

Elements 1998: A Return to Deep and Enduring Issues

Unlike other issues of *MSW Management* that focus on specific projects and activities, *Elements '98* is a macro-view of the industry. We hope it will offer perspective on some of the challenges and opportunities you're likely to meet throughout the course of the year. Of course the overriding challenge this year is the same as ever--get the trash off the street and do something with it. As usual, the "something" to be done with it is a target moving with enough velocity to keep any of us from becoming complacent. Nonetheless, mechanisms for the disposal or diversion of waste have not undergone radical change in the recent past, nor is there reason to anticipate any technological surprise in the upcoming year. Where politics are allowed to take a back seat, we seem to be working smarter and more efficiently, providing the public with what it perceives to be good value for its money--an assumption validated at least in part by the refreshing lack of public clamor for the heads of solid waste officials.

You might infer from the foregoing that prospects for 1998 are pretty boring, but nothing could be further from the truth. Indeed, it might just be this hiatus that allows us to turn our attention away from rear-guard actions and concentrate on more fundamental issues--those that get lost in the shuffle of short-range fixes and accommodations. So what issues are on the table?

Who's In Charge Here?

First (and forever) is the question of "whose waste is it?" In the absence of Congressional action, the issue of flow control has moved away from the litigative and legislative arena and back into the realm of the practitioners. Unfortunately, a number of solid waste operations have been placed in jeopardy with little hope of outside assistance. It seems unlikely, for instance, that even the \$20 million the state of New Jersey is offering to subsidize solid waste debt service payments of select counties and authorities--largely in response to the 3rd US Circuit Court of Appeals' May 1, 1997, decision upholding a ruling that deems New Jersey's flow-control regulations unconstitutional--is more than a short-range palliative.

In addition to any substantive flow control considerations, the US Supreme Court's decision in the matter of Carbone v. Clarkstown, NY came at a time in which municipal service providers of every stripe were under the gun to slash costs (but not services) to the bone or turn the business over to the private sector whose grounding in the marketplace (it was assumed) was bound to introduce efficiencies not commonly associated with governmental endeavors. Rate payers, many of whom found themselves catastrophically unemployed or working long and harder than ever in the wake of the general belt-tightening, were not in a mood to underwrite any perceived inefficiencies on the part of public employees.

Enter the "P₁" word--privatization--in which a number of municipalities turned over specific activities (and in a few cases, the entire business) to the private sector. Many such moves, no doubt, were well advised, but San Diego (CA) County's sale of ownership and operation of its entire system to Allied Waste Industries, Inc. of Scottsdale, AZ for approximately \$160 million in cash consideration and assumption of another \$24 million in future capital expenditures, is (and will continue to be) the subject of much interest and concern. While the selling price is enough to make anyone worry that at least one of them is making a mistake, we hope that both will get what they hope for and that the public will get what it deserves. We are concerned that San Diego County retain sufficient excellence in its staff functions to oversee public health and safety matters--responsibilities no public agency can barter away--particularly since the activities will be viewed as "babysitting" despite their importance.

About the time that the P₁ side of privatization was reaching its zenith, a few public agencies began to rethink the issue. Accepting the principal, "possession is nine-tenths of the law," and that the battle was to be one of economics, many reckoned that perhaps it was time to adopt market-driven techniques and go head-to-head for the business. Enter "P₂"--privatization through managed competition--in which the public entity organizes itself into one or more task elements to compete for business. As H. Lanier Hickman, former executive director of SWANA said in his Guest Editorial for our September/October 1997 issue, "The impact of *Carbone* has been to make a number of local governments smart about themselves. More will get those smarts in the future." Hickman went on to point out that (1) local governments will more and more compete for the MSW service dollar in a free-market environment and many times will win that

competition, (2) many will see the value of using income from MSW activities to fund other services, and (3) the perception of private service provider instability will result in a much more careful consideration of the use of private-sector providers.

Diversion: What's Next?

