

SUMMARY OF PUBLIC ISSUES AND CONCERNS SURROUNDING RECYCLING, WASTE COLLECTION, PAYT AND LOCAL GOVERNMENT'S ROLE

Common Facts and Misconceptions about Recycling

How does our state compare in terms of being a "green" recycling state? ⇒ Colorado is not doing a great job in recycling¹ (less than 20% of the municipal waste stream was recycled or composted in 2009²) relative to the rest of the nation (34% nationwide). Less than half of the counties in the state have recycling available for residents at the curb³. Some areas of the state have been very active and successful in recycling however, these areas and industries have not been able to compensate for the rest of Colorado.

Does recycling make sense in Colorado? I have heard rumors that plastics and/or other materials either sit in warehouses or are thrown in landfills. Recyclables have value and once separated from trash and collected as recyclables, are rarely thrown into landfills⁴. Recyclables are sold to markets for a profit (revenues can vary depending on local and international economies). For example, in early 2011 the regional value for sorted and baled cardboard sold as a commodity had a value of \$160-\$170/ton, mixed plastic was \$160-\$180/ton, and aluminum was over \$1,500/ton⁵. It does not make business sense to separately collect recyclables and then pay to put something in a landfill that has value in the markets.⁶ It is worth noting that economics for recycling are more challenging in Colorado compared to coastal states with Front Range landfill rates around \$11-15/ton and our distance to some markets.

How is recycling is a job creator? Does it help or hurt small businesses and small waste haulers? ⇒ On a per ton basis, recycling can sustain 10 times more jobs than landfilling or incineration⁷. The State of North Carolina reports that job gains in recycling have outgrown other sectors during the recent recession and for every 100 recycling jobs created in the state just 10 jobs were lost in the waste hauling and disposal industry⁸. Colorado is losing its fair share of recycling jobs by landfilling so much.

¹ Colorado ranks in the bottom quartile in state recycling rates. Arsova, Van Harren, Goldstein, Kaufman, Themelis, 16th National Survey of MSW Management in the US. The State of Garbage in America. BioCycle, December 2008 Vol 49, No. 12

² Colorado Department of Health and Environment, *Colorado Solid Waste and Materials Management Program 2010 Annual Report to the Colorado General Assembly* reports the MSW recycling rate in 2009 was 19.8% (includes composting) and it was only 9.3% if scrap metal is excluded.

³ Colorado Department of Health and Environment, *Colorado Solid Waste and Materials Management Program 2010 Annual Report to the Colorado General Assembly* reports only 28 out of Colorado's 64 counties have curbside recycling available.

⁴ The exception to this rule may be glass. Although Colorado is lucky enough to have a local glass recycler in Rocky Mountain Bottling Company (Coors), glass is an expensive commodity to transport due to its weight. Rocky Mountain Bottling Company does pay for incoming glass and several successful businesses (Ex. Dahl Recycling, Colorado Springs) rely on glass recycling to make a profit, but it is not profitable for all parts of the state. However, some landfills in the state use glass as Alternative Daily Cover (ADC) on the their landfill, a material that is required to be placed in the open face of an active landfill at the end of each working day to keep vectors and blowing materials away from the trash due to the economics underlying the commodity.

⁵ Commodity values as reported by Waste and Recycling News Secondary Materials Pricing, Commodity Pricing Averages Midwest and Central United States March 2011.

⁶ The net value of course depends on whether there are recycling centers near the community to bring the materials, and the cost of transporting the collected materials to that center.

⁷ Institute for Local Self Reliance, Washington, DC, 1997

⁸ *2008 Trends in North Carolina's Recycling Industry*. North Carolina Division of Pollution Prevention and Environmental Assistance

- Is it true that recyclables from Colorado are mainly shipped to China or other non-domestic manufacturers?* ⇒ Recycle America (Denver) and the Boulder County recycling facility both report that they sold over 90% of their recyclables to U.S. manufacturers. In 2009, more than 960,000 tons of recyclable materials were used to manufacture new materials in Colorado⁹.
- Can recycling reduce overall green house gas emissions even taking into account the recycling trucks on the road and transportation impacts?* ⇒ The embedded energy recovered in recyclables dramatically outweighs the emissions from transportation¹⁰. For example, the “break even” point for trucking aluminum (the point where the GHG emissions from transportation outweigh the potential GHG emissions avoided through recycling) is 116,000 miles, or the same as driving from New York City to Los Angeles 47 times¹¹. In 2009 Colorado alone conserved 640,000 tons of coal by using recycled steel and glass in the State¹².
- If recycling makes so much sense, shouldn't recycling service be free for all households?* ⇒ Someday it may be free, but right now recycling is only cheaper than trash service. On average, a collection hauler will charge a household around \$3-\$5/month to collect recycling and around \$8 to \$12/month (or more) to collect trash. The actual recyclables revenues are only a portion of a hauler's total budget and expenses. To collect recyclables haulers must still purchase trucks and carts/bins, staff the trucks to collect the materials, purchase fuel, provide maintenance, etc.. These costs are nearly the same for recycling as for trash. However recycling, unlike trash, once collected can be sold as a commodity, and haulers must pay to dispose of trash in a landfill.
- I have heard people talking about ICLEI and other “sustainability” organizations? What does this mean?* ⇒ ICLEI¹³ is an international association of local governments (county, city, and governmental organizations) who have made a commitment to sustainability. ICLEI provides free technical assistance, information, reports, and guidance to cities/counties to help them achieve their own local sustainability goals, and some Colorado municipalities are members of ICLEI. Some local governments in Colorado have prioritized sustainability as a means of retaining and enhancing Colorado's local green environment (for outdoor enjoyment, tourism, and business reasons).

