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# 1. Mass. lobster wholesalers request tariff relief amid China trade tensions *Boston Business Journal, September 19, 2019*

In this story, I covered a hearing on local exports and talked to lobster wholesalers in Massachusetts. The story examined how the escalating US-China trade tensions put a region's pride and symbol on the brink of living. Through this story, I found my passion in localizing the impacts of international conflicts and policy making.

#### 2. Recycling industry copes with changing market MetroWest Daily News, January 5, 2020

Two years after China quit its role as the biggest buyer of American recyclables, I revisited the topic and specifically looked into how the state legislature, local governments, advocacy groups and business owners in Massachusetts are making efforts to accommodate the new reality. I was able to tap into my ambition of exploring on-going conversations and solution journalism in this story.

# 3. Mass. small restaurants oppose proposed plastic straw restrictions *Boston Business Journal, October 21, 2019*

In this story, I went to a plastic straw ban hearing and covered the hearing on the spot. This story shows my ability to manage stories in a short turnaround time.

## 4. Telecommuting tax break may have limited impact Daily Hampshire Gazette, November 11, 2019

I examined the feasibility of a telecommuting tax incentive bill that Massachusetts governor put forward to address the imminent traffic problem in the state. In order to do this, I analyzed labor data and state documents and talked to businesses and government officials across the state.

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#### **GOVERNMENT & REGULATIONS**

# Mass. lobster wholesalers request tariff relief amid China trade tensions •



Lobsters at the Wegmans in Westwood, MA. W. MARC BERNSAU

By Zoe Yuqing Han – Special to the Journal Sep 19, 2019, 5:37am EDT

Tariff relief is needed to help local lobster wholesalers cope with declining revenue amid an escalated trade war with China, the Bay State's second-largest export market, industry advocates say.

Massachusetts lobster sales to China have plummeted 62 percent since 2018, according to the Massachusetts Office of International Trade and Investment. China currently imposes 25 percent tariffs on US lobsters.

The lobster industry's plight was the focus of a hearing Tuesday by the Legislature's Committee of Export Development.

Mortillaro's Lobster Co. in Gloucester, one of the largest lobster wholesalers in Massachusetts, ships lobsters to various global markets including Dubai, Taipei, Hong Kong, and Malaysia. The company entered the Chinese market after losing its largest export market, the European Union, due to the free trade agreement between the EU and Canada in the summer of 2017. The agreement guaranteed free access of Canadian lobsters to EU markets.

With Chinese tariffs making American lobster costlier and dragging down the Chinese demand, Mortillaro expects a 30 percent sales loss this year.

The company is seeking federal compensation similar to the package given to soybean farmers. President Trump has authorized the U.S. Department of Agriculture to reimburse up to \$16 billion to assist farmers impacted by the trade war.

"They paid the farmers. We are the same as them," said Vincent Mortillaro, the owner of Mortillaro's.

Aside from the loss of sales, local lobster companies are also encountering a loss of key skills in the product chain because of the declining revenue.

Mortillaro testified that his company has lost six key employees because of the tariff's impact, adding the problem is not about an insufficient supply of labor, but the loss of the key experience and skills.

"We lost people that have been with us for 10, 15 years," Mortillaro said in an interview. He struggled to replace that experience, he added. "The workers that we replace them with will never be as good as the one we had."

<u>Patti Page</u>, Mortillaro's industry representative, said the lobster industry does not have enough representation in the U.S. trade policy, given that the struggle is only for the coastal area from Maine to Cape Cod. Page added that it would be helpful to create a bigger voting block uniting all export sectors affected by the trade policies.

At the hearing, House Chair Lori Ehrlich (D-Marblehead) said the committee is partnering with U.S. <u>Sen.</u> Elizabeth Warren (D-Mass.) to try to come to the best approach.

"The congressional delegation is very engaged on this topic," said Ehrlich, adding that while international trade policy is not in the committee's purview, they will advocate for the economic sector affected by the policy.

