

**ANNUAL REPORT OF THE**

**Virginia Recycling Markets  
Development Council**

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



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**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2002**



**FY 2001 REPORT OF  
THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

TO: The Honorable James S. Gilmore, III  
And  
The General Assembly of Virginia

The Virginia Recycling Markets Development Council (VRMDC), established by the General Assembly in 1993, is directed by statute (Section 9-145.47, Code of Virginia) 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 materials.
3. Identify and evaluate financial and other incentives that 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.
7. Promote and encourage public/private market development initiatives.
8. To report annually its findings and recommendations to the Governor and the General Assembly; and
9. To determine the volume of materials by varying categories or commodities which is being recycled in the Commonwealth and to report its findings in its

1998 report. The Council shall investigate the frequency of situations in which, because of market conditions or other factors, materials collected for recycling are otherwise disposed of, and determine measures to avoid the recurrence of such situations. The Department of Environmental Quality (DEQ) shall provide staff to the Council for the purposes of this subdivision and shall cooperate with the Council in the preparation of the report.

In addition, the Council shall develop and monitor the implementation of a plan to strengthen Virginia's recycling infrastructure and markets which (i) improve the supply and quantity of recyclables available; (ii) expand the capacity of collectors, processors, and manufacturers to handle and use secondary materials, and (iii) incorporate strategies to increase the use of specific measures.

The members of the Virginia Recycling Markets Development Council are pleased to present the attached report to Governor Gilmore and to the General Assembly of Virginia to fulfill the reporting requirements of the statute (§9-145.47, Code of Virginia).

Respectively submitted,

Members, Virginia Recycling Markets  
Development Council

**FY2001 REPORT OF THE  
VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

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**FY 2001 REPORT OF  
THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

**EXECUTIVE SUMMARY**

The legislation establishing the Virginia Recycling Markets Development Council requires the Council to report annually to the Governor and the General Assembly on its findings and recommendations. This Annual Report of the Virginia Recycling Markets Development Council has been prepared on a Fiscal Year basis.

**FY 2001 ACTIVITIES OF THE COUNCIL - MEETINGS**

The Virginia Recycling Markets Development Council met on September 12, 2000 (Information Session), November 14, 2000 (Business Meeting), February 13, 2001 (Information Session), May 8, 2001 (Business Meeting), and June 12, 2001 (Information Session).

**FY 2001 ACTIVITIES OF THE COUNCIL - SUBCOMMITTEES**

The Virginia Recycling Markets Development Council was asked to review three issues in 2001 by the Chairman of the Commission on the Future of Virginia's Environment, Senator William T. Bolling. The three issues include the justification for a full time Recycling Markets Development Specialist, increasing recycling rates, and establishment of waste surcharges. Three ad hoc committees were established to review the issues and to make recommendations. Recommendations made by the subcommittees are presented below:

- **Recycling Coordinator/Specialist - Edward A. Duffy, Subcommittee Chair**

The subcommittee recommended the creation of the position of Recycling Markets Development Specialist and that this position be placed within state government at a level that would allow it to work across Secretariats. Funding to support the position should be derived from revenues generated through the Solid Waste Disposal Surcharge, recommended separately by the RMDC. It is estimated that funding in the amount of \$100,000 per annum would be required for salary, benefits and other direct costs associated with the position.

- **Recycling Rates - Michael P. Murphy Subcommittee Chair and Richard M. Lerner**

The subcommittee recommended that there should be no change to the current 25% recycling rate mandate until data from all localities for Calendar Year 2001 is received and validated. (Annual reports from localities are required by Solid Waste Planning Regulations 9VAC30-120-10 et seq. as amended June 2001. *(Posted 07/02/01 in the Virginia Register, effective date 08/01/01.)*)

- **Waste Disposal Fee or Surcharge - Richard N. Weber, Subcommittee Chair**

The subcommittee recommended the establishment of a surcharge on municipal solid waste disposal in the Commonwealth, regardless of the origin of the waste. The subcommittee further recommended that revenues generated from such a surcharge or fee be distributed to localities through solid waste management planning districts. Funding is needed at the state level to develop a Statewide Solid Waste Management Plan and to support the funding of a full-time Recycling Markets Development Specialist. The subcommittee recommended that the surcharge rate be five (5) dollars per ton disposed, and that it be collected on a quarterly basis and distributed on a semi-annual basis. Revenue generated through the surcharge should be placed in a non-reverting fund.

The 4 state agency representatives abstained from voting on this issue.

#### **FY 2001 ACTIVITIES OF THE COUNCIL - REGULATORY PARTICIPATION**

The RMDC attended the Solid Waste Subcommittee (Senator Hanger) of the Commission on the Future of Virginia's Environment (Senator Bolling) on November 27, 2000 and presented information and recommendations from the RMDC 2000 Annual Report. The RMDC worked with members of the Commission on the Future of Virginia's Environment and other legislators on solid waste issues throughout the session. The RMDC also attended a meeting of the Commission on the Future of Virginia's Environment on June 26, 2001, and presented the recommendations of the Council for FY2001.

The Council requested legislative assistance in amending its statutory authority to change the quorum requirement from a set number (10) to a majority of the appointed membership and to stagger the terms of Council members effective with appointments to be made in July 2001. Legislation was enacted by the General Assembly and signed by the Governor making these changes effective on July 1, 2001.

