



METRO

200 S.W. First Avenue
Portland, OR 97201-5398
503 221-1646

Agenda

Meeting: SWPAC
Date: August 4, 1986
Day: Monday
Time: 12:00 Noon
Place: Metro Building, Rm 330

12:00 Approval of minutes and announcements

12:10 Committee discussion on Rate Incentives and Certification. Staff will be available for questions.

ACTION ITEM: Recommendation on Rate Incentives and Certification will be made at this meeting

1:30 Adjourn



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Dear SWPAC Member:

Enclosed is the staff report on rate incentives. It is the same as the one handed out at Monday night's meeting, except for a few minor changes. The editing done by hand on the copy you received was done; the inserts at the end of the report distributed on Monday were put in their appropriate places; descriptions of the options were added in the Summary of Interest Group Input section; "non-profit reuse center" wording was refined to "private not-for-profit reuse center"; and language was added regarding recommendations at the end of the report.

I look forward to the meeting on the fourth, when we will answer final questions, and you can endorse the options you think are best.

Sincerely,

Steve Rapp
Analyst

Metro Council

Richard Waker
Presiding Officer
District 2

Jim Gardner
Deputy Presiding
Officer
District 3

Bob Oleson
District 1

Corky Kirkpatrick
District 4

Tom DeJardin
District 5

George Van Bergen
District 6

Sharron Kelley
District 7

John Frewing
District 8

Hardy Myers
District 9

Larry Cooper
District 10

Marge Kafoury
District 11

Gary Hansen
District 12

Executive Officer
Rick Gustafson

SOLID WASTE POLICY ADVISORY COMMITTEE

SWPAC

MINUTES July 28, 1986

Committee Members Present: Teresa DeLorenzo, Delyn
Kies, Shirley Coffin,
Craig Sherman, Gary
Newbore, Ed Gronke, Pete
V. Viviano, Kathleen
Cancilla, Michael
Pronold, Carolyn Browne,
George Hubel, Dave
Phillips

Committee Members Absent: Robert Harris, Bruce
Rawls, Dick Howard,
Mike Sandberg

Staff Present: Daniel Durig, Chuck
Geter, Norm Wietting,
Rich McConaghy, Steve
Rapp, Wayne Rifer, Pat
Vernon,

Guests: Charles O'Connor, Rate
Review; Bruce Prenguber,
N.W. Economic Assoc.;
Ed Durback, City of West
Linn; James Cozzetto,
M.D.C.; Bob Brown, DEQ;
Jack Deines, Clackamas
County Rep. (Tri-County);
Doug Plambeck, PGE - Rate
Review; George Hubel,
Rate Review; Jack
Fleming, Industry,
Portland; Tom Miller,
Industry, Wash. Co;
Estele Harlem, OSSI; Joe
Cancilla Jr., P.A.S.S.O.;
Gaylen Kiltau, P.A.S.S.O.;
Dick Flory, Industry,
P.A.S.S.O., OSSI;; Dean
Kampfer, Industry,
P.A.S.S.O.; Corky
Kirkpatrick, Metro;

The meeting was called to order by Teresa DeLorenzo at 4:35. She asked that the Committee first approve the minutes, then talk about the process for this meeting, clarifying what the committee is going to do, and what will be accomplished during the meeting. With that complete, meeting will proceed.

Carolyn Brown noted that she had not received her information packet in the mail. Other members complained of not receiving information, or receiving only scattered pieces regarding the meetings. Shirley Coffin added that the letter received only minutes prior to the meeting was the only indication she had that this was a joint meeting, or that a formal vote would take place.

Teresa asked for comments on the June 16th meeting minutes. Shirley stated the minutes were not complete and do not give a good sense of the discussion which was held. Specifically, they do not reflect thorough discussion of the ad campaign at all.

Concerning rate incentives, the minutes did not include expected results of the rate incentives or what criteria could be used to measure the results. The need for additional information on rate incentives for the July 28th meeting was not noted.

Pat Vernon mentioned that an alternative method to taping meetings was being sought, adding that it is difficult to hear comments from all around the table. She suggested that everyone speak up.

MOTION

After some discussion, Kathy Cancilla moved: the secretary go back and review the tapes, make the two corrections, and submit the corrected copy of the minutes at the next meeting.

Seconded by Shirley Coffin, who added her concern that since these minutes go to the Metro Council, they should be complete and reflect more of a sense of how the Committee feels about issues in the future.

A MOVE TO TABLE THE ABOVE WAS MADE BY ED GRONKE, SECONDED BY GEORGE HUBEL AND CARRIED.

MOTION

Delyn Kies moved to add the rate incentive discussion to the minutes, suggesting more information and criteria was needed by the Committee concerning this issue. The minutes also need to reflect the Committee's strong concerns about the effectiveness and appropriateness of the Metro ad campaign.

Seconded by Ed Gronke, carried with 10 yes votes and one abstention by Gary Newbore.

Regarding procedural matters of the July 28, 1986 meeting, Teresa suggested committee members register concerns and discuss the best way decisions should be made. Since new written information regarding issues on the agenda will be distributed at the meeting, she expressed concern that members would be forced to rush into making decisions without having complete information.

Carolyn Brown asked why it was being presented at this meeting and not at a previous one. Steve Rapp, Metro Analyst, explained that the process has been a long one, and the information was not available until now.

Teresa reiterated her concerns adding that the meeting was originally scheduled on the assumption that written materials would be available to review, that testimony from interested parties would be heard and then SWPAC would come back for a vote.

Since staff wants to present a draft report to the Council on the 14th, the Committee does have the option be to meet again on the 11th .

Carolyn suggested that the next time this situation happens, staff should notify members of the change. The same concern has been expressed at previous meetings that peoples' time is being wasted.

OTHER ANNOUNCEMENTS

Chuck Geyer, Metro Analyst , briefed the Committee on the present study to assess the size of the market, both current and potential, for yard debris products. He introduced Bruce

Prenguber of Northwest Economical Services who has been contracted to perform this study. Mr Prenguber than gave an overview of his program for the market study and welcomed the any input from SWPAC that would be useful to his study. He may be reached at 241-5698.

Key question to address:

What is the total size in the Portland area of the market for compost or hog fuel products, who are the end users of the product.

COMPOST: sold to nursery (greenhouse, or field) landscape use for the product.

Institutions (Port of Portland, Hospitals, DOT for soil erosion control.

COMPETITIVE PRODUCTS; Compost - bark dust, mushroom compost, etc. HOG FUEL - other fuels natural gas, coal, etc.

DISTRIBUTION FORMS AND CHANNELS: COMPOST - sold in bulk form, or some package.

QUALITY CONSISTENCY REQUIREMENTS; Asking key users what quality and consistency they need.

PRICING: (\$ PER Cubic yard) short-term when entering market and where you want to be in the long run.

CUSTOMER SERVICES: Delivery of compost material key issue. Collection business may help to discover how delivery works into their business material.