Earlier this week, Warren and fellow Massachusetts Sen. Edward Markey, as well as other representatives from coastal communities, wrote to U.S. Trade Representative Robert Lighthizer urging a federal subsidy and new markets' exploration for Massachusetts lobster industry.

"While Massachusetts state legislators are exploring solutions for economic relief at the state level, it is imperative that there be federal resolve to assist the Massachusetts lobstermen whose livelihoods heavily relied on exports to China," Warren wrote.



## **Largest Employers in Massachusetts**

Ranked by Total Massachusetts employees

Rank	Company	Total Massachusetts Employees
1	Partners HealthCare	62,364
2	Beth Israel Lahey Health	28,545
3	University of Massachusetts	23,880
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### Recycling industry copes with changing market

By Zoe Yuqing Han / Boston University Statehouse Program Posted Jan 5, 2020 at 4:17 PM Updated Jan 5, 2020 at 4:17 PM

The Massachusetts Department of Environmental Protection is pushing forward with a variety of programs to assist cities and towns facing the difficult market and rising costs.

After losing China as the biggest buyer of recyclables almost two years ago, institutions across Massachusetts are making efforts to keep up with the loss and battle back.

Although a market still exists, the plummet in demand has created a steep slide in prices. A recycling professional currently working in a materials recycling facility says the market is at the lowest point in his more than 30 years, adding the loss of such a huge market like China leaves an incomparable hole that no other markets could possibly fill.

"You tell me what to do," he said.

In response, the Massachusetts Department of Environmental Protection is pushing forward with a variety of programs to assist cities and towns facing the difficult market and rising costs.

John Fischer, the deputy division director of solid waste materials management, said the priority is to improve the quality of recyclable stream.

"We feel like accomplishing that is the single best thing we can do collectively to address recycling market challenges," he said.

Since 2010 China has tightened the contamination rate it accepts from 10% to the current level of 0.5%, while a 2018 report by Casella, a materials recycling facility with operations in the state, found the contamination rate of the recyclables it receives wander around 25%.

To reduce contamination, DEP rolled out the Recycling IQ Kit in 2018, providing funds and tools for cities and towns' efforts in education and outreach. It also funds staff to inspect the bins for recycling quality and give residents feedback by leaving "oops" tags on recycling carts. Fischer said the program has made some progress – some communities saw a reduction in contamination up to 70% to 80%.

Although it is private businesses' job to decide where recyclables go, Fischer said the key is to make the stream cleaner, no matter whether the ultimate destination is south Asia, Canada, or domestic markets.

Non-recyclables such as plastic bags, food waste and other items mixed in the stream make it harder and more expensive for facilities to process. Not only does that affect the amount of commodity available for sale, it also adds a trash disposal fee for processors who must deal with the unwanted items.

"All of those outlets demand higher quality recyclables," Fischer said. "Our goal is to get the materials going to our recycling facilities, to be as clean as possible."

In the last two months, the Recycling Dividend Program started in 2014 under DEP's Sustainable Materials Recovery Program has distributed two more rounds of grants to eligible municipalities and regional solid waste districts, assisting in covering costs and developing local educational campaigns.

October saw \$2.4 million in grants awarded to 262 recipients, while another \$3.6 million went to 36 recipients in November.

In order to evaluate the program's efficiency, Fischer said, DEP keeps track of the number of municipalities meeting the criteria, to see if it has encouraged municipalities to implement them. They also stay in close touch with cities and towns on how the money is spent over time.

According to a press release, over the last year, the program saw an 11% increase in the number of municipalities that qualified and more than 14% in the amount awarded.

#### Sharing the risks

Chaz Miller, chair of the NERC-NEWMOA Regional Recycling Markets Committee, said low prices are not news in the history of recycling. The market has gone through six collapses, and the current one is similar to the one in 1990, where eventually entrepreneurs waded in and reconstructed the system.