During FY 2001, members of the Council participated on the DEQ Technical Advisory Committee for the revision to the Solid Waste Planning Regulations. The Council also formally provided comments to DEQ supporting the continuation of the Regulations governing the recycling tax credit.

#### **FY 2001 ACTIVITIES OF THE COUNCIL - PRESENTATIONS**

During the course of its deliberations during FY 2001, the Council received presentations from several organizations and individuals on recycling programs and issues. Included were presentations on "Pay as You Throw Programs", "Automotive Products Recycling Status", "Solid Waste Planning Regulations", "Environmental and Recycling Education", and "Abandoned Vehicles".

## **FY 2001 ACTIVITIES OF THE COUNCIL - STATE AGENCY INITIATIVES**

The RMDC tracks state agency initiatives to identify possible areas of collaboration and cooperation. RMDC worked with the Department of Business Assistance, the Department of Environmental Quality, the Department of General Services, and the Virginia Department of Transportation throughout 2000 and 2001.

## **FY 2001 ACTIVITIES OF THE COUNCIL - PUBLIC FORUM**

All meetings of the Virginia Recycling Markets Development Council were noticed in the Virginia Register and opportunities for public participation were an integral part of each meeting. In addition, the November 14, 2000 meeting of the VRMDC was held in conjunction with the Virginia Recycling Association's annual conference at Wintergreen Resort.

## **FY 2001 ACTIVITIES OF THE COUNCIL - VRMDC RECOMMENDATIONS**

Based on its deliberations between July 2000 and June 2001, the Virginia Recycling Markets Development Council makes the following recommendations for consideration by the Governor and the General Assembly:

- That further study of the Virginia Recycling Tax Credit is done to determine the feasibility of expanding the recycling tax credit program to include more than manufacturing equipment. (tax credit is given for the purchase of equipment used in recycling)
- That the state defer consideration of increase in recycling rates pending:
  - 1) Allowing a years' experience with new Solid Waste Management Planning Regulations and Annual Reporting.
  - 2) Determining whether it should be a recycling rate or a diversion rate.
- That the state establish a surcharge on disposal of municipal solid waste (MSW) in Virginia.
- That the state establish a State Recycling Markets Development Specialist position.

Respectfully submitted,

Members, Virginia Recycling Markets  
Development Council



# FY 2001 REPORT OF THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL

## INTRODUCTION

The legislation establishing the Virginia Recycling Markets Development Council requires the Council to report annually to the Governor and the General Assembly on its findings and recommendations. Since its inception, the Council has attempted to complete its reporting on a Calendar Year basis. This frequently means that data on the status and health of the recycling industry is not available in a timely fashion for the Council's consideration. To address this issue, which has complicated the Council's annual reporting the Council believes that Fiscal Year reporting may be more appropriate. This Annual Report of the Virginia Recycling Markets Development Council has been prepared to encompass Council activities for Fiscal Year 2001.

## FY 2001 ACTIVITIES OF THE COUNCIL

### MEETINGS

The Council met several times during the course of the year. Meetings, were held on September 12, 2000, November 14, 2000, February 13, 2001, May 8, 2001 and June 12, 2001. (See Appendix 1 for Members of the VRMDC.) The September, February, May and June meetings were held in the Conference Room of the Central Virginia Waste Management Authority, Interstate Center, 2104 West Laburnum Avenue, Richmond, Virginia. The November meeting was held in conjunction with Virginia Recycling Association's annual conference at Wintergreen Resort. Overviews of these meeting are as follows:

- **September 12, 2000 - Information Session:** Council members present discussed current Council vacancies (Waste Tires, Solid Waste, and Aluminum), the need for a state recycling coordinator position, and the status of the Virginia Recycling Tax Credit.
- **November 14, 2000 - Business Meeting:** Items discussed included: the RMDC Annual Report for 1999 - 2000; Virginia's used oil recycling program efforts; the Solid Waste Planning Regulations; recycling tax credit issues; proposed items for the 2001 RMDC agenda; and a legislative recommendation on the constitution of a quorum for RMDC.
- **February 13, 2001 - Information Session:** Council members present discussed the following items: Senator Bolling's December 2000 request to the VRMDC; recycling rates; waste disposal fees or surcharges; a state recycling coordinator position; SB 1162; SB 1112; the RMDC Annual Report; the Virginia Procurement Pipeline; and the Department of General Services' (DGS) "E-Procurement" program.

- **May 08, 2001 - Business Meeting:** Chairman Carlock reported that Senate Bill 1162 has passed the Virginia Senate and House, and the Governor has approved the bill. This bill staggers the terms of the members of the Virginia Recycling Markets Development Council: eight members are appointed to a four year term, and seven members appointed to two year terms; thereafter all appointments will be for four year terms. SB 1162 also changes the requirements for a quorum from ten to a majority of the appointed members. This bill becomes effective July 1, 2001. In addition, it was reported that SB 1003 relating to the establishment of a statewide oil, oil filter, and antifreeze management program passed in this year's session without any funding provisions.

Subcommittee Reports: The "Recycling Rates" (Appendix 3) and the "Waste Disposal Fee or Surcharge" (Appendix 4) Subcommittees reported their findings.