Recycling has come in for harsh words and increased scrutiny in recent days as illustrated by the article, "Recycling is Garbage"--provocatively subtitled "Recycling squanders money and good will - and doesn't do much for the environment, either."--by John Tierney in the *New York Times Sunday Magazine*, June 30, 1996. "That's what we've been saying all along," agree many critics of recycling. "Foul," cried recycling's faithful. Both missed the more fundamental points: (1) that John Q. Public expects recycling to continue, (2) the investment by public and private sector participants is too large to strand at this late date, and (3) a larger challenge lurks on the not-too-distant horizon for many communities in the form of increased diversion quotas.

In a manner all too reminiscent of the "great landfill shortage" of the last decade, many state and local governments plunged into the diversion-mandate fray with laudable fervor. Ignoring the fact that the amount of waste we generate is a secret known only to Mother Earth, (a saving grace because since we don't know how many landfills there were (or are), it's hard to be faulted for not knowing how much is going into them) agencies came up with baseline figures against which they could show successful diversion progress. The beauty of "percentages" is that without knowledge of the whole numbers, it's pretty hard to be held to the fire for the accuracy of your fractions. Please stash this thought away for revisiting in the last section.

Given the lack of hard data to start with, it's hard to believe that planners avoided the opportunity to make the achievement of close-at-hand mandates a slam-dunk affair. It's the approach of Phase II--for many the "put-up or shut-up" time comes in the year 2000--that is bound to create real problems. While achieving a moderate diversion rate (e.g. 25%) might be accomplished with relatively minor dislocations, doubling that rate is apt to introduce choices that are politically painful.

Complicating the situation is that to some extent recycling is a delaying mechanism; sooner or later many previously-diverted materials will come to the end of their useful lives (except perhaps for their energy value) and reenter the wastestream, erasing some of the diversion gains assumed to have been achieved. Of greater significance is the recognition that while the public wants recycling as part of its environmental stewardship package, it has no mind for trading in a booming economy, high employment, and lots of brightly-wrapped presents under the Christmas tree in the bargain. While not in the mainstream as yet, there is a small but well-placed and vocal constituency within the body politic that is committed to the achievement of "zero waste." MSW managers are likely to feel themselves caught in the middle between advocates of a bustling economy and the zero-waste faction.

Revisiting Subtitle D

Whether or not you own or operate a landfill, sooner or later you (and the rest of us) are all going to have to revisit Subtitle D. Why? Because ultimately the public is responsible for the long-term fate of all waste within its functional boundaries. "How about postclosure set-asides," you ask? All Subtitle D cares about is the 30 years following the final date of a landfill's operations. In theory the liner system will keep things nice and tidy forever--and there's every reason to believe that a properly-designed and installed geosynthetic liner will last a good long time. Forever? No, but 30 years should not strain anyone's credulity. The significant point, however, is that until the landfill's contents no longer present a danger to the environment, no one is off the hook--especially those with deep pockets and/or whose water supply has been contaminated. As I stated in my Editor's Comments (November/December 1997) "the public is at risk of becoming the 'stuckee' when containment eventually breaks down. Whether this takes place 31 or 310 years after closure is beside the point, which is that those who get to pay for the cleanup--you and your kids--are not going to be as concerned over how they got into the mess as to where the money's going to come from." And, looking at competitive tipping fees predicated on market factors, "You may not want to think about what lurks beneath the surface [of your landfill], but your descendants will hold you in higher regard if you do."

The Need for Hard Data

Most of us are tired of hearing the traditional academic disclaimer/plea for continued funding, "Needs more study," but when it comes to answering solid waste questions with hard data, the pitiful truth is that rarely are we in possession of reliable and/or relevant information on which to base sound decisions. So what can we do about it?

A good way to start is to write down your own questions (e.g. how much waste do I really have and where does it all go?), find the answers, and publish your findings so others can have access to them. Next, we can work through our various waste associations, getting them to focus attention on the areas needing the greatest amount of attention. Finally, we need to enlist the support of all industry participants--regulators, administrators, managers, and suppliers of goods and services (as well as associations, academic institutions, and research foundations)--to develop and implement a cohesive research plan. We're a \$40 billion-per-year industry that lacks a cogent R&D program. Surely 1998's a good year to change the experiment.