INFORMATIONAL/PROMOTION REQUIREMENTS: What is expected in the industry to move products.

PRODUCT SWITCHING: Will user be happy with the end product. Will they be willing to substitute?

REALISTIC SALES: From all the above questions will be looking at what the realistic sales will be.

Dave Phillips asked if the study will look at potential impacts of competing compost projects.

Chuck Geyer answered that the study will be finding the baseline data for the market place and find out how much yard debris data will help evaluate the composting process as part of it.

Delyn Kies asked if there is a difference in the public perception or technically between yard debris sludge and garbage compost in terms of the consumer.

Mr. Prenguber said he will be talking to people, correcting their misconceptions as part of the market stage

AGENDA ITEM

CERTIFICATION

Wayne Rifer, Metro Analyst, has been talking and working with the Tri-County Council (see July 21, memo) concerning haulers' perception of the certification program. The memo proposes four different kinds of changes in the certification program, NONE of

which say that Metro will not do a certification program. None of them make the certification program less. Item four will be discussed as part of the rate incentives. Experience has shown that there is considerable resistance to moving ahead and developing the program. However, discussions must be started so staff can make recommendations. The concept is that when there is a regional government developing a waste reduction program and solid waste management plan that the whole system work together, there should be some process for assuring that the whole system is working together.

George Hubel suggested that certification and rate incentives are two separate issues. If so, what is certification good for?

Wayne explained certification is a way of designing what it is that needs to be done by the collection end in order to fit in with the rest of the Waste Reduction Program. The crux of certification is the standards that will be developed. Standards for 1987 which are the first ones that we will be developing are the standards on yard debris and high grade loading. The rate incentives deal with how the standards are implemented in local processes.

Estle Harlan, Oregon Sanitary Services, Institute (OSSSI) sees confusion and a problem with the OSSSI services due to the City of Portland program. The City is the cause of the problems with rate incentives and certification programs. Industry wants to make it a strong program, but doesn't want to be saddled down with rate incentives.

Dave Phillips stated he felt that rate incentives will work in a franchised area, but there are no franchises in the city of Portland or E. Multnomah county. What is the DEQ hammer on the whole situation?

Bob Brown of DEQ explained that the Commission chose to accept the Metro Waste Reduction Program, but requested that at the time they present the report to legislature, that they have a status report to go along with it. It is up to legislature to decide what happens next.

Shirley Coffin asked what the committee is to make a decision on.

Wayne replied that what is on paper is what the committee is being asked to comment on and to recommend forward.

In response to questions concerning the rate study, Rich McConaghy, Metro Analyst, explained that once policy is set, the rates follow. If rate incentive policies are decided on now, the rate studies will be done by mid-August. Intention was to have the rate committee meet on August 17, and have the recommendation on the specific rates for the September Council

meeting.

Gary Newbore asked if the issue is being pushed to meet the January 1 rate schedule.

Dan Durig, Solid Waste Director, responded that traditionally this process is done at this time so it is complete by 1-87 in time to notify industry, set up computers etc. There are more major policy questions this year than before, much more difficult issues, and the Committees will be given time, within reason, to do the job properly.

Gary Newbore added his own personal thoughts, stating SWPAC is being made to rush a decision that they do not have all the information on yet. The whole rate incentive system and certification process will take half of the small haulers who do not have a franchise, and will be push them out of business. Metro has gone through a system where they have looked at alternative technologies that will eliminate anywhere from 30%-90% of the material going into landfills. If we are trying to reduce amount of material going into landfills by recycling etc, then there is going to be a system in place within a couple of years that will do that without affecting the network.

Dan Durig addressed this concern by stating that Metro is taking charge of what is in SB662. The Waste Reduction Program includes process of certification. We are putting down in detail the guts of the program, reflecting the policies that have been developed by Council and approved by DEQ. Those are the options and alternatives; we're not saying they are good or bad.

Wayne added that Metro will not be measuring specific result and won't get involved in levels that are responsibilities of the local jurisdiction who are providing service. Metro's job is to identify what needs to be done on a large scale to make entire system work.

Craig Sherman asked who is responsible for certification and rate incentives.

Dan During explained that the Rate review committee's chore is specific, SWPAC is much less defined. That is the reason for the joint meeting.

AGENDA ITEM

RATE INCENTIVES

Steve Rapp summarized the rate incentive Staff Report. Rate incentives are used to drive the major initiative in waste reduction efforts, using the state hierarchy; reuse, reduce, recycle, recover energy, and landfill.

- 1) Certification rate incentives would be used to encourage local collectors to meet recycling standards. Staff recommends the option of a Differential tip fee; haulers collecting waste in certified areas would be charged one rate, haulers working in uncertified areas would be charged a higher rate.
- 2) Processing Centers: facilities which receive high grade loads (cardboard and office paper) and mechanically separate them to reduce the amount that goes to the landfill. Metro's goal is to increase their volume and encourage their viability. Staff recommendation is to wave Metro fees for material that goes to processing centers, modifying ordinances so that is a set policy; increase differential between the tipping fee charged at processing centers and the tipping fee charged at the St. John's landfill through natural increases which are expected in St. Johns and CTCR rates and through rate regulation and other actions which may be needed (encouraging more waste flows or direct assistance to lower rates). Metro will also develop the capability to transfer and provide a reduced fee for high grade loads at CTCR.
- 3) Non-profit reuse centers; Staff recommendation; encourage the use of private limited use landfills through reduced tip fees. These landfills might receive a tax deduction on contributions to non-profit organizations. Spread out the cost of the subsidy over the rest of the customers. Metro may look at helping buy down the tip fee at limited use landfills for these types of organizations. Specified tonnage limit discounts would be based on increases in their sales to encourage increased waste reduction activities.
- 4) Yard Debris: Staff is looking at a reduced tip fee at St. Johns for source separated yard debris.

Teresa made the following comments about the reuse centers. They should:

- 1) be getting some sort of relief because of the illegal dumping at their facilities as hauling fees go up. Providing a public service.
- 2) aggressive recyclers, they should be rewarded for that.
- 3) they provide a great service to the community. If Metro says yes that they should be getting relief, would like to see something more specific and tighter. Presently it is too vague. Concern that the disposal fees be tied to sales increases. They could be aggressively recycling and market could change so that their sales could go down, and they could be increasing their recycling efforts. Sales measurement is not a fair measurement. Rather see a measurement tied directly to recycling records.

Steve suggested consideration of the precedent of policy with non-profits. If a tip fee break is set up, want to make sure we establish who is eligible.

Jack Deines quoted the July issue of Waste Age

magazine. "1986 demand for scrap paper is high, prices have plunged to the point that it makes the commercial collection and sale of waste paper uneconomical. Deterioration due to the increasing action of municipalities and the private companies employed by them to be involved in the collection of domestic waste paper. Activities are largely subsidized by taxes paid by households for the disposal of their refuse. Legal authorities often have to take sums to private organizations to remove the large amounts of waste paper already collected. (Belgium and Brussels)" Recycling, he said, is market driven.