**June 12, 2001 - Information Session:** Council members present received the report from the Ad Hoc "Recycling Coordinator" Subcommittee (Appendix 2).

#### **FY 2001 ACTIVITIES OF THE COUNCIL - SUBCOMMITTEES**

- **Recycling Coordinator/Specialist - Edward A. Duffy, Subcommittee Chair**

The Sub-Committee recommended that the Recycling Markets Development Specialist be placed within state government in a position that will allow it to work across Secretariats. Funding to support the State Recycling Markets Development Specialist should be derived from revenues generated through the Solid Waste Disposal Surcharge, recommended separately by the RMDC. It is estimated that funding in the amount of \$100,000 per annum would be required for salary, benefits and the direct costs associated with the position.

(A copy of the subcommittees' final report and recommendation as well as a job description for the position can be found in Appendix 2.)

- **Recycling Rates - Michael P. Murphy Subcommittee Chair and Richard M. Lerner.**

The Sub-Committee recommended that there should be no change to the current 25% recycling mandate until data from all localities for Calendar Year 2001 is received and validated. (Annual reports from localities are required by Solid Waste Planning Regulations 9VAC30-120-10 et seq. as amended June 2001. (*Posted 07/02/01 in the Virginia Register, effective date 08/01/01.*) In addition, the sub-committee recommended that a copy of the survey results should be provided to the Commission on the Future of Virginia's Environment.

(A summary of the locality and other state surveys used by the sub-committee and the sub-committee's recommendations is included in Appendix 3.)

- **Waste Disposal Fee or Surcharge - Richard S. Weber, Subcommittee Chair**

The subcommittee recommended the establishment of a surcharge on municipal solid waste disposal in the Commonwealth, regardless of the origin of the waste. The Sub-Committee further recommended that revenues generated from such a surcharge or fee be distributed to localities through solid waste management planning districts. Funding is needed at the state level to develop a Statewide Solid Waste Management Plan and to support the funding of a full-time recycling coordinator/specialist. The Sub-Committee further recommended that the surcharge rate be five (5) dollars per ton disposed, and that it be collected on a quarterly basis and distributed on a semi-annual basis.

The state agency representatives abstained from voting on this issue.

(A copy of the Sub-Committee Report and recommendations can be found in Appendix 4.)

## **FY 2001 ACTIVITIES OF THE COUNCIL - REGULATORY PARTICIPATION**

### **Solid Waste Subcommittee of the Commission on the Future of Virginia's Environment**

The RMDC was invited to attend the Solid Waste Subcommittee of the Commission on the Future of Virginia's Environment (Senator Hanger) on November 27, 2000 and present information and the recommendations contained in the Annual Report. Michael P. Benedetto made the presentation. His presentation included recommendations for the continuation of the recycling machinery tax credit; hiring a full time state recycling coordinator; increasing the state mandated recycling goal of 25%; promoting tax incentives/credits to encourage recycling; and a User Fee, such as Pennsylvania's \$2 per ton of waste, to pay for the recommendation. (Appendix 5)

The RMDC worked with The Commission on the Future of Virginia's Environment (COFVE) and other legislators during the session on a number of solid waste issues, including recycling. During the 2001 legislative session, legislation passed that will: (1) extend the recycling equipment tax credit until January 2004 (SB1112), (2) change operational (quorum) requirements and stagger the terms of membership for the RMDC (SB 1162), (3) establish a statewide DEQ program to encourage the recycling of used motor oil, oil filters and antifreeze (SB 1003), and (4) authorize counties, cities and towns to grant incentives to encourage recycling (HB 681). A bill to increase the mandatory recycling rate for Virginia

localities to 40% in 2005 was withdrawn by its patron in order that the RMDC could research issues related to such a change. The RMDC was to prepare and submit its findings to COFVE by June 30, 2001. The RMDC presented its findings to COFVE through correspondence dated June 20, 2001(See Appendix 6.) and through a presentation before the Commission on June 26, 2001 by Robert J. Kerlinger (See Appendix 5.).

### **Recycling Tax Credit Issues**

RMDC supported continuation of the tax credit for recycling equipment for manufacturers. Current tax credit legislation sunsets June 30, 2001. Correspondence was submitted to DEQ supporting extension of the regulations governing this program.

### **FY 2001 ACTIVITIES OF THE COUNCIL - PRESENTATIONS**

The Council received presentations from several organizations and individuals on recycling programs and issues during FY2001.

During Fiscal Year 2001, the Council received presentations on:

- 1) Pay As You Throw Programs - September 12, 2000 (Bob Kerlinger and Ted Henefin, Director of Public Works, City of Hampton) & November 14, 2000 (Robert J. Kerlinger and Jan Canterbury, U.S. EPA)
- 2) Automotive Products Recycling Status Report - September 12, 2000 (David Bulova, NVPDC)
- 3) Solid Waste Planning Regulations - September 12, 2000 (Michael P. Murphy, Department of Environmental Quality)
- 4) Environmental and Recycling Education - February 13, 2001 (Ann Regn, Department of Environmental Quality and Julia Hillegrass, Hampton Roads Planning District Commission)
- 5) Abandoned Vehicles - May 8, 2001 (Susan Braswell, Executive Director, VA Association of Towing and Recovery Operators)

(Copies of these presentations are on file at the Virginia Department of Environmental Quality.)