Concerns about Hauler Arrangements, Regulations, and Options

- What role do local governments play in trash regulations and control?* ⇒ Enacting regulations for hauler operations/licensing or contracting for services does not equate to a city taking over trash/recycling collection. Trash/recycling service, whether provided by multiple haulers or a single hauler requires some oversight in the interests of protecting the public health and environment. For this reason, Colorado statutes provide counties and cities with the powers to enact regulations. The Colorado Municipal League supports local governments' legal authority to be a stakeholder in local solid waste management for residences up to 7 units. CML feels that local government actions are appropriately balanced by the rights of citizens and businesses to register complaints, submit a

⁹ Colorado Department of Health and Environment, *Colorado Solid Waste and Materials Management Program 2010 Annual Report to the Colorado General Assembly*

¹⁰ Skumatz, Lisa. *Recycling and Climate Change*. Resource Recycling, October 2008. Platt, Ciolet, Bailey, Lombardi. *Stop Trashing the Climate*. Institute for Local Self-Reliance, June 2008

¹¹ David Allaway, Oregon Department of Environmental Quality

¹² Colorado Department of Health and Environment, *Colorado Solid Waste and Materials Management Program 2010 Annual Report to the Colorado General Assembly*

¹³ Governments in Colorado are members of ICLEI USA which is an affiliate of the international organization, but just focuses on the US

referendum petition and vote for elected officials.

- Does contracting for trash and/or recycling collection take away personal choice in selecting a hauler?* ⇒ In neighborhoods or cities that move from an "open" system (where citizens select their own hauler) to a system where the government or HOA selects the hauler, residential choice of a hauler is typically lost. It is important to note that a contract still promotes competition and capitalism. Under a contract, haulers bid competitively to provide service for a community/neighborhood and the most responsive bid wins.
- Do single hauler contracts cause rates to increase for households or reduce the services they get because there is less competition?* ⇒ Single-hauler contracts typically result in lower prices for households (because of economies of scale, and hauler desire to be awarded all homes in a town)¹⁴. Attaching CPI or other inflators keeps the rates lower. In most cases the loss of household choice of hauler is balanced by an increase in services for households, greater safety in neighborhoods, a reduction in traffic and noise caused by collection vehicles, and a reduction in road damage and less pollution. Under a bid competition, haulers often add services to "sweeten the pot" for the contract, resulting in value added services for all households.
- Is hauler reporting of tons collected possible because trucks cross city borders and can't say what trash/recycling comes from what city?* ⇒ Haulers currently report in many communities and address this issue by using the ratio of number of accounts along the route in each community or other method for apportioning collected tons.
- Do single-hauler contracts put trash haulers out of business?* ⇒ Unsuccessful bidders may elect to expand into nearby markets. However, they will lose customers in the market in which they bid if they lose the bid. Single hauler contracts are typically used only for residential customers in Colorado and do not affect the commercial sector (in some cases, unsuccessful bidders may choose to re-focus their services to the commercial sector). As an alternative to a single hauler contract, a city may choose to district and offer multiple contracts to multiple haulers, similar to how HOA's currently contract for trash collection in different neighborhoods in a single city.
- Are small haulers at a disadvantage in the bidding process for single hauler contracts?* ⇒ Some small haulers may be at a competitive disadvantage however, small haulers have been awarded contracts in the state, and have used them to "grow" their business successfully¹⁵. It is up to each City to establish the bid requirements and specifications for choosing the winning bid.
- Damage to roads is increased by multiple haulers serving the same neighborhoods.* ⇒ More large commercial trucks driving down residential streets causes increased road damage as shown by a number of studies. The literature shows that one trash truck causes the equivalent damage of 350 to 10,000 cars driving down the same road¹⁶.
- Is it true that any changes to the status quo of an existing solid waste collection system will increase costs for all* ⇒ There are some changes to the trash system that can lead to lower costs. Examples include: 1) If there are many haulers serving the same streets, costs can generally be reduced if fewer trucks are serving the same area,

¹⁴ *Residential Refuse Collection in Selected Glen Falls Area Local Governments*. Office of the New York State Comptroller, Division of Local Government Services and Economic Development. 2005-MR-6

¹⁵ Recent examples of local haulers winning contracts against national or regional haulers include Western Disposal (Lafayette, Louisville) and EDS Waste Solutions Inc. (Golden, CO)

¹⁶ There is a wide range of estimates from the literature including multiple national agencies (American Association of State Highway and Transportation Officials) state agencies (WA, MN, others), and other county and local studies. For example, the City of Chanhassen Organized Collection Study reports that a single hauler serving a residential cul-de-sac represents 1,650 equivalent automobile trips and five haulers serving the same cul-de-sac is the equivalent of 8,250 automobile trips.

households, haulers, and businesses?

and/or if haulers serve all the homes in particular districts or neighborhoods, allowing routes to be efficient, and providing sufficient customers to reach "economies of scale" and efficient utilization of equipment. Districting, city contracts, or home owners associations are examples of these efficiencies. 2) Moving to provide recycling for all customers will reduce the cost of recycling compared to the fees when only a few customers select recycling (again, economies of scale). Thus, universal recycling also reduces the cost of recycling to those wishing for curbside service.