Teresa: Summoned testimony.

Gaylen Kiltow: Private hauler, one truck operator associated with Portland Assoc. of Sanitary Service Operators (PASSO), and sits on the Tri-County Council.

Asks staff about certification program and the 27 areas Craig Sherman spoke about. If he was a hauler in that 27 areas and were not certified he would have to pay the higher rate? Correct?

Steve: If you were not in a complying area.

Gaylen: What happens if he is complying? Just because he is in the area he is charged the higher rate?

Steve: Then it would be recommended that you appeal to SWPAC about it and SWPAC's recommendation about the particular case would go to Council. If you are complying, the fee would go down to the non-complying fee.

Galen: Why should the complying people have to explain before the group? Why don't the non-compliers explain why they are not complying. Why penalize the complying haulers?

Steve: It depends on the number of non-compliers. If one out of 15 is complying, it is easier to talk to the one hauler than 14. There are 120 haulers in the City of Portland.

Gaylen: Another point that came up was what the City could do as far as license requirements etc. I believe, in the past, that the people who were not licensed continued to do business without a license in the City. They had no insurance, PUC plates, not paying permit fees, but they continue to do business.

The staff report was not reviewed by the Committee. Staff needs to get on the "stick" and get the problem solved. How can the group make a decision when Steve is going through it and the Committee doesn't even know where he is, or understand the material. How can they make an intelligent decision that will effect my business? They better know what they are talking about if that is the plan.

Jack Deins^{xe}: Representing Clackamas Co. haulers. As a group, we are opposed to the certification and rate incentive programs. We do not see that certification means anything to those in franchised areas because it is part of their franchise. If you want to deal on a government to government business, why talk to the haulers? You are talking about government, not haulers. Ultimately, responsibility is not to Metro but to the counties, as far as collection goes. Rate differentials are worse. Haulers in the area have no opportunity to do anything about changing whether or not the Portland area gets certified. In

Portland there is the problem of the haulers who are predominately commercial, and those who haul commercial and some residential.

Earlier, Mr Phillips brought up the fact that the staff recommended, and the Council adopted a set of policies that had to do with this before the City of Portland decided what option they were going to use to do recycling. I believe that most of the matrix of options Metro has put forth, and the mechanics of it, need to be put back to the Council, but 50% of the people won't be doing something that goes along with the program. The staff's answer to everything is to do a little more regulation. About 2/3 of the rules run head on into each other.

The proposed paper has a ridiculous part which sets up a place for haulers to dump selected loads at CTRC, have Metro reload them and haul them to Columbia Blvd. Can you reload for the incentive value you will get out of this? Don't invest money in a reloading facility and trucks. Garbage is worthless when you start with it, and the more times it is handled, the more it costs. It looks as if the paper was put out by people who do not know much about the solid waste industry.

If CTRC becomes a place for Clackamas county haulers to use, you will invest money in a facility that gets almost no use in selective loads. The program will only be successful the day Metro staff and local government get a handle on what is really out there from the people who do the work. As long as you want to regulate from inside without knowing fully what happens outside in detail, you will never do a good job.

George Hubel stated Jack seemed to be saying rate incentives will not work and asked for any advice as to what could be done.

Jack: I would put in it that at this time Metro does not see a way to make rate incentives work to accomplish waste reduction. The people who make the rules, reports, etc., do not know what they are talking about.

Craig Sherman asked if Mr. Deines is against rate incentives for drop box loads, i.e., Toys-R-Us at Clackamas, which has a load that is 70% corrugated with plastic, etc thrown in. Under old rate structure it would go to CTRC, under rate incentive the load would go to Columbia Blvd. In that case a rate incentive is justified for a drop box or compacted system, is that what you're saying?

Jack: Toys-R-Us is crazy if they are turning out that much cardboard and not getting paid for it. You don't have to talk about a rate incentive, Metro shouldn't accept those kinds of loads at CTRC. If the hauler is getting a load with a lot of cardboard in it, it is time for the hauler to talk with the County to try to encourage the company to put in a separate box for cardboard. There is a need to sit down and look at what is

trying to be accomplished. For the rate incentive and certification programs, the City of Portland threw a wrench into it after the policies were adopted. It didn't fit with the policies that had already been adopted.

Waste Age magazine - refers to participation rates and what it was worth to do it. (Five perspectives on a hot topic). What happens if after about six months nobody is certified anymore because the haulers are going broke, how many more dollars will be extracted from the hauler in additional fees to pay for the recycling? The program will be paid for not by the City, but the refuse industry customers. It can go to a great extreme because the City doesn't have to pay anything.

Tom Miller: Representing Washington County haulers. 99% concurrence with Clackamas County group. Certification and rate incentive programs are not necessary or will be difficult to be implemented. We should be considering economic feasibility, and we are not considering these things when talking about rate incentives which have a different rate for different users. When one rate goes up or down the other rate has to go up to make up for it. Metro has to generate funds to operate facilities. If you reduce the cost to one sector, you have to increase the cost to the other sector. That is where you will have the problem. Consumers will be upset. There will be a system where the consumer will not be willing to maintain any longer. Illegal dumping is a direct result of the rate increases. Our position is not anti-recycling but rather, if the system can work on a simple basis, something can be done. With certification it seems as if Metro is saying they don't trust the haulers and what they have been asked to do. The cost ends with the consumer, not Metro, haulers, or anyone else. It is not being fair to the public.

Dan: If I was on the Metro Council, I would ask the taxpayers how much they would be willing to spend to make the recycling program work. Give them a figure to see.

Estle Harlan: Industry consultant representing Oregon Sanitary Service Institute and on Tri-County Council. The poll that was discussed (asking consumers how much they would be willing to spend for efficient, safe, solid waste disposal) did not say recycling, not on any of the pages. The public has not said they are willing to pay for recycling. It talked about disposal, discussing whether the law said we had to go with a program of rate incentives. Estle referred to SB 662 section 8 - subsection A. It discusses rate structure, not rate incentives. Metro has six types of rate incentives, they are not arguing about five of them, and would still meet the criteria for rate structure. The industry has a problem with the part tied to certification. At the EQC hearing last month, there were two people other than Metro and DEQ that testified, that was Delyn Kies, and Estle. EQC was not happy with the Metro plan. They did not understand

how it was going to work. Metro was asked to come back January 1 with a status report on how it was working. EQC was concerned about how (if Portland kept the program), it would all fit together. A problem is that there is no hierarchy between Portland and Metro as to who is telling whom who has to do what. Two alternatives have been suggested by staff; industry does support alternative #2. As it is now, nothing meshes. There are three different entities that are effected by certification: franchise area, commercial hauler, and residential hauler. What is good for one is not necessarily good for the other, especially with City of Portland on top of it all. The industry has been sometimes called negative on the issue, and at times have been. We appreciate the fact that staff has come up with something that might work. The industry wants to be realistic not negative. We are not suggesting throwing out certification, throw out rate differential under certification.