### **FY 2001 ACTIVITIES OF THE COUNCIL - STATE AGENCY INITIATIVES**

The RMDC tracked state agency initiatives during FY2001 to identify possible areas of collaboration and cooperation. RMDC worked with the Department of Business Assistance, the Department of Environmental Quality, the Department of General Services, and the Virginia Department of



Transportation throughout 2000 and 2001. Summaries of these State Agency Initiatives are presented below:

## 1. DEPARTMENT OF BUSINESS ASSISTANCE

The Department of Business Assistance (DBA) continued its efforts to support the creation and nurturing of businesses in the recycling sector, as well as assisting existing companies in other sectors to increase or improve their recycling programs. During 2000, twenty-two (22) Virginia companies received direct assistance with recycling questions or problems from DBA Managers in the Existing Business Services Division. The Department of Business Assistance representative to MACREDO (The Mid-Atlantic Consortium of Recycling and Economic Development Officials) was an active participant in regional activities, elected by peers as chairman, and representing Virginia at the national Jobs Through Recycling conference in Chicago. A major initiative at the Department of Business Assistance is marketing the Virginia Procurement Pipeline's Business-to-Business Website, [www.virginiabusiness.org](http://www.virginiabusiness.org). The registration and search features will benefit both generators and recyclers by allowing them to find each other and to facilitate business partnerships.

## 2. DEPARTMENT OF ENVIRONMENTAL QUALITY

During FY 2001, the Department of Environmental Quality (DEQ) continued its administration of the annual grant program of the Litter Control and Recycling Fund. For the grant cycle beginning on July 1, 2000, the Fund balance was approximately \$2.156 million. Of this amount, seventy-five (75) percent (\$1,462,215) was made available to local governments and regional organizations for implementing their litter prevention and recycling programs. Another twenty (20) percent (\$318,719) was awarded through grants for statewide or regional educational programs about litter prevention and recycling.

DEQ continues to report by June 30 of each year to the General Assembly on the Commonwealth's solid waste generation and management by waste type and on the disposition and source of the solid waste. This information is gathered from permitted solid waste facilities in the Commonwealth through DEQ's Solid Waste Information and Assessment Program. The Virginia Waste Management Board has included these reporting requirements in the amendments to the proposed **Regulations for Solid Waste Management Planning** (9 VAC 20-130-10 et seq.) and has included requirements that localities report on an annual basis their recycling rates so more accurate information will be available in the future. These regulations were subsequently adopted by the Virginia Waste Management Board and will become effective in August 2001.

In 1999, DEQ opened its solid waste regulations to public comment and review (**Notice Of Intended Regulatory Action**) on issues such as solid waste management plans for local governments (including recycling reporting

guidelines) and composting. The regulations were modified to reflect statutory changes, federal legislative and regulatory changes, and to incorporate the Technical Advisory Committees' and public comments on the specific topics of the regulations. This activity continued through calendar year 2000, and the proposed regulations were presented to the Virginia Waste Management Board for adoption in 2001.

DEQ continues its work with the Mid-Atlantic Consortium of Recycling and Economic Development Officials (MACREDO), an information exchange network and working group funded by an EPA grant. MACREDO is composed of EPA Region III states (Delaware, Maryland, West Virginia, Pennsylvania and Virginia) and the District of Columbia. In 2000 DEQ staff attended MACREDO meetings in Shepherdstown, West Virginia (June and November) to facilitate the regional efforts on recycling and market development issues common to the members.

The Virginia Waste Tire Management Program continues work with its regional waste tire management projects and the administration of the End User Reimbursement Program. In 2000 DEQ provided administrative oversight for regional waste tire management projects with the Virginia Peninsulas Public Service Authority (5 counties and 3 cities), the Northern Neck Planning District Commission (4 counties), and the Montgomery Regional Solid Waste Authority (two counties, 1 city and 2 towns), as well as for a single locality project for Floyd County. The Commonwealth's waste tire management projects have recovered and processed over 6.1 million passenger tire equivalents (PTEs; for example, a single truck tire equals 5 passenger tires) since 1993 at a project cost of almost \$5.35 million from the Waste Tire Trust Fund.

In 2000, DEQ approved documentation on the beneficial use of Virginia waste tire material by applicants both in and outside of the Commonwealth. Beneficial use is broken into three primary categories: civil engineering, tire-derived fuel, and recycled products manufacture. Over 6.3 million PTEs were collected, processed and beneficially used during the year, with End User Reimbursements of over \$1.85 million paid from the Waste Tire Trust Fund. This waste tire material came from certified tire piles (including the completion of the tire pile clean up at the Rhinehart site near Winchester) and current flow operations served by the waste tire management network developed through the state program. Since its inception, the End User Reimbursement Program has documented the recovery, processing and beneficial use of 49,984,100 PTEs at a cost of over \$13,955,706 million from the Fund.

### **3. DEPARTMENT OF GENERAL SERVICES**

The Department of General Services continues to provide technical assistance, training and policy guidance to state agencies for their recycling and waste reduction programs and their procurement of materials made with recycled content.