The good lesson from all the collapses, however, Miller said, is sharing the risk and having a mechanism built into the contract among municipalities and haulers and the recycling facilities which will balance off market turbulence.

He also residents should have a stake in the process by paying a fee.

"Recycling is not free, but no surprise, garbage is not free either," Miller said. "Recycling is simply a subject of public service just as garbage is."

While garbage collection and disposal utilizes the same cash flow, it is more complicated for recycling, as it involves the revenue coming from selling the recyclables and average market price fluctuations. The solution for that, Miller said, is to charge separately for collection and processing of recyclables.

"It's a separate truck, it's a separate crew," Miller said.

Although they have different responsibilities, haulers, the facilities, and municipalities are in the same boat. In order to tackle the challenge, they depend on each other.

By educating and instructing residents, cities and towns reduce contamination, allowing haulers to send better commodity to the facilities. Based on the quality of the mixed paper, plastic, and cardboard, the facilities charge haulers accordingly. For example, cardboard left outside too long or contaminated by spilled liquid, is worth less.

The more desirable the recyclables, the easier it is for the facilities to find an end buyer, and the lower the processing fee would be for haulers. Revenue paid by end market to the facilities would also go back to municipalities to cover the original collecting cost.

However, a town's risk aversion as well as the quality of the recyclables could also determine the processing fee, said Greg Cooper, the Division Director in Business Compliance and Recycling of DEP.

"You can decide as a municipality that I don't want to deal with risk at all, so just tell me what the processing fee is. But of course that means you're giving all the risks to the processor, so he's going to charge you a very high processing fee,"

Cooper said, "Or you can do the other, you can tell him, 'I'll take all the risk and then your processing fee will be less."

Cooper explained the near-zero processing fee in the past was a result of good market conditions, where revenue is high enough to pay off processing fees for haulers, and redistribute the rest between the facilities and municipalities.

If the market is down, Miller from NERC noted that the risk-bearing element should also require municipalities bear the loss, something that might be passed on to residents.

"It becomes a real conflict at the town meeting level where the people of the town may say, 'we really want to recycle and we think this is important', but at the same time, the town is saying, 'well, how much are you willing to pay in taxes for this'?" said Gretchen Carey, president of MassRecycle. "That's a tough conversation."

Carey mentioned specific concerns for western Massachusetts towns and cities. Because their contracts do not expire until June, 2020, they have avoided the conflicts in other communities with haulers and recycling facilities. Now, they might encounter a sudden surge in processing cost from zero to over \$140 a ton.

In the new recyclable processing contract for western regions on DEP's website, local communities pay contractor Waste Management a processing fee, and would get some part of the revenue from selling recyclables. If the average market price is over the processing fee, local communities get all the fee back plus 70% of the difference between the revenue and the fee; if it's below, then they get all of the revenue.

Cooper from DEP said in the past 25 years, it has always been part of the contract model for Massachusetts to separate processing, which generates a relatively stable fee, and revenue, which is not.

Sometimes the redistribution percentage might change, but it's up to negotiations between municipalities and the facilities.

The contract stated the current average market price for dual stream is down to \$28.30 per ton, compared to the 10-year average from 2009 to 2019 of \$75.45 per ton. For the single stream average market value, it is \$6.37 versus \$53.68.

However, Carey sees hope amid the gloomy markets. She mentioned a summary put together by Northeastern Recycling Council announcing an increase in domestic processing capacity for recycled paper and cardboard. That is aided in part by a new mill that opened in Ohio in October that is expecting to process 180,000 tons of container board in its first year up to a goal of 396,000 tons a year in the next 10 years.

Miller said cardboard and paper have always been the majority of curb-side pickup items. According to the 2018 Casella report, around 64% of items in the recycling bins are paper and cardboard.

Miller also noted the continuing demand from Chinese buyers for raw materials. Although the government put a ban on recyclables, the huge scale of production in China continues to push the need for pulp. Since 2018, one of the biggest paper companies in China, Nine Dragons, has bought four paper mills inside of the U.S. Its aim is to process recycled paper into pulp and ship it back.