Ed Gronke: What good is certification without a rate differential?

Estle: In a franchised area, it will be part of it.

Craig Sherman: If the City of Portland is found by SWPAC to be negligent in solid waste reduction, that will effect every hauler tipping in the City. If the haulers are not tasked with part of it, or it has the potential, the committee has the opportunity to hear recommendations from the City and meet with individual haulers. If you remove the rate differential, you have no power to influence behavior at all for the individual companies.

George Hubel: That is the crux of the issue. The City has removed the flexibility. Wouldn't have the whole discussions had there been a way out for the Portland hauler.

Ed Gronke: Does Metro have the authority for making the City of Portland responsible for haulers fee?

George Hubel: The City of Portland should step forth and be a team player and enter into an intergovernmental ring.

Delyn: The plan the City Council adopted will meet the intent of SB 405 which is what it is required to do for the first year. It is the City of Portland's responsibility to write the contracts, and make sure the contractors do what they are supposed to. If they don't, it needs to be revised, or something different needs to be done. That is the option the Council picked. The current plan, if implemented will be qualified.

The problem with certification is not in the first year. It is after the first. Almost everyone will be certified the first year by DEQ. The second year on will bring problems.

Gary Newbore: Isn't there more protection if there is a certification process with rate differentials than if we don't?

Dan Durig: Deal with the hauler under franchise because he knows it will cost him money, even if the City says to forget it. He will go to customers because he is the only one who will pick up the garbage anyway. He will tell the customer to do it this way or else, and they will call the City and who will tell the customer they had better because that is the only way it will get done. In the City of Portland they will say there is so many other haulers who will bid on the business, and they won't bother with that. That is the big worry.

Ed Gronke: You would not have this much of a problem if they were the ones who said it is a condition of the business license that you will provide a recycling program of some sort and it will be changed each year to meet new Metro requirements.

Teresa: Has everyone who wants to testify done so. It now at a point where we should adjourn and restart the discussion at the next meeting. We must therefore decide when the next meeting will be.

Delyn: Every person that has been talked to for potential recycling contract in the City is also a hauler. Who is staff referring to in the staff report when they speak of recyclers liking the method because recycling has been market driven?

Steve: We talked with various recyclers. The general consensus was they want the supply to be market driven, do not want supply side incentives.

Delyn: How does rate differential for certification do that?

Steve: It could force an over supply that the market could not handle and disrupt the recycling market.

Teresa: Committee suggestion on the two issues mentioned earlier. If comments want to get to Council, a meeting would have to take place on the 11th.

Dan: A meeting on the 11th of August would give a chance to report to the Council verbally.

Teresa: Not sure that she wants report going to Council without SWPAC comments. Suggestion of August 11 meeting so at least she could provide testimony on the 14th.

Meeting Adjourned

Next Meeting August 4, 12:00 Noon

Submitted by Donna Bill, Secretary

Five Perspectives On a Hot Topic

RECYCLING

Recycling certainly is a hot topic right now, especially in cities, states, and regions where existing sanitary landfills are nearing capacity and new solid waste disposal facilities are not being sited quickly enough. The following "forum" of sorts presents several interesting viewpoints on the subject, all of recent vintage, from agencies, individuals, and groups with a heavy stake in the future of recycling.

The View in Europe

The following is an exact reprint of a press release issued on April 2 in Brussels by the Bureau International de la Recuperation, the international recycling group. The headline on the release: "Huge Subsidised Waste Paper Stocks Undermine European Market."

According to waste paper traders, the current system of collecting and stocking domestic waste paper is precipitating a crisis in the industry similar to that caused by the European Community's agricultural policy.

In 1984, the economic climate favoured the paper industry and this, in turn, increased the demand—at realistic price levels—for the secondary raw material: waste paper.

In 1986, demand continues at a high level, but prices have plunged to a point that makes the commercial collection and sale of waste paper an uneconomic proposition.

The deterioration in this situation can be attributed to the increasing tendency of municipalities—and private companies employed by them—to become involved in the collection of domestic waste paper. These activities are, to a large extent, subsidised by taxes paid by householders for the disposal of their refuse.

To make matters worse, legal authorities often have to pay considerable sums to private organisations to remove the huge amounts of waste paper already collected. In the Federal Republic of Germany, for example, the local authorities continue to collect waste

paper even though the demand for existing stocks is strictly limited.

As a result, the usual supply channels are circumnavigated, and the high taxes paid by the average citizen for the removal of his domestic waste are also leading to the suffocation of paper collections organised by charities and the recycling industry.

If We Can't Do It . . .

Calvin Lieberman, quoted below, is the special assistant to the president for environment and legislation at the Institute of Scrap Iron and Steel. These remarks were included in a presentation he made last year to a Conference on Materials Recycling sponsored by the New York State Legislative Commission on Solid Waste Management.

The scrap industry has been so successful over the years in recycling millions of tons of materials, that we can understand the attraction to use this means to reduce disposal of wastes. However, one must carefully examine what "recycling" means, as well as just why all wastes cannot be and are not candidates for this approach.

First, one must realize that despite the best efforts of our industry to recycle just one important item, ferrous, commonly called iron or steel, the last report by Robert R. Nathan Associates showed almost 744 million tons of iron and steel scrap available in the United States at the end of 1983. Add to that the enormous tonnage of 80,000 tons per day of ferrous, and we have over a 20-year supply at the current rate of consumption.

Now here is an industry founded, and operating, solely within the recycling concept—unable to find a home for all of the available scrap iron in the country. Matched against that situation is the proposal that "recycling" should be increased.

What is really meant, I am afraid, is not "recycling" but "recovery" of materials, in the vague hope that they can be sold and remelted to make new products. The very important question therefore is, put simply: if we (the scrap industry) can't do it, then how can anyone

else do it?

... We should not gild the lily, you deserve better. At the moment and for the immediate future, recycling of materials will have minimal impact upon your landfill problems at best, and will be an expensive distraction of funds and attention at worst. We wish it were otherwise. — Calvin Lieberman

The PQA Law

Richard Keller, manager, procurement and waste management, for the State of Maryland's Department of Natural Resources' Energy Office, made the following points in a longer presentation at the 1985 Solid Waste Forum sponsored by the Association of State and Territorial Solid Waste Management Officials.

Landfill capacity, siting, cost, and environmental factors, particularly in the Northeast, have caused many state and local officials to closely examine recycling as an alternative to landfilling. Such states as Pennsylvania and New Jersey are proposing dramatic increases in recycling rates and fundings for recycling programs.

At the same time, however, recycling markets are at extremely depressed levels. This raises the important question of where will these materials go after they are collected? Without adequate markets, the cost of collecting the materials will most probably exceed the revenue derived from the sale of materials.