More than 40 agencies were assisted with recycling, resource recovery issues or the reutilization of state surplus property involving a wide variety of materials and locations. Training provided in 2000 focused on electrical product recycling and related surplus property management. Market information was collected and local and regional market assessments were performed for electrical product reuse and recycling opportunities. Environmental policy implications and regulatory issues related to electrical products were assessed.

Legislation passed in the 2000 Session of the General Assembly now allows for state agencies to donate computers to public schools and designated charitable organizations, within state surplus donation policies and guidelines.

A newly designed statewide surplus scrap metal contract is in place for state agencies and other public bodies in the Commonwealth. This contract also includes, for a few regions of the state, electrical product scrap recycling.

In association with MACREDO, (the Mid-Atlantic Consortium of Recycling and Economic Development Officials), DGS has been involved in an EPA Region III eCycle group working to implement a long-term electrical product recycling collection in the region and in providing training on electrical product recycling. MACREDO is composed of EPA Region III states (Delaware, Maryland, West Virginia, Pennsylvania, and Virginia) and the District of Columbia.

#### **4. DEPARTMENT OF TRANSPORTATION (VDOT)**

Virginia Department of Transportation (VDOT) has and continues to support recycling ideas and initiatives. The department is committed to using good sound quality materials in their construction projects. The department develops test methods for the evaluation of the engineering properties of various materials. Materials selected for incorporation into the highway infrastructure must meet minimum quality standards and be supplied in a uniform and economic manner.

The recycled materials that VDOT is using, and has used, in construction are recycled asphalt and concrete from pavements and bridges, fly ash, slag, glass, shredded tires, guardrail offset blocks and concrete truck mix wash water. The materials that are recycled in VDOT's fleet operations around the state are used motor oil, antifreeze and batteries. Scrap metal such as guardrail, guardrail posts, bridge beams and light poles are sold to scrap metal dealers at auction.

The Virginia Transportation Research Council has developed a specification for asphalt roofing shingles. This specification will allow an asphalt producer to include a percentage of roofing shingles in an asphalt mixture. Asphalt producers at the present time recycle over a million tons of old asphalt

pavement each year. Asphalt is one material that the highway industry considers 100% recyclable.

Concrete used in highway construction includes anywhere from 165 to 325 lbs. of ground granulated blast furnace slag or 125 lbs. of fly ash per cubic yard from steel mills or electric power generation plants respectively. A percentage of wash water from ready-mix concrete trucks cleanup is allowed as mix water in a concrete mix.

A complete research report on an experimental project, which involved the placement of over a million shredded tires in a roadway embankment, is due early next year. Preliminary results indicate that the project was a success.

### **FY 2001 ACTIVITIES OF THE COUNCIL - PUBLIC FORUM**

All meetings of the Virginia Recycling Markets Development Council were noticed in the Virginia Register and opportunities for public participation were an integral part of each Council meeting.

The November 14, 2000 meeting of the VRMDC was held in conjunction with the Virginia Recycling Association's annual conference at Wintergreen Resort. A public forum was held during the course of this meeting. Items discussed included:

1. Why is a recycling goal of only 25% being maintained in Virginia?
2. How does one go about changing the law that set the 25% recycling goal?
3. Municipalities and counties pay for the operation of recycling programs. An increase in the recycling rate without an increase in funding may be seen as an unfunded mandate.
4. Can RMDC propose legislation to provide funding for the proposed solid waste management plan updates?
5. The potential for establishing a fee for waste disposed of in landfills (user fee) to provide an incentive for increased recycling and to provide for funding of local programs was discussed.
6. Can RMDC revisit the issue of inclusion of Construction and Demolition (C&D) material in the recycling rate calculations in the Proposed Planning Regulations?

## **FY 2001 ACTIVITIES OF THE COUNCIL - VRMDC RECOMMENDATIONS**

Based on its deliberations between July 2000 and June 2001, the Virginia Recycling Markets Development Council has a number of recommendations.

- That further study of the Virginia Recycling Tax Credit is done to determine the feasibility of expanding the recycling tax credit program to include more than manufacturing equipment. (tax credit is given for the purchase of equipment used in recycling)
- That the state defer consideration of increase in recycling rates pending:
  - 1) Allowing a years' experience with new Solid Waste Management Planning Regulations and Annual Reporting.
  - 2) Determining whether it should be a recycling rate or a diversion rate.
- That the state establish a surcharge on disposal of municipal solid waste (MSW) in Virginia.
- That the state establish a State Recycling Markets Development Specialist position.



**APPENDIX 1**

**FY2001 RECYCLING MARKETS DEVELOPMENT COUNCIL MEMBERS**





**FY2001 RECYCLING MARKETS DEVELOPMENT COUNCIL**

**APPOINTEES**

John M. Carlock

John H. Mitchell

Richard S. Weber

Edward A. Duffy

Michael P. Benedetto

Vacant

Diane L. Jones

Richard M. Lerner

Vacant

Andrew T. Carrington

Robert J. Kerlinger, Jr.

