

**ANNUAL REPORT OF THE**

**VIRGINIA RECYCLING  
MARKETS DEVELOPMENT  
COUNCIL**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



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**REPORT OF  
THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

**TO: THE HONORABLE GEORGE F. ALLEN, GOVERNOR  
AND  
THE GENERAL ASSEMBLY OF VIRGINIA**

The Virginia Recycling Markets Development Council was established by the General Assembly in 1993. The Council is directed by statute to develop and monitor the implementation of a plan to strengthen Virginia's recycling infrastructure and markets by improving the supply and quantity of recyclables available, expanding the capacity of collectors, processors and manufacturers to handle and use secondary materials and developing strategies to increase the use of specific materials.

In carrying out the charge that the General Assembly provided to the Council, the Council is to undertake the following activities:

1. promote and coordinate state agencies' and authorities' efforts to enhance markets for recycled or recovered materials;
2. promote the purchase of products made from recycled or recovered material;
3. identify and evaluate financial and other incentives which may attract new businesses that can use recycled or recovered materials generated in Virginia;
4. identify barriers to the development of markets for recycled material including existing state policies, regulations and procedures, and recommend alternatives to overcome such obstacles;
5. develop recommendations for the establishment of a regional or interstate marketing system for recycled materials;
6. encourage the use of uniform recycling definitions and standards throughout the state; and
7. promote and encourage public/private market development initiatives.

The Council has undertaken a number of activities during the course of 1996. In addition to thorough examinations of issues associated with the current recycling goals in the Commonwealth, significant discussions regarding the use and expenditure of funds generated by the waste tire program and the important role of partnerships between the local

governments and the private sector, the Council has initiated discussion and inquiry with a number of organizations instrumental in innovations for the recycling industry. Those activities have taken the Council to locations outside of the Richmond and hopefully provided greater insights to the citizens of the Commonwealth of both the existence of the Council and the important role it can play in shaping the policy and agenda for improved recycling opportunities.

## **STRUCTURE OF THE COUNCIL**

The Council is comprised of individuals appointed by the Governor and various state agency personnel who serve to expedite the decision making and efforts of the Council. The members include representatives of the various recyclable commodity markets and individuals whose business interests serve an important role in the transportation and development of recycling markets. During 1996, the Council consisted of the following individuals. Michael Benedetto, representing the paper industry, Betty Boswell, representing the glass industry, Stephen Coe, representing the recycling industry, Michael Dobson representing the solid waste collection and disposal industry, Edward A. Duffy, representing the plastics industry, George M. Hampton, a citizen at large appointee, Richard Lerner, representing the scrap metal industry, Julia E. Major, representing a rural planning district commission, Van McPherson, representing the aluminum industry, Thomas D. Mirable, representing the organic waste industry, Wayne G. Strickland, representing an urban planning commission, Richard S. Weber, representing the Virginia Association of Counties, M. Terry Westhafer, representing the tire dealers industry, Douglas Wine, a member of the Staunton City Council, representing the Virginia Municipal League and Grady S. Wood, representing the oil industry.

Representatives of state agencies serving on the Council included Bruce Brooks of the Department of General Services, William A. Lindsay of the Department of Transportation, Michael Murphy of the Department of Environmental Quality and James C. Witherspoon of the Department of Economic Development.

Ms. Paddy Katzen of the Department of Environmental Quality served as liaison among the various state agency representatives and the private sector membership of the Council.

In order to facilitate the efforts of the Council and to enhance their effectiveness, the Council utilized subcommittees. A recycling goals subcommittee was chaired by Mr. Lerner and included Ms. Boswell, Mr. Dobson and Mr. Benedetto. A used tire subcommittee was chaired by Mr. Westhafer and included Mr. Murphy and Mr. Dobson.

The Council was ably chaired by Mr. Michael Dobson of Portsmouth, Virginia. The vice chairman was Mr. Coe of Richmond.

## **ACTIVITIES OF THE COUNCIL**

The Council met several times during the course of the year. Meetings were held in Richmond, Williamsburg and Lynchburg. A significant amount of the Council activity focused on receiving presentations from various individuals, associations and businesses in an effort for the Council to garner a greater appreciation for the current state of the recycling industry and to begin to more fully appreciate the potential impediments and obstacles that may exist for the various commodities. A consistent theme of the various meeting was the lack of stability of certain markets and the Council sensed frustration in not being able to effectively address that issue. The general consensus among Council members was that these fluctuations in markets were going to continue and was a factor of the open market, and that the Council could have little impact in attempting to resolve that issue at this time. However, the Council remained vigilant during its deliberation to the issue and was solicitous of many individuals and organizations as to innovations or ideas that would warrant recommendation.