One program to create markets is governmental purchases of recycled products, such as recycled paper. Governments need a commitment to buying recycled products to assure effective recycling programs.

To understand how to make affirmative procurement programs work, let me explain the PQA Law of Recycling. PQA stands for Price, Quality, and Availability. Any recycling program can be understood by PQA; as an example, a community recycling program must get a good price (P) for materials, must meet the vendors' quality (Q) specifications, and must have available (A) markets and be available to the public.

In establishing an affirmative procurement program for recycled materials, the price (P) must be competitive with virgin materials, the quality (Q) must be competitive, and the recycled products must be available (A) in the marketplace. Maryland, California and New York have managed successful programs for buying recycled paper products, and have found available recycled paper products which are comparable to virgin

products in price and quality.

Citizens Group's Questions

A recent report from a citizen advisory group in Pennsauken Township, Pa., on solid waste disposal options included the following section on recycling.

The savings associated with recycling are derived from two sources: revenues obtained from selling the materials, and savings realized by avoiding disposal fees at the landfill for the material that is recycled. To fully realize the aforementioned savings, the materials to be collected must be carefully selected and should possess two qualities:

1. They should have an interested and competitive buyer;
2. They should comprise a significant portion of the municipal waste stream to afford actual landfill savings when recycled.

The only material currently satisfying both requirements is used newspaper, in that it represents approximately 8% of the municipal waste stream and has a market price of between \$5 and \$25 per ton.

Pennsauken has done reasonably well when you consider that, as of September, 1985, used newspaper was being sold at only .25/100 weight. The Township is receiving approximately \$6.50 per ton per month averaging August through October. When this figure is added to the cost avoidance figure (the dollars saved by not landfilling), Pennsauken is averaging approximately \$38 per ton in revenue.

But it is costing Pennsauken \$254 per ton per month to collect the used newspapers a deficit of \$216 per ton per month. Pennsauken Township cannot be compared to other communities in tipping fee cost avoidance because of Pennsauken's host community benefits...

Other recyclables

Aluminum cans, on the other hand, comprise only 5% of the waste stream and offer no chance of disposal savings. However, at \$600 to \$800 per ton, this material is extremely valuable.

Glass, which comprises up to 8% of the municipal solid waste, is the second most commonly recycled item. Glass represents approximately 10% of the municipal waste stream, which would realize a significant disposal savings. Recycled glass has recently been affected by:



Recycling Contd.

presented a talk on "How Much Recycling Can We Afford?" to the 1986 Pennsylvania Recycling Conference. This excerpt is taken from his presentation.

Consider the economics of recycling. One question that is always asked is whether or not a saving in disposal costs should be credited for the recycling operation . . .

(An example) of where it is questionable whether or not to credit the disposal savings is when the saving is hypothetical. Consider the case of a municipality operating a landfill for which it charges a tipping fee of, say, \$20 per ton. If that community were to institute a recycling program, would it be fair to credit the program with \$20 per ton savings on disposal fees?

The answer: probably not. With the typical reductions in waste attainable with recycling programs, it is unlikely that the community will realize an actual savings in landfill costs in proportion to the reduced tonnage. A reduction of a few percent in waste received is

not likely to mean a reduction in work force, equipment required, closure costs, monitoring, supplies, or any of the other variable costs of landfill operation.

In fact, a recycling operation may reduce revenues to the landfill—necessitating an increase in tipping fees to cover its operating cost.

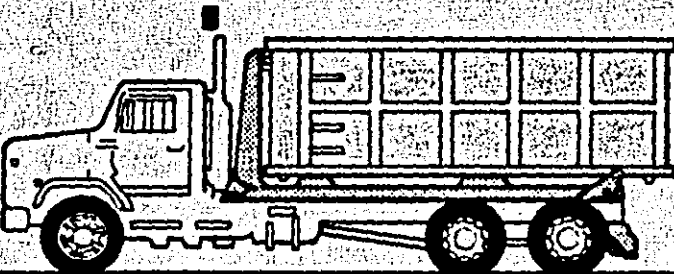
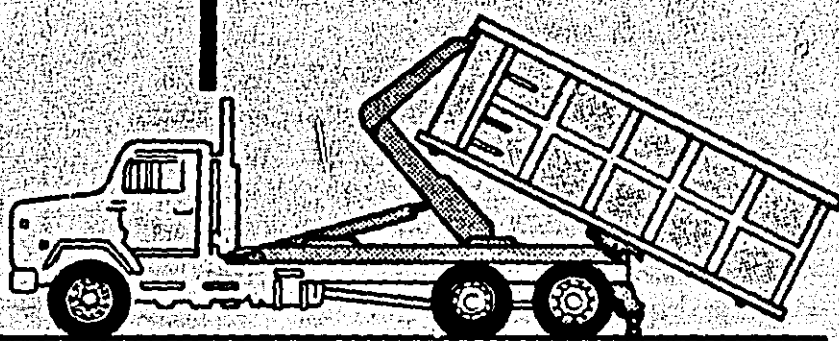
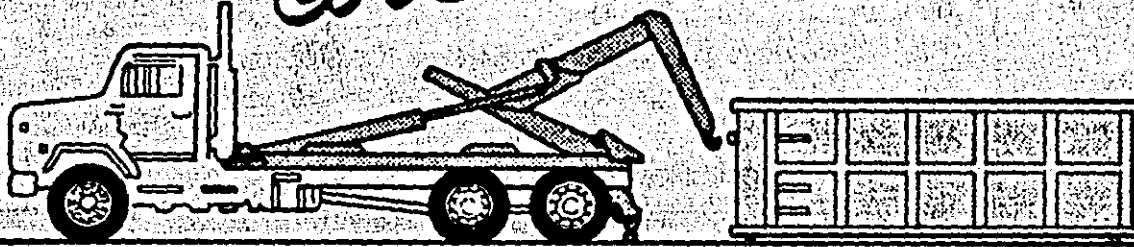
The one situation where clearly a saving in disposal fees can be credited to the recycling operation is the situation in which a waste collector is able to reduce his disposal costs by means of his recycling activity.

This occurs in a situation where a collector is disposing of his collected wastes at a landfill at which he pays a posted gate fee, most likely based on tonnage. With a gate fee of \$20 per ton, a hauler can save \$20 for each ton of material which he is able to remove from the waste stream and sell as recyclable material.

Of course, he will also consider the monies received from the sale of the recyclable material itself. Ultimately, the solid waste hauler is probably in the best position of any party to make recycling work. ■

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The relatively steady price of glass has recently dropped and ranges between \$5 and \$35 per ton.

Separating glass is recommended because of the damage it can do to the (waste-to-energy) facility. The removal of glass will increase the life of the facility . . .

Finally, an item that is extensively used is plastic. Plastics are manufactured from the raw materials of crude oil and natural gas. Many plastics are recyclable. The most commonly recycled plastic at the post consumer level is the polyethylene terephthalate (PET) in one-, two-, or three-liter beverage containers . . .