Vacant

Grady A. Wood

Vacant

Vacant

**STATE AGENCY**

A. Georgiana Ball

William R. Bailey III

Michael P. Murphy

William Vehrs

**REPRESENTING**

*Chairman, VRMDC FY2001*  
Urban Planning District

*Vice-Chair, VRMDC FY 2001*  
Recycling Industry

County Government

Plastics Industry

Paper Industry

Solid Waste Collection Industry

Rural Planning District

Scrap Metal Industry

Glass Industry

Citizen Member

Organic Waste Industry

Municipal Government

Oil Industry

Tire Industry

Aluminum Industry

Department of General Services

Department of Transportation

Department of Environmental  
Quality

Department of Business  
Assistance



**APPENDIX 2**

**Final Report**  
**Subcommittee on Recycling Coordinator**



Date of Meeting: June 12, 2001

**RECYCLING MARKETS DEVELOPMENT COUNCIL  
AD HOC "RECYCLING COORDINATOR"  
COMMITTEE REPORT:  
ACTION ITEM**

**BACKGROUND:**

The Virginia Recycling Markets Development Council has been requested to review three issues in 2001 by the Chairman of the Commission on the Future of Virginia's Environment, Senator William T. Bolling. The three issues include increasing recycling rates, the justification of a full time recycling coordinator, and waste surcharges. Council has been requested to report back to the Commission by June 30, 2001, with recommendations on the issues. At the regular meeting of the Council on February 13, 2001, Chairman Carlock appointed three ad hoc committees to review the issues and make recommendations for the consideration of the full Council.

This report addresses the Commission's request for information on the establishment of a full time "recycling coordinator." The Committee members are Edward A. Duffy and John M. Carlock.

**"RECYCLING COORDINATOR" COMMITTEE DISCUSSION:**

In his request to the Council, Senator Bolling asked that the Council provide justification for employment by the Department of Environmental Quality to hire a full-time state recycling coordinator. During its earlier study in 1999, the Virginia Recycling Markets Development Council had identified the need for the state to employ a full-time State Recycling Markets Development Specialist. A position description was developed and submitted to Governor Gilmore for consideration. As discussed in this report, the "Recycling Coordinator" Committee has continued to focus on the Markets Development aspect of the recommended position.

The "Recycling Coordinator" Committee did not meet formally. Committee discussions were accomplished by telephone and e-mail. Committee members indicated their belief that the work of the Council during 1999 that led to the initial Council recommendation that the Commonwealth establish the position of a State Recycling Coordinator remained valid.

## **State Staffing in Support of Recycling**

Over the past several years, several positions have been established in state government to deal with various aspects of the recycling issue. They include:

- Department of General Services – Collection of and purchase of Recycled Materials by State Agencies.
- Department of Business Assistance – Assistance to potential employers relocating to or expanding in Virginia.
- Department of Environmental Quality – Management of data reports provided by localities on recycling efforts and management of the litter prevention and recycling grant program.
- Department of Transportation - Use of recycled materials.

The Committee determined that these efforts are laudable and are certainly supportive of recycling in the Commonwealth. However, none of these positions is specifically charged with developing new markets or enhancing existing markets for recycled materials. Also, none of the positions are charged with coordinating market development efforts with the other elements of the Commonwealth's recycling or economic development programs. Finally, there is still no comprehensive position charged with coordinating the various elements of the state's recycling programs.

## **Survey of Other States**

A number of other states have developed positions dealing with development of recycling markets. The neighboring states of North Carolina and South Carolina have both established positions, the primary responsibility of which is development of markets for recycled materials and assistance to businesses involved in recycling. The U.S. Environmental Protection Agency operates the "Jobs Through Recycling" Program. Review of registrants at the 2001 JTR Market Development Roundtable indicates that fifteen (15) of the twenty-three (23) states represented at the conference were represented by individuals with job titles indicating they worked in Recycling markets Development. These individuals were housed in state Departments of Economic Development, Environmental Protection and Business Assistance, as well as some who were affiliated with the state's Cooperative Extension Service. Position descriptions for the North Carolina and South Carolina positions were reviewed by the Committee and found to be consistent with the position description for the Recycling Markets Development Specialist, developed by the Council.

## **Function of State Recycling Markets Development Specialist**

The Committee determined that the Position Description developed by the Council in 1999 and approved by the Council at its March 14, 2000 meeting accurately describes the functions of the Recycling Markets Development

Specialist. (Appendix 2.) The Recycling Markets Development Specialist would be responsible for recycling and market development, coordination of state agency initiatives in recycling and market development, outreach and education, coordination of policy development, research and related report writing and provision of staff assistance to the Virginia Recycling Markets Development Council. The Recycling Markets Development Specialist would augment and enhance, not supplant the existing positions in state government that have some responsibility for recycling.

The State Recycling Markets Development Specialist could enhance the effectiveness of the several other state agency recycling programs. The position of State Recycling Markets Development Specialist would elevate the visibility of recycling in the Commonwealth and send a clear message to both the public and private sectors that recycling is an important and integral component of the Commonwealth's economic development and environmental management policies. Working together the several state agency staff persons with responsibility for recycling would provide the Commonwealth with a truly comprehensive approach to state level recycling. The Recycling Markets Development Specialist would represent the state in various arenas with other states and through trade shows with the private sector. This increased presence would enhance the competitive position of the Commonwealth in attracting new businesses that recycle wastes generated within the Commonwealth or that require recycled materials as input to the manufacturing process.