In an effort to get a handle on those things over which the Council may be able to be a positive influence, the Recycling Goals subcommittee and the Tire subcommittee were commissioned to move forward with expanded deliberations on the issues before them.

## **RECYCLING GOALS SUBCOMMITTEE**

The driving force for the Recycling Goals subcommittee was the recognition that the current statutory provision relative to recycling that establishes the recycling rate for localities throughout the Commonwealth is due to expire in 1997. Initially established some years ago, the rate was to increase from inception to a rate of twenty-five percent by the year 1995. It was clear to the subcommittee that in the vast majority of situations, the twenty-five percent rate had been achieved. With some exception in small remote jurisdictions, localities were reporting the achievement and surpassing of the twenty-five per cent rate established by the Code.

A number of issues were presented to the subcommittee. Among those issues was whether or not the recycling rate should be increased, whether or not there still existed a need to include such a rate in the Code, and whether or not certain commodities, such as scrap metal which often comprise a large percentage of a local government's recycling should be excluded from counting towards achievement of the goal. Additionally, some local government representatives suggested that maintaining the goal in the Code was an important component of their local programs because it provides the incentive to local elected officials to maintain the program and not divert much needed resource, both human and financial from the program.

The subcommittee heard some limited testimony that the recycling rate was no longer needed in the Code and to include it only perpetuated a no longer needed or desired mandate on local governments. However, the more significant testimony of local governments was that the goal should be maintained and that some reporting mechanism should be continued.

Currently, a local government provides to the Department of Environmental Quality a report every five years on the development and maintenance of its solid waste management plans **and** a second report on its recycling activities every two years. The subcommittee clearly saw this dual reporting as burdensome, given the significant progress made by the local governments towards recycling and felt that a simplified version of the recycling report could be included every five years with the solid waste management plan report.

Following numerous discussions and consensus activities, the subcommittee recommended to the full Council that the current twenty-five per cent recycling rate be maintained. The subcommittee felt that a great number of local governments could achieve an even greater recycling rate but that leaving the current rate as it now stands would encourage and support the efforts of the many different entities that had been involved in achieving the goals.

The Council, therefore, recommends that the Code of Virginia be amended to require the maintenance of the twenty-five percent recycling rate and that the reporting mechanism to the Department of Environmental Quality be the currently required solid waste management plan updates which are required every five years. A suggested draft of legislation to implement this recommendation is attached as Appendix A.

The Council also recommends the adoption of a joint resolution commending local governments and the private sector on their efforts to date. A suggested draft joint resolution is attached as Appendix B.

## **TIRE SUBCOMMITTEE**

The deliberations of the tire subcommittee were a continuation of discussion held in 1996 and focused on legislation that was carried over to the 1997 session of the General Assembly by the Senate Agriculture, Conservation and Natural Resources Committee. Introduced by Delegate Plum, House Bill No. 584 passed the House of Delegates prior to being carried over in the Senate. That legislation would have established a hierarchy for the reimbursement of funds for waste tires dependent upon the ultimate end use. Current law does not distinguish among end users so long as the ultimate end use is for beneficial purposes. A number of interests, including the Department of Environmental Quality, rallied to oppose the legislation. Significant concern was expressed regarding the diversion of funds from the cleanup of old tire piles should the hierarchy be instituted. Proponents of the legislation argued that by establishing such a hierarchy, it would encourage the development of new markets for used tires and the result would be less reliance on the use of this material as daily cover at landfills and similar civil engineering practices.

The subcommittee wrestled with these issues over the course of several meetings in an effort to find a consensus on a recommendation that could be made to the full Council. Unfortunately, that consensus did not emerge and the Council does not take a formal position on House Bill No. 584.

Currently, the disbursement of the waste tire fund is limited to seventy-five percent of the proceeds derived from collections of .50 cents on each new tire sold in any given year. The subcommittee agreed that the 50 cents tire tax was insufficient for full funding of proposed tire management programs, and that the original \$1.00 per tire tax would have allowed additional reclamation efforts for the tire piles and non-current flow programs. The subcommittee supported an increase in the tire tax from 50 cents to \$1.00 per tire, but did not bring a recommendation to the Council for a vote. However, the subcommittee did recommend to the full Council that the impediment to the expenditure of the available funds (the seventy-five percent limitation) be deleted from current law. The Council voted to approve this recommendation. A suggested draft of legislation to implement this recommendation is attached as Appendix C.