There are a number of problems which must be overcome before the recycling of plastic becomes a commercially viable program . . .

Pros and cons

In looking at the pros and cons of recycling, consider the following:

- 80% of the waste stream is generated by the household. By recycling, we could conserve our natural resources, reduce our waste stream, reduce our tipping fees at the landfill, and extend the life of the landfill, along with receiving funds from the state based on tonnage delivered to a recycling facility. It must be noted that the monies received from the state of New Jersey are taxpayers' monies.

- With recycling being mandated by the County of Camden and the County developing a recycling facility, the Municipalities would also benefit by sharing in profits at the recycling facility. This would also save time and money associated with marketing the recyclables, and will hopefully achieve a greater market stability for municipalities.

- On the other hand, by a glut of recyclables on the market, the cost return per commodity diminishes. Although the cost of separation and any specialized equipment should not be considered when the county's facility is operational (as they will handle that aspect), the cost of collection is still a major factor.

It is the taxpayers' money which will be used to fund many of these projects. From June, 1985, to October, 1985, Pennsauken had a grand total operational net loss (for recycling) of \$41,901.72.

Nearby county loses money

In certain areas some segment of recycling may be beneficial. Oregon, in 1984, recycled 75% of all of the newspapers in the state, and Colorado recycled 76% of all the aluminum cans sold . . .

The percentages quoted are to be commended, but the paper in Oregon represents 8% of the waste stream; what of the other 92%? Again, Colorado recycled aluminum, which represents 5% of the waste stream, has the best market of all recyclables, and gives the best return on the dollar; but again, what about the remaining 95%?

Consider some of the counties in South Jersey. The seven counties, from Burlington to Cape May, had an average yearly loss on recycling of approximately \$90,000 in 1982. Even Woodbury, the most quoted recycling community, had an operating loss of approximately \$19,999 in 1982.

Other townships such as Berlin and Montclair, considering all their aspects, had an operating gain of approximately \$40,000 per year in 1982 . . .

Conclusion

In the event the market is saturated with recyclables and the surplus must be warehoused, what happens over a period of time when the allotted space runs out? Who pays the cost of warehousing the surplus?

Are the recyclables going to be landfilled back in Pennsauken? This is just what we are trying to avoid. Who pays the cost of trucking the surplus to a landfill either in Pennsauken or somewhere else?

. . . We commend the state of New Jersey and the County of Camden for initiating a recycling facility and for taking the burden of establishing markets and buyers. Our concern is that despite our recycling program, the collection costs will continue to mount and the return of the dollar for the recycled goods will continue to drop due to the market surplus. This will determine the overall operating costs.

In the event the communities continue to be in the red (negative cash flow), how long will the state allow townships to deficit spend?

Haulers Are In Best Position

Dr. Charles A. Johnson, technical director of NSWMA,

(Continued)

August 4, 1986

CLARIFICATION OF THE OPTION TO
DECOUPLE CERTIFICATION FROM RATE DIFFERENTIALS

ORS chapter 459 establishes policies and authorities for solid waste management. Throughout that statute waste reduction is a primary responsibility of all parties in the solid waste field.

Specifically, the authority to provide and regulate collection in the Metro region is granted "to carry out":

1. The purposes and requirements of State law, and
2. Metro's Waste Reduction Program and Solid Waste Management Plan.

The Certification Program, with or without Rate Differentials, accomplishes the following essential purposes:

1. It assigns specific responsibilities to local collection services in order to carry out their roles in the regional Waste Reduction Program.
2. It measures compliance.

[The process for defining those responsibilities and for measuring compliance will be a fully mutual and cooperative venture involving Metro staff and Council, SWPAC, local governments (LGACC) and haulers (Tri-C).]

Alternatives for methods to encourage compliance by local jurisdictions and haulers:

1. Rate differentials
2. Direct application of Metro's waste reduction planning authorities.

TO: SWPAC MEMBERS

RE: ENCLOSED RECOMMENDATIONS

ENCLOSED IS A DRAFT COPY OF SWPAC'S RECOMMENDATIONS TO THE COUNCIL ON RATE INCENTIVES. PLEASE REVIEW AND CONTACT TERESA DELORENZO WITH ANY CHANGES BY MONDAY, 3/11/86, BY 10:00 p.m. HER PHONE NUMBER IS: 643-4008. HER ANSWERING MACHINE WILL TAKE AN UNLIMITED LENGTH MESSAGE. IF SHE IS NOT THERE, PLEASE FEEL FREE TO LEAVE LENGTHY MESSAGE.

CONSIDERATION OF SOLID WASTE RATE INCENTIVE
POLICIES

Date: July 30, 1986

Presented by: Steve Rapp

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this staff report is to summarize final staff-recommended rate incentive options for the Waste Reduction Program. The Council is being asked to endorse these options so they can be incorporated with the 1987 rate study. These options will then be implemented with the 1987 rates.

Metro Council Resolution No. 85-611-A on December 19, 1985, adopted solid waste reduction policies which included rate incentives to encourage recycling. Rate incentive alternatives were identified and analyzed by staff, presented to SWPAC, then presented to Council on May 15, 1986, at which time the Council gave its consent to advance those alternatives for soliciting input on a rate incentive program. The DEQ and EQC supported the general approach when it endorsed the Solid Waste Reduction Plan. Throughout June, staff met with interested parties to seek input on the identified options. The Council is expected to endorse the rate incentive options at the August 14, 1986, meeting, the rate study will be completed, and 1987 rates will be adopted in September.

SUMMARY OF INTEREST GROUP INPUT ON RATE INCENTIVE OPTIONS

A brief description of each option precedes the input. More explanation is provided in the staff recommendation section.

Certification

The certification process will encourage local collection services to meet recycling standards. The goal of the program is to remove residential and commercial recyclables and yard debris from the waste stream. Certification units, or areas, will be established to evaluate compliance with the program.

Differential Tip Fee

Under the differential tip fee system, two different disposal fees will be charged. Haulers operating in certified areas will be charged one fee, while haulers working in uncertified areas will pay somewhat more per ton. The program is intended to be "revenue neutral." Thus, certified area haulers will pay less than the cost

of service, while uncertified area haulers will pay more than the cost of service (although the first year compliance is expected to be 100 percent, meaning everyone will pay the cost of service).

Haulers have stressed that the program should be based on efforts, rather than results.

- Some haulers expressed disapproval in part because they feel Metro would be entering an aspect of waste collection we should not be in. By deciding that a hauler, and presumably the generators, in a certified area should pay less for disposal fees, Metro is entering uncharted and unwelcome waters, they say.

Haulers in Portland feel the differential tip fee will disrupt the competitive environment. Also, they wish not to pay extra for tipping fees since they have no control over the success of the Portland effort (in Portland, the City will contract with recyclers for curbside collection at a cost to all haulers).

