is important that as we are trying to do a positive thing, we are not doing something with a negative impact as well. People are more cognizant of all the effects that take place in their operations than they ever were before. We're all taking steps to make sure the positive things we get out of recycling are not offset by negatives like improper storm runoff.

WRN: What impact has the economy had on your industry?

Soriano: Certainly it's a cyclical industry and it will always continue to be that way. As the general economy goes and as the demand for materials goes, prices will rise and fall. In October of 2008 when we saw the sharpest drop in prices that certainly I have ever seen, it was a wakeup call. A lot of companies had been riding the wave of three consecutive years of rising commodities values and were feeling pretty good about it. In certain areas where the business is very competitive, perhaps companies were stepping out of what was reasonable in terms of pricing and guarantees. When we saw such a sharp decline, it reminded both new people and industry veterans just how cyclical this industry is.

If we're going to survive long term in this business, we need to be sure we're managing our operations as cost-effectively as possible. As we interact with new customers, sign contracts, create pricing, we need to do it in the most prudent way so we can match up what we are guaranteeing the customer with what we're able to do. Commodity prices have started to come back up, and they are probably around five or ten year averages and fairly stable right now. Stable prices at a reasonable value are in my mind some of the best signs for this business. Volumes are down, and that does hurt us. While our prices have come back, our volumes are lower than usual. As the economy recovers, I would hope that would get us back to a comfort level where we were 18 to 20 months ago.

WRN: Do you see more concern about downstream responsibility?

Soriano: If we tell people we're recycling materials, we're recycling them. We do not make promises we can't keep. We as an industry do a good job of doing the right thing. In years gone by, the industry has gotten some bad press, but it has evolved to a point where people operate at very high ethical standards. Confidence has been shaken in a lot of businesses in terms of ethical standards, and today anyone in business understands the need to do it the right way. Everyone appreciates they have fiduciary responsibilities to their customers and to their employees. There have been concerns that materials have been exported to other countries and wound up being processed by children, in horrible conditions. A lot of times when things are exported we don't know where the final destination is. Any time we have seen anyone become aware of anything that they thought was improper, we've stopped doing business with those people. Sometimes things go on we're not aware of, and when we find out, we take corrective action.

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