By removing the cap on expenditures from the fund, the Department of Environmental Quality would be able to assist more end-users and thus the impact of the fund on the use of waste tires would be enhanced. The Department has had significant success in the development and implementation of this program and currently is hampered by this limitation. Clearly, the Department will have the foresight and ability to budget the administration costs of this program without having a statutorily imposed limit on the utilization of the available funds. A suggested draft of legislation to implement this recommendation is attached as Appendix C.

## **OTHER COUNCIL ACTIVITIES**

Unrelated to the activities of the various subcommittees, the Council heard a number of presentations regarding the various recycling markets. Representatives from "Jobs through Recycling" informed the Council of their efforts to improve Virginia's recycling structure through the use of new technologies in concert with the Center for Innovative Technology. A presentation was made regarding the highly successful efforts of "Buy Recycled," which includes 2400 companies who have banded together to investigate and explore procurement practices in the public and private sectors. The Virginia Recycling Association has reported its many success stories and brokered a relationship with the Council to forge an even more effective partnership.

Reports and assessments from state agencies were similarly shared with the Council including the efforts of the Virginia Department of Transportation to utilize glass and shredded tires in roadbeds. The Department has utilized shredded tires in four projects, the largest of which is in the Lightfoot area near Williamsburg. The use of glass has presented some limitations for VDOT such as supply and the resurfacing of some glass particles in a small test roadway located in a subdivision. VDOT continues to explore alternative uses of these materials and the Council has encouraged those efforts and pledged its support.

Innovations in the recycling of construction and demolition debris were the focus of the Council's attention in Lynchburg. A presentation by Gershman, Brickner and Bratton, Inc. focused on the opportunities that may be present with material that is normally destined

for landfilling. Additional presentations were made by Chadwick Financial which creates barter opportunities for profit companies with non-profits revolving around excess inventories. The Council has been generally pleased with the efforts that they have witnessed from many different and unique sources. The Council has continued to support these initiatives and offered their advice and guidance to the many varied and different interests which have a success story. The Council feels that through this effort and through the forum which it provides for these individuals that new markets and new opportunities with regard to recycling will continue to emerge.

## CONCLUSION

The Council wishes to express its appreciation to the efforts of the Department of Environmental Quality for its continued assistance in its deliberations and efforts. Likewise, the Council is grateful to the local governments throughout Virginia for their participation in the Council's efforts and to the private sector which continues to bring solutions and a willingness to participate with state and local governments in the Commonwealth.

The recommendations that are contained in our report are important to the critical success of the Commonwealth's recycling program. It is our hope that the recommendations we make will be implemented.

Respectfully submitted,

M. Terry Westhafer  
Douglas C. Wine  
Grady S. Wood  
Bruce E. Brooks  
Michael P. Murphy  
William A. Lindsey  
James C. Witherspoon  
Michael Benedetto  
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Wayne G. Strickland  
Richard S. Weber



## **APPENDIX “A”**

**§ 10.1-1411. Regional and local solid waste management plans.**

The Board is authorized to promulgate regulations specifying requirements for local and regional solid waste management plans.

To implement regional plans, the Governor may designate regional boundaries. The governing bodies of the counties, cities and towns within any region so designated shall be responsible for the development and implementation of a comprehensive regional solid waste management plan in cooperation with any planning district commission or commissions in the region. Where a county, city or town is not part of a regional plan, it shall develop and implement a local solid waste management plan in accordance with the Board's regulations.

The Board's regulations shall include all aspects of solid waste management including waste reduction, recycling and reuse, storage, treatment, and disposal and shall require that consideration be given to the handling of all types of nonhazardous solid waste generated in the region or locality. In promulgating such regulations, the Board shall consider urban concentrations, geographic conditions, markets, transportation conditions, and other appropriate factors and shall provide for reasonable variances and exemptions thereto, as well as variances or exemptions from the minimum recycling rates specified herein when market conditions beyond the control of a county, city, town, or region make such mandatory rates unreasonable. ~~The regulations shall require that local or regional plans identify how the following minimum recycling rates shall be achieved: ten percent by 1991, fifteen percent by 1993, and twenty five percent by 1995. Following 1995, local and regional solid waste planning units shall maintain a minimum twenty five percent recycling rate through 1997 and shall report their 1997 recycling rates to the Department by May 1, 1998.~~ The regulations shall permit a credit of one ton for each one ton of recycling residue generated in Virginia

and deposited in a landfill permitted under subsection L of § 10.1-1408.1. The total annual credits shall not exceed one-fifth of the twenty-five percent requirement.