- Local officials of some areas where garbage collection is franchised support the differential tip fee alternative. They say it will be effective in achieving compliance with SB405 and further reducing waste. Some express concern, though, that rural collectors may get hurt, since curbside is difficult.

- City of Portland officials dislike the differential system, saying that any differential that would be effective in a competitive environment would have to be too exorbitant.

- Recyclers like the method, because recycling is then *encouraged*
~~market-driven.~~ *by economic incentives*

Loan/Grant

Loans or grants would be given to certified jurisdictions. The jurisdictions could then use the funds in the most effective way for that community to increase recycling.

- Universally unpopular because they wouldn't be effective and require too much paper work to apply.

Voucher

Commercial and public haulers could receive vouchers for delivering source-separated recyclables to the landfill recycle area, transfer station recycle boxes, or any private or not-for-profit recycle center depositories. The vouchers could be redeemed for some benefit, such as disposal credits for putrescibles at the landfill. The system would be available only to those haulers operating in certified areas, or residents in certified areas.

- Local jurisdictions dislike the voucher system because it may hurt haulers making the effort to be certified, but unable to get sufficient participation levels. Mainly commercial haulers will benefit.
- Recyclers dislike the system because there is potential for abuse, and it may require paying benefits to those already recycling.
- Haulers were generally neutral in my discussions with them.

Processing Center Rate Incentives

Process centers take loads of mixed waste and mechanically separate out the recyclables. They send the rest to a landfill. As a general rule, they require loads be "high-grade," containing predominantly recyclable material.

Disposal Credits to Haulers

Disposal credits could be offered at Metro facilities for those waste haulers who dispose of high-grade loads at materials recovery centers. For example, for each ton of waste delivered to a waste processing center (such as the Oregon Processing and Recovery Center), a commercial hauler would receive a credit on his St. Johns or CTCR disposal account. By taking more waste to the processing center, a hauler reduces his total operating costs.

- Negative comments include: the credit would have to be very large to be effective; the program is not market-driven, possibly creating more supply than the market could handle; and the program would only help commercial haulers.
- Some support was expressed. One person thought the most effective system would allow a sliding scale, with larger credits for larger amounts recycled.

Tipping Fee Break for Residuals Based on Amount Recycled

A reduction in the tip fee at the landfill for the residual waste from processing centers could be given to help reduce their operating costs. The amount of reduction would depend on either the volume or percentage of materials recovered. Centers would have added incentive to process more waste and recover additional materials from the wastes which are processed. Metro might need to regulate processing center rates to assure the benefits of the incentive are passed along to disposers.

- Support for this option came from recyclers, local governments, and haulers. Some said source-separated loads (100 percent recyclable) should not be a part of the program. The program would require some monitoring to ensure against abuse, requiring processing centers to disclose certain information such as tonnage recycled and costs. Confidentiality may be an

issue with them. Advice from legal counsel is, generally, that policy work is public information. But analyses of specific cases may be withheld from the public.

- Others oppose this option, saying processing centers should survive on their own without any help, regardless of the waste reduction they accomplish or are capable of accomplishing.

Private Not-for-Profit Reuse Center Aids

Private not-for-profit reuse operations such as Goodwill Industries help reduce the amount of waste disposed in the landfill by selling reusables and recycling. They have sizable disposal bills at the landfill due to illegal dumping at their sites, and donations from the public of non-reusables. A program to reduce their disposal costs could encourage their ongoing viability.

- No one opposed.
- Reuse center people say disposal credits for material pulled from the St. Johns public transfer box, as outlined in the list of options, would not be helpful to them. They want a 100 percent tipping fee break. They feel there is more than adequate incentive for them to keep people from disposing illegally. They claim their disposal bills are as low as they can get them, and that in most other cities they are not charged at the landfill.

Some parameters for qualification should include: the organization must be non-profit, having 501 c iii tax status; the organization should serve the public at large, not a select few, such as members of a particular religious group; the standards of admission to the program and the organization's financial statements should be inspected; and the number of beneficiaries and percentage of budget going to aid the disadvantaged should be factors.

Yard Debris Programs

A reduced disposal fee for source-separated yard debris at the landfill would provide incentive to dispose of such waste in the yard debris pile, rather than in the landfill. This proposal is expected to effect mostly public haulers, since they bring in most of the source-separated yard debris.

- Many support the option of a reduced tip fee for source-separated yard debris at the St. Johns Landfill, saying it will be effective. Objections were mostly for policy reasons, and will be discussed in an analysis of the yard debris program.

Yard debris processing centers could benefit most, and therefore compost more such waste, with more equipment. Metro could encourage more yard debris processing by helping them buy the equipment, with a loan or grant.

- Haulers voice opposition to loans or grants to yard debris process centers because they increase the cost of the system, and therefore increase everyone's tip fee.

OPTIONS WHICH STAFF RECOMMENDS FOR COUNCIL ENDORSEMENT

The rate incentive options recommended by staff form a package of aggressive economic and financial programs to increase reusing and recycling materials per the Solid Waste Reduction Program. The options constitute a multi-faceted approach to reduce the amount of waste disposed at the St. Johns Landfill.

Certification

Alternative I -- Differential Tip Fee

Staff recommends establishing differential tipping fees for the certification program as was committed to in the Solid Waste Reduction Program. The differential tip fee system is a system where one of two disposal fees is charged at Metro facilities, depending on if the hauler operates in a certified area. DEQ will be certifying areas in 1986 based on compliance with SB 405, and in future years, further standards will be established. The tipping fee for haulers from certified areas, before Metro charges, will be less than the base rate, while haulers from non-certified areas will pay more than the base rate. Total revenue will be the same. To be conservative, staff assumes compliance will be 100 percent the first year, so everyone will pay the base rate. Should some area not be certified, the rate for those haulers would be the base rate plus the differential. The differential will cause haulers in franchised areas to comply with certification standards. In Portland, where officials have decided recyclable collection will be done by recycling contractors (except for newspaper), pressure for compliance will exist, but it will be less direct. Haulers paying more for disposal will lobby the city to do what is necessary to become certified.

The size of the differential will be determined during the rate study process. Staff recommends the differential be based on the estimated average cost of complying with the certification standards.

Any potential inequities due to haulers operating in more than one area will be addressed in the certification program. Staff recommends complaints of inequities resulting from complying haulers operating in non-complying areas be appealed to the Council through SWPAC.

Alternative II -- Implementation Through ^{Planning} Directive Authority

Due to strong opposition by the haulers to the differential tip fee, a second alternative is offered. Staff cannot recommend this alternative at this time. However, if staff determines through discussion with haulers and local governments that this alternative will result in a substantial effort by the collection system to meet certification standards, this alternative may be preferable.