To have the demand reflected in a price increase of paper, Miller said it will take at least one or two years.

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From the Boston Business Journal:

https://www.bizjournals.com/boston/news/2019/10/21/mass-small-restaurants-oppose-proposed-plastic.html

## Mass. small restaurants oppose proposed plastic straw restrictions

Oct 21, 2019, 10:57am EDT

Small independent restaurants are registering their opposition to a Beacon Hill proposal to restrict the use of plastic straws, saying they already struggle to meet other state mandates. Paper or metal straws could add to operating costs restaurants face, they

Steve Clark, the vice president of government affairs for Massachusetts Restaurants Association, said the trend in customers asking for non-plastic straws at restaurants is a response to environmental concerns.

While most situations do not require straws, he said, they are necessary at places like a drive-through restaurant. Plastic straws, with a bendable head, are especially crucial for the disabled community.



GETTY IMAGES (ADRIENNE BRESNAHAN) State lawmakers recently took testimony on three bills restricting single-use plastic straws

Clark said many restaurants are already voluntarily providing non-plastic straws. "I think an on-demand model is something that works," Clark said. "I don't necessarily know if it needs to be legislated."

For small eateries that constantly serve takeout, Carlozzi said, not providing straws before customers demand it creates inconvenience and hurts customer experience.

"For a small business, they pride themselves on customer service," Carlozzi said, "They want that customer coming back because they had a great experience."

State lawmakers recently took testimony on three bills restricting single-use plastic straws. All three bills ask restaurants to not provide those straws to customers unless customers specifically request them.

Representing independent businesses with an average workforce of five to 10 employees, Christopher Carlozzi, the state director of the National Federation of Independent Businesses, said the restriction simply adds to mandates those small restaurants already face.

"If you go down any main street in Massachusetts the vast majority of businesses are small businesses," Carlozzi said. "You'll see unfortunately more and more of them lose out."

Rep. David M. Rogers, a Cambridge Democrat and sponsor of one of the three bills, said in an email that the bill is a sensitive restriction rather than a ban, allowing restaurants to provide plastic straws if customers ask for them.

"With this restriction, they would presumably need to purchase fewer straws, so that would save them money," Rogers wrote.

Although the bill mentions using non-plastic straws, he does not see it as a requirement. "Some restaurants may choose to start using alternatives like paper straws, but that would be up to them."

But substituting paper or metal straws for plastic would still add operating costs to small restaurants, Carlozzi said.

With only one location, he said, independent restaurants cannot space out the costs among multiple storefronts like the big brands do. Distributing paper straws as Starbucks does is impossible for smaller outfits, according to Carlozzi, so they would forced to raise menu prices or cut the workfoce.

During a recent hearing on Beacon Hill, Carlozzi testified against the bill on plastic straws as well as legislation restricting single-use utensils, packaging, balloons and bottle caps.

Carlozzi said many small businesses are currently coping with many labor mandates, including the paid family medical leave tax that went into effect on Oct. 1 and an increase in the state's minimum wage. The current minimum wage is \$12 per hour, while the minimum wage for tipped employees is \$4.35. By January 2023, those wages will rise to \$15 per hour and \$6.75 per hour, respectively.

"These all add to the cost of doing business," Carlozzi said. "And it all impacts job creation and business growth in the Massachusetts economy."



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# Telecommuting tax break may have limited impact



Commuters head out of town on the Massachusetts Turnpike in Boston. AP PHOTO/CHARLES KRUPA

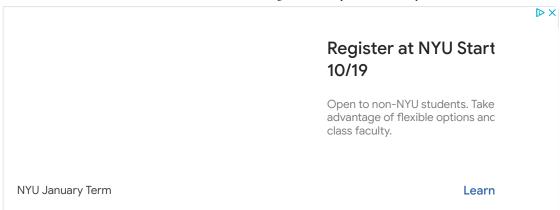
By ZOE YUQING HAN (/byline?byline=By ZOE YUQING HAN)

For the Gazette

Published: 11/11/2019 1:38:02 PM

With around half of the state workforce concentrated in industries like education, health care and hospitality that require onsite work, Gov. Charlie Baker's proposal to create a telecommuting tax incentive for companies to ease commuting congestion faces potential friction and technical challenges as his transportation bond bill works its way through the Legislature.