#### **COMMITTEE RECOMMENDATION:**

The Committee recommends that the Council accept this report and forward a recommendation to the Commission on the Future of Virginia's Environment that provides for the establishment of the position of State Recycling Markets Development Specialist. The Committee recommends that the Recycling Markets Development Specialist be placed within state government in a position that will allow it to work across Secretariats. Funding to support the State Recycling Markets Development Specialist should be derived from revenues generated through the Solid Waste Disposal Surcharge, recommended separately by the Virginia Recycling Markets Development Council. It is estimated that funding in the amount of \$100,000 per annum would be required for salary, benefits and the direct costs associated with this position.

**DRAFT MOTION:**

I move that the Virginia Recycling Markets Development Council accept the report of the State "Recycling Coordinator" Committee and forward a recommendation to the Commission on the Future of Virginia's Environment prior to June 30, 2001, that legislation be drafted:

1. To establish the position of State Recycling Markets Development Specialist in a position in state government that will allow it to work across Secretariats; and,
2. That the State Recycling Markets Development Specialist be tasked with the responsibilities outlined in the Council's recommended position description (see next page): and,
3. That the position and associated costs be funded initially at the level of \$100,000 per annum

I further move that the Ad Hoc "Recycling Coordinator" Committee, having completed its work, be dissolved.

Respectfully Submitted,

Edward A. Duffy

John M. Carlock





# Virginia Recycling Markets Development Council

## COMMONWEALTH OF VIRGINIA

### RECYCLING MARKETS DEVELOPMENT SPECIALIST

#### **PART I: ORGANIZATIONAL INFORMATION**

Position to promote recycling and market development as a priority of the Commonwealth of Virginia, thus supporting the state's effort in waste diversion through recycling and to promote the use and purchase of recycled materials. Recommended position report to the Cabinet level of State Government in order to facilitate coordination among the state agencies involved in recycling and market development in the Commonwealth.

#### **PART II: POSITION INFORMATION**

This position is to act as the contact point for the purpose of promoting recycling businesses and market development in the Commonwealth of Virginia and to champion the cause of recycling to local governments, business and industry. This position will have two primary responsibilities:

- A. To recruit recycling based companies to Virginia and encourage existing companies to use recycled materials in their standard production process in lieu of virgin materials where feasible and to work on recycling market development in Virginia and the surrounding region.
- B. To manage projects of the Virginia Recycling Markets Development Council (VRMDC) and serve as a liaison between the Council and the Legislature, state government and industry and professional groups.

#### **PART III: WORK TASKS AND DUTIES**

##### **Recycling and Market Development**

This individual will facilitate the development and growth of recycling business and industry in the Commonwealth of Virginia and will assist existing companies with expansion efforts. Responsibilities include:

researching marketplace for types of recycling companies needed to improve the markets for recyclables within the state, identifying and seeking out successful recycling companies that are looking to expand operations in the region and providing the necessary guidance, information and logistics to make exploration of Virginia as a potential location attractive. Recruitment will include activities such as initial company contact and communication, exploration of needs, site selection and contact with financing sources and economic development officials as required. The position will serve as a technical resource to business and industry and others on recycled material supply, recycled product development and purchase, and will work closely with economic development professionals to encourage the expansion of recycling markets in Virginia.

This position will coordinate with local and regional officials and state agencies involved in recycling activities and provide technical assistance and ongoing continuity to promote recycling and market based development, particularly new recycling companies and technologies.

This position will examine current incentives available from the State, examine neighboring states' efforts in recruiting recycling companies in order to assess competition and recommend additional enticement mechanisms for Virginia in order to be competitive in recycling based industries.

This position will monitor, analyze and assess recycling data and information from the private sector, national, state and local government agencies and provide recycling market and economic development information to the Governor and the members of the General Assembly.

### **Coordinate Research, Report Writing and VRMDC Assistance**

This person will coordinate research and report on those issues and challenges as identified by the VRMDC which have been impediments to market development or which would enhance future recycling and waste reduction development within the State. Additionally, this position will assist the VRMDC by coordinating and producing the annual report of the Council, and managing the administrative staff support for VRMDC provided by the Cabinet office or designated state agency to record, prepare and distribute meeting minutes and notices.

## **Outreach and Education**

This individual will serve as advisor for technical assistance, outreach and education for recycling business recruitment and expansion-related business issues. Presentations will be made at workshops, conferences and other meetings on various recycling markets and economic development issues.

This position will develop resource materials, which promote the Commonwealth of Virginia as a recycling friendly business venue. Other responsibilities include bringing together key participants as needed to provide prospective firms with relevant information and to answer inquiries from potential development prospects.

## **PART IV: RECOMMENDED QUALIFICATIONS**

The individual selected for this position should possess a strong recycling background and understanding of recycling infrastructure and commodity issues; have the ability to stay current with this rapidly evolving field from both policy and technology perspectives; have a thorough knowledge of economic development incentives, business management principles, solid waste issues, state and local government operations and the legislative process.

Position requires an emphasis on customer service, project management and public relations skills. Must have excellent oral and written presentation and communications skills, the ability to collaborate effectively with a variety of individuals and organizations and the ability to work independently.