Can local governments provide collection services as effectively as the private sector?

⇒ Both local governments and the private sector have the ability to provide cost-effective and responsive trash, recycling and organics collection. One of the communities with the highest diversion rate in the state, Loveland, has municipal collection with rates ranging from \$13.75 to \$23.75 including the collection of recycling and yard waste and extensive drop-off sites and materials all while operating as a self-sufficient enterprise fund.

Pay-As-You-Throw and Variable Rates

Does Pay As You Throw (PAYT) cost more for the city, haulers, and households?

⇒ *City costs:* Two large statewide surveys (WI, IA) showed that PAYT led to no increase in costs (or town workloads) in 2/3 of communities implementing PAYT.

Hauler costs: PAYT itself can be implemented in ways that lead to virtually no cost increase (bag programs without special cans or billing, keeping the same collection system, etc).¹⁷ If the hauler does not currently provide recycling service there will be some costs associated with new carts and setting up collection routes. These are typically passed through to the households in the rates. Recycling is cheaper than trash, but not free, as trucks must still stop by the house, collect materials, and deliver them to a recycling center.

Household costs: PAYT works by charging residents for the volume of trash they dispose and encouraging recycling. Under a PAYT program some households will pay more (those throwing away a lot of trash and not recycling), others will not see significant changes in their rates, and other households (avid recyclers, small households, elderly households, etc.) will pay less.

Is making people pay for more trash unfair to large families or large generators?

⇒ PAYT works under the basic environmental law principal of *polluter pays*. The premise is that the person or entity responsible for the pollution, in this case trash and its related impacts on landfills, water, air, etc., is the one responsible for paying the costs. Unlike programs where everyone pays to benefit all regardless of personal use or responsibility, polluter pays requires each person to be responsible for their own pollution. Under unlimited trash disposal, a small generator (i.e. one bag disposer) subsidizes services for a large generator (a household with 5 or 6 bags). Under PAYT, each household only pays for what they throw away. This is a more equitable system than unlimited trash disposal. PAYT has been adopted by over 7,100 communities nationwide¹⁸.

What impacts does PAYT have on small

⇒ PAYT does not put small haulers out of business. PAYT can be enacted

¹⁷ Potential cost increases occur if towns or haulers need to purchase new containers (this is no extra cost if they are already buying new cans to go "automated" – they just buy different sizes); however, if they already purchased big cans, a cost can result from purchasing new, smaller cans. This can be mitigated by offering an every-other-week service at the lower cost, and keeping the large cans (buying smaller ones through attrition, perhaps) or switching the big cans to recycling or yard waste containers.

¹⁸ Skumatz, Freeman. *Pay-As-You-Throw in the US: 2006 Update and Analysis*. Published by US EPA Office of Solid Waste, 2007.

haulers?

under an ordinance in an "open" system (citizens can choose from multiple haulers) to provide a level playing field for all haulers without prohibiting any hauler from competing in the marketplace¹⁹. PAYT with embedded recycling service (as PAYT is often implemented) is a business opportunity for haulers. Under a PAYT system haulers may be required to offer recycling to all households for an appropriate fee – leading to more corporate revenues. They may also use the PAYT experience to expand their capabilities and are therefore ready and experienced when other communities select PAYT. Several haulers have used PAYT as a competitive business advantage to distinguish themselves from haulers that provide basic trash-only service.

Does Pay-as-you-throw (PAYT) lead to more illegal dumping?

⇒ Overall, PAYT does not lead to increased illegal dumping. Hundreds of communities with PAYT have been asked about the impact on illegal dumping. About 20% say there is an issue that lasts about 3 months, and that enforcement helps²⁰. Research on illegally dumped waste in PAYT communities shows the majority is not household in origin (and thus, not due to PAYT) and the most common household items dumped are bulky items (appliances, sofas, etc.). PAYT programs should have convenient methods for citizens to get rid of bulky items (tags, fees, appointments, coupons for one free dump, etc.) to avoid illegal dumping issues.

¹⁹ Skumatz, Freeman. *Pay-As-You-Throw in the US: 2006 Update and Analysis*. Published by US EPA Office of Solid Waste, 2007.

²⁰ *Pay-As-You-Throw and Illegal Dumping*. Econservation Institute Fact Sheet 2009. http://www.paytnow.org/PAYT_FactSheet_IllegalDumping.pdf