Local and regional solid waste planning units shall achieve and maintain a minimum twenty-five percent recycling rate.

After July 1, 1992, no permit for a solid waste management facility shall be issued until the local or regional applicant has a plan approved by the Board in accordance with the regulations.

If a county levies a consumer utility tax and the ordinance provides that revenues derived from such source, to the extent necessary, be used for solid waste disposal, the county may charge a town or its residents, establishments and institutions an amount not to exceed their pro rata cost, based upon population for such solid waste management if the town levies a consumer utility tax. This shall not prohibit a county from charging for disposal of industrial or commercial waste on a county-wide basis, including that originating within the corporate limits of towns. (~~1986, c. 492, § 10-274; 1987, c. 249; 1988, c. 891; 1989, c. 440; 1990, cc. 574, 781; 1991, c. 237; 1995, c. 216.~~)

## **APPENDIX "B"**

## Resolution Commending Local Governments for Recycling Activities

Whereas, in 1989 the Virginia General Assembly passed House Bill 1743 requiring local governments to establish recycling goals of ten percent by 1991, fifteen percent by 1993, and twenty-five percent by 1995; and

Whereas, the Waste Management Board subsequently adopted regulations to guide local governments in the development of local and regional plans to facilitate comprehensive approaches toward managing municipal solid waste; and

Whereas, local governments in Virginia responded by developing effective and efficient partnerships with public and private sector solid waste disposal and recycling entities to develop and implement comprehensive programs for managing municipal solid waste; and

Whereas, such partnerships and efforts have resulted in the overwhelming majority of Virginia's local governments achieving the recycling goals established by the 1989 General Assembly; and

Whereas, these efforts have resulted in an average statewide recycling rate of greater than thirty percent, a rate which exceeds the twenty-five percent goal established by the 1989 General Assembly; and

Whereas, many local governments have developed innovative approaches toward achieving the recycling goals; now therefore be it

Resolved, that the Virginia General Assembly commends Virginia's local governments and their private sector partners for the progress they have made in developing comprehensive and progressive strategies in the management of municipal solid waste; and be it further

Resolved, that local governments in Virginia are also commended for the responsible roles they have assumed in leading the Commonwealth toward the achievement of an average recycling rate that exceeds thirty percent; and be it further

Resolved, that the Virginia General Assembly commends Virginia's local governments and their private sector partners for the advances they have made in managing municipal solid waste in a manner that will yield significant benefits for Virginia's environment, and be it finally

Resolved that Virginia's local governments be encouraged to continue their progress in improving the Commonwealth's approach toward the responsible management of municipal solid waste.

## **APPENDIX "C"**

§ 10.1-1422.4. **Partial reimbursement for waste tires; eligibility; promulgation of regulations.** - A. The intent of the partial reimbursement of costs under this section is to promote the use of waste tires by enhancing markets for waste tires or chips or similar materials.

B. Any person who (i) purchases waste tires generated in Virginia and who uses the tires or chips or similar materials for resource recovery or other appropriate uses as established by regulation may apply for partial reimbursement of the cost of purchasing the tires or chips or similar materials for resource recovery or other appropriate uses as established by regulation may apply for a reimbursement of part of the cost of such use.

C. To be eligible for the reimbursement (i) the waste tires or chips or similar materials shall be generated in Virginia, and (ii) the user of the waste tires shall be the end user of the waste tires or chips or similar materials. The end user does not have to be located in Virginia.

D. Reimbursements from the Waste Tire Trust Fund shall be made quarterly. ~~Any costs reimbursed under this section shall not exceed seventy five percent of the previous year's collections as certified by the Department of Taxation.~~

E. The Board shall promulgate regulations necessary to carry out the provisions of this section. The regulations shall include, but not be limited to:

1. Defining the types of uses eligible for partial reimbursement;
2. Establishing procedures for applying for and processing of reimbursements; and
3. Establishing the amount of reimbursement.

F. For the purposes of this section "end user" means (i) for resource recovery, the person who utilizes the heat content or other forms of energy from the incineration or pyrolysis of waste tires, chips or similar materials and (ii) for other eligible uses of waste tires, the last person who uses the tires, chips, or similar materials to make a product with economic value. If the waste tire is processed by more than one person in becoming a product, the end user is the last person to use the tire as a tire, as tire chips, or as similar material. A person who produces tire chips or similar materials and gives or sells them to another person to use is not an end user.