U.S. Department of Labor data from 2019 shows that a quarter of Massachusetts employees work for health care and education systems, 9.62 percent in accommodation and food services, then followed by 7.56 percent in manufacturing. Around 5 percent work in mining, lodging and construction, and 3.32 percent in transportation, warehousing, and utilities.



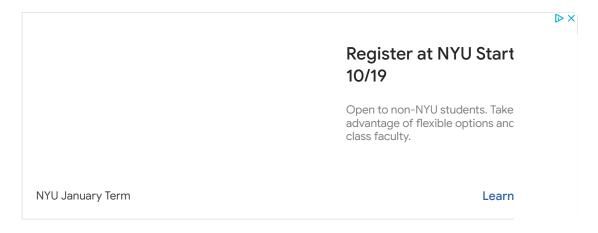
The breakdown reflects the difficulty in trying to ease traffic congestion by allowing more workers to work from home. That congestion has become an increasing concern for workers in choosing an employer, as highlighted in a MassBio survey this summer that found one in every four employees in the biotech industry has considered leaving the state for a better commute.

The Massachusetts Department of Transportation reports in August that more than half of the greater Boston area (inside I-95/128) is congested from 7 a.m. to 8 a.m. and up to 65 percent from 3 p.m. to 5 p.m.



To address this congestion, the Baker administration put forward a tax credit incentive program up to \$50 million each year to encourage employers to develop working policies to promote offsite work. It is one of the most publicized components of the \$18 million bill to fund major transportation improvements.

With almost one-fifth of the whole workforce in health care and social assistance, industry officials do not see telecommuting as an answer to their commuting headache.



"If someone works in a lab, they may be able to work from home one day a week, as the day that they're doing their analysis or kind of preparing for other pieces," MassBio Vice President of Programs and Global Affairs Elizabeth Steele said in an interview. "In a lot of cases, working from home full-time would not be possible in this industry."

In a hearing a few weeks ago, Baker and Transportation Secretary Stephanie Pollack suggested that Massachusetts, and Boston specifically, can look to other areas with similar size and industries, such as the San Francisco Bay area, to adopt telecommuting as a possibility. They said the state has a lower telecommuting rate of employees compared to others.

In Massachusetts, 4.7 percent of the workforce telecommutes full time, lower than 19 other states, according to a report from FlexJobs (https://www.flexjobs.com/blog/post/infographic-which-states-have-most-full-time-telecommuters/). In contrast, California is 5.4 percent.

Steele said the poll found only 28 percent of respondents were able to work remotely at least one day per week based on their companies' current policies. Because of the special nature of the industry, said Steele, it is not possible for most biotech employees to telecommute full-time.



However, as a result of the poll, Steele said MassBio did adopt a formal policy requiring all of its own workers to work remotely one day per week based on their schedules. MassBio CEO Bob Coughlin also sent out a message on the day results were released, encouraging all member business CEOs to take a similar approach.

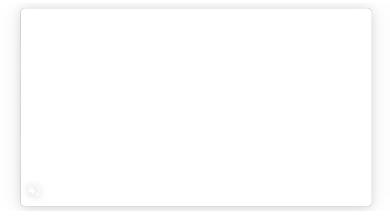
"We understand that not all of our member companies would be able to, especially not full-time," Steele said, "but we do encourage any other solutions that companies can make on their own in order to effect some change in the short run."

Chris Geehern, Executive Vice President of Associated Industries of Massachusetts (AIM), said a telecommuting tax credit would be a step in the right direction.