In this alternative Metro would adopt the certification rate differential program as an approach which would be used only if needed. It would not be implemented at this time. Consideration of its implementation would be postponed until January 1988, by which time the 1987 standards will have been implemented and the extent of compliance determined. Our intent would be to implement the rate differential at that time if the strategy to gain cooperation of local collection services is not effective.

As an alternative mechanism to rate differentials, Metro's waste reduction and solid waste management planning authorities (ORS 459.200 and 459.095) would be invoked and local jurisdictions would be directed to develop collection programs which carry out the waste program. Other portions of the certification program would be developed as normal.

Materials Processing Rate Incentives

Processing and recovery center is defined, for these rate incentive purposes, to mean any privately financed (at least 50 percent) and operated facility which takes mixed or partially mixed loads, separates out recyclables, readies them for the recycling plant (e.g., cleans where necessary), and arranges for their delivery to the plant. If Metro Council adopts an option other than those staff recommends, the definition may need to be modified or expanded.

Ordinance Modification to Waive Metro Fees

The Metro User Fees and Regional Transfer Charge are currently exempted through variances to the Metro Code for wastes received at materials processing and recovery centers. Amendment of the Code would categorically exempt processing and recovery centers from collecting these fees. Existing policy would be formalized, and there would be no effect on rates.

Tipping Fee Break at CTCR for High-grade Loads

To encourage high-grade loading in outlying areas, staff recommends charging a reduced fee at Metro-operated transfer stations for uncontaminated, predominantly recyclable loads. Metro can then be responsible for compacting and transporting that material to the nearest processing center. The amount of the break, possibly available to both commercial haulers and the public, will be developed during the rate study process, but is expected to be in the \$3 to \$5 per ton range. The RTC and User Fee could increase by roughly \$.10/ton and \$.04/ton, respectively. Retrofitting CTCR to receive and transport high-grade wastes could be accomplished by January 1987 would cost less than \$100,000 and could be paid through the fund balance. There would be no effect on the rate. This would open a new area of the region for select load processing, significantly increase volumes at OPRC, and potentially develop demand for an additional processing plant in this area.

Staff expects the tipping fees at the St. Johns Landfill to rise \$1 to \$2 in the near future. To that extent, a difference in the disposal fees at St. Johns and at processing centers will be added to the present \$1 to \$2 differential, for a \$2 to \$4 total difference. Reduced volumes at the landfill may push the base rate up by \$.10 to \$.20 per ton. Other incentive mechanisms may be employed in the future, if necessary. If processing center rates go up with landfill rates, Metro may decide to waive its rate-setting exemption and regulate processing centers' rates. In that case, it will become clear whether processing center rate increases will be necessary (if their costs of operations are high). If so, Metro may be able to find ways, through scrutinizing their operations, to help them be profitable and offer lower tip fees to increase the differential with the St. Johns Landfill rate. As an example, increased waste flows might help. Another potential solution is lowering processing center overhead by giving them a tipping fee break for their residual waste. A tipping fee break for their residual waste could attract more waste to the landfill from processing centers. That negative may overshadow the positive of reduced processing center operating costs and therefore reduced tipping fees there.

Private Not-for-Profit Reuse Operations Rate Incentives

Private not-for-profit reuse operations such as Goodwill have asked Metro for relief from disposal costs. The original staff recommendation of a ton-for-ton tipping fee break for reusable material removed from the public transfer box did not receive support in informal talks with nonprofit personnel.

But their ongoing viability and increased sales of reusables is an important ingredient of waste reduction and staff recommends efforts to aid them, but not at the expense of encouraging disposal at the St. Johns landfill. Private, limited-use landfills might be able to donate their services to such organizations. The landfill operators could benefit from the tax advantages of contributing to a nonprofit organization, or they could recover their lost revenue through rates charged to other customers. The extra charge to the other customers for 1,000 tons free disposal would be expected to be \$.02 to \$.03 per ton. In addition, Metro may request Washington County to change its rate structure for the Grabhorn and Hillsboro Landfills to benefit non-profit reuse centers.

If the above-mentioned programs are not effective in enabling nonprofit reuse operations to expand their efforts, Metro will consider paying a portion of the nonprofits' disposal fees at limited-use landfills, up to a specified tonnage limit, based on increases in waste reduction efforts (measured by weight) of some defined percentage.

Yard Debris Rate Incentives

Reduced Fee for Uncontaminated Yard Debris

Staff recommends yard debris kept separate from other waste be given a reduced disposal rate at St. Johns. A generator, hauler, landscaper, or other disposer could save by not mixing the debris with other waste, through waived Metro and DEQ fees, possibly even a lower base rate. The definition of source-separated yard debris and the size of the break will be developed in the rate study. A \$5 to \$8 per ton break could increase the tip fee for others by \$.15 to \$.20 per ton. The greatest impact is expected to be on the public rate, since the public hauls most of the source-separated yard debris that the landfill receives.

Processing Center Aids

Staff discussions with yard debris processing center operators revealed that markets for the end product is the most important ingredient for their success. Staff will consider ways to help such operations if the marketing study being done this fall indicates the value of aid.

SWPAC RECOMMENDATION

SWPAC will make its recommendation separately at a later date.

RATE REVIEW COMMITTEE RECOMMENDATION

The Rate Review Committee will make its recommendation separately at a later date.

THE EXECUTIVE OFFICER'S RECOMMENDATION

SR/gl
5945C/471-6
08/01/86

Date: August 8, 1986

To: Metro Council

From: SWPAC

Regarding: RECOMMENDATIONS ON RATE INCENTIVE POLICIES

Presented By: Teresa DeLorenzo

SWPAC would like to present to Council the following recommendations on the Solid Waste Rate Incentive Policies:

CERTIFICATION

SWPAC recommends Alternative II, Implementation Through Directive Authority as a means of encouraging compliance with certification standards. The Committee feels the differential tip fee would not be fair to the majority of haulers who serve the City of Portland because they could potentially be paying a higher fee for a matter on which they would have no direct impact or control.

MATERIALS PROCESSING RATE INCENTIVES

SWPAC agrees with Metro that a rate differential needs to exist between processing centers and the regular disposal systems, however, does not feel a specific differential should be set. The Committee recommends that the rate differential be determined on a case by case basis. The Committee also recommends that Metro facilitate the franchising process to make it as easy as possible for private centers to operate and that staff work closely with the processing centers to try and ensure their success. SWPAC feels the \$100,000 requested to retro-fit CTCRC might be better spent in facilitating the opening of a private center in the CTCRC area.

PRIVATE NOT-FOR-PROFIT REUSE OPERATIONS RATE INCENTIVES

While SWPAC applauds the activities of these organizations and feels there is the need to provide some economic reward, the Committee does have some concerns about a reduction in their tipping fees. The Committee feels it should be Metro's policy to encourage these organizations to continue their activities but recommends to the Council that they maintain the status quo with respect to rates.

YARD DEBRIS INCENTIVES

SWPAC supports Metro's recommendations on yard debris rate incentives for St. Johns Landfill