"It's a whole lot easier to keep people off the roads than to build new roads and tunnels," Geehern said.

He said employers are already looking at telecommuting for higher efficiency and a broader range of potential employees. The only factor affecting employers from incorporating telecommuting policies would be the nature of work, but even for industries like manufacturing, Geehern said, employees in accounting, communication, finance functions could potentially telecommute.





An HR practices survey sent to AIM members in the beginning of the year shows that 62 out of 224 companies who filled out the form have some sort of telecommuting policies for a portion of their workers. Geehern said the result might undervalue the trend for all of the employers in Massachusetts, as manufacturing companies are a huge portion of their members.

Similarly, health services have a potential new group of people who are capable of telecommuting. Telemedicine and telehealth, providing virtual access to their patients using video-conferencing, are a new trend in health services, said Sarah Hamilton, vice president of area planning and development of the Medical Academic and Scientific Community Organization that serves the hospitals and educational institutions in Boston's Longwood Medical Area.

Hamilton and Geehern both point to the importance of organizational IT support to keep records and information secure.

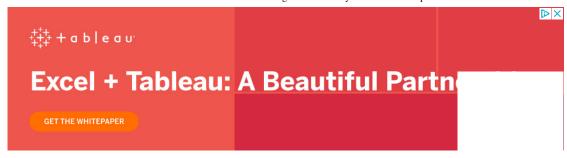
"Cyber security becomes more challenging obviously, as you have people outside the walls of the building," Geehern said. He said companies deal with accessing the internal systems differently. The approach AIM adopted is a single sign-in and the system would keep out the out-of-state IP addresses, unless their employees reported their out-of-state status beforehand.

As working offsite requires more engaging ways of management, telecommuting not only sets a requirement for the nature of work, but also requires efficient communications between employees and employers.

AIM employees are responsible for having high-speed internet access at a home office and have their Skype location current throughout the day. But with more than 30 towns in western and central Massachusetts waiting to complete the broadband installation, holding video conferences at home might be an issue for workers who live in those areas.

In 2008, Massachusetts Broadband Institute set up the Last Mile initiative to help connect residences and communities in 45 entirely unserved towns and nine partially served towns recognized by the state. By July 2019, according to a project breakdown by MBI, only 13 out of 47 grant-authorized towns already completed the construction and six towns are still waiting for grants.

Before broadband access utilizing fiber, and other specific delivery technologies, most Last Mile towns used DSL or satellite services. A source familiar with broadband installation said such facilities lack in consistency and bandwidths, which would slow down the speed and results in lags and gaps when multiple devices, including some smart home technologies, use the internet.



Although federal and state grants fully fund the Last Mile project to ensure broadband infrastructure in towns, communities are not guaranteed service availability to every resident. Most of them would still need to buy from private companies for the service.

For longer-term solutions, MassBio's Steele said government still needs to incorporate better infrastructure to solve the issue. Commuting benefits for employees are short-term solutions that can ease the employee burden quickly, but will not eliminate the problem.

"So as an industry, we are trying to come up with solutions in the short-term and then we are hoping that the government can focus on much broader large-scale improvements across the whole system," Steele said.

Boston's Longwood Medical Area, one of the most populated areas for biotech and health services, tries to address the heavy congestion through a comprehensive commuting program starting in the last century. The program includes numerous shuttle buses, pooling incentives for Uber and Lyft, and subsidies for using public transportation of up to 50 to 75 percent.

Hamilton said MASCO did a lot of advocacy work and evaluations to improve commuter rail and MBTA transit, especially the Green Line, in pushing up the population commuting to work by public transit from 39 percent to 48 percent from 2010 to 2016.

"The Green Line is the life's blood to this area and it's going to be the last of the rapid transit lines to receive the full amount of improvements," Hamilton said.

Zoe Yuqing Han writes for the Gazette from the Boston University Statehouse Program.

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