**APPENDIX 3**

**Final Report**  
**Subcommittee on Recycling Rate**



Date of Meeting: May 8, 2001

**RECYCLING MARKETS DEVELOPMENT COUNCIL  
AD HOC RECYCLING RATE  
COMMITTEE REPORT:  
ACTION ITEM**

**BACKGROUND:**

The Recycling Markets Development Council has been requested to review three issues in 2001 by Senator William T. Bolling, Chairman of the Commission on the Future of Virginia's Environment. The three issues include increasing recycling rates, the justification of a full-time recycling coordinator, and waste surcharges. Council has been requested to report back to the Commission by June 30, 2001, with recommendations on these issues. At the regular meeting of the Council on February 13, 2001, Chairman John Carlock appointed three ad hoc committees to review these issues and to make recommendations for the consideration by the full Council.

This report addresses the Commission's request for an assessment of the current recycling rate in the Commonwealth and the need and feasibility of increasing the current mandatory 25% recycling rate. The Committee members are Michael P. Murphy, Chair, and Richard M. Lerner.

**RECYCLING RATE COMMITTEE DISCUSSION:**

The Recycling Rate Committee met on Wednesday, May 2, 2001, in the offices of the Virginia Department of Environmental Quality in Richmond. Participants in this meeting included: John Mitchell (Council Member) and Richard Lerner (Council Member) via teleconference and Mike Murphy (Chair/DEQ), Phil Abraham (representing the American Plastics Council), Michael Edwards (VML), Larry Land (VACO), Allan Lassiter (DEQ), Steve Coe (DEQ) and Bill Norris (DEQ).

The meeting participants reviewed the charge to the committee from the Council and the language of the Commission request. The Committee reviewed and discussed information collected by DEQ staff through a "Locality Recycling Rate Survey" and a "Neighboring States Recycling Survey".

**Voluntary Locality Survey**

In order to determine the current status of recycling in the state, the staff of the Virginia Department of Environmental Quality conducted a survey of all of the localities in the Commonwealth. On February 16, 2001, a Voluntary Survey Form was mailed out to every locality in Virginia requesting current information of their local recycling efforts. Information on the recycling programs in

approximately 64% of Virginia's localities indicate that the current recycling rate would be 32.87%. If only "recycled supplemental recyclable materials" were allowed in the calculation, this rate would be 28.85%. (Copy of Recycling Rate Report Summary is attached.)

### **Neighboring States Recycling Survey**

During February 2001, DEQ staff prepared and sent out a Recycling/Waste Diversion survey to seven neighboring states (Kentucky, Maryland, Pennsylvania, North Carolina, South Carolina, Tennessee, and West Virginia) and the District of Columbia. Responses from the survey were received from all the program managers/Division Chiefs and Recycling Coordinators contacted and a summary of their responses was presented to the Committee. The survey indicated that:

- All states except Kentucky have mandates
- Three states have recycling goals (DC - 45%; MD-20%; PA-35%)
- Five states have diversion goals (MD-40%; NC-40%; SC-3.5lbs per capita per day; TN-25%; WV-50%)
- All have reporting requirements
- All report to state level environmental agencies
- DC & PA use the EPA Guidelines, although PA also uses a second rate calculation method.
- Three states (MD,PA,SC) have looked at changing/increasing their goals
- Five states (NC,PA,SC,TN,WV) fund local governments litter prevention & recycling programs
- Two states (PA & WV) use surcharge fees as their funding mechanism
- Two states (NC & SC) have advance disposal fees
- Only Pennsylvania provides funding for data collection and reporting

### **RECYCLING RATE COMMITTEE RECOMMENDATION**

Based upon the information gathered in the surveys, the committee made the following recommendations:

1. There should be no change to the current 25% recycling mandate until data from all localities for Calendar Year 2001 is received and validated. (Annual reports from localities are required by Solid Waste Planning Regulations 9VAC30-120-10 et. seq. as amended June 2001; and
2. A copy of the survey results should be provided to the Commission on the Future of Virginia's Environment.



## Recycling Rate Report Summary

### Virginia Localities Reporting Rate Information

**Note: Summary information presented is based solely upon voluntary data submittals by localities.**

As of May 8, 2001, 214 Virginia localities had responded to the request for voluntary submittal of locality specific recycling program data. This represents a return rate of 63.69%. (Responses were requested back by April 17, 2001.) Of those localities responding 68 submitted recycling rate data, 11 submitted partial data, 4 reported "No Data Available" and 131 were "Co-Op" localities.

Totals for all reports received to date are presented below:

Principal Recyclable Material (PRM)	Supplemental Recyclable Material (SRM)				Total MSW Generated (Recycled + Reused + Disposed)		
	Recycled SRM		Reused SRM				
Paper	503,402.79	Tires	29,143.63	Tires	4,178.96	Household Waste	3,458,903.45
Metal	207,197.27	Used Oil	28,988.43	Used Oil	14,873.02	Commercial	1,571,903.84
Plastic	19,340.70	Auto Bodies	136,544.94	Auto Bodies	1,000.00	Waste	
Glass	19,748.33	Const. Waste	23,209.92	Const. Waste	31,350.42	Construction &	104,487.80
Yard Waste	364,723.39	Demol. Waste	30,119.72	Demol. Waste	35,615.82	Industrial Waste	
Wood	37,536.75	Debris Waste	14,208.00	Debris Waste	51,864.90	Institutional	11,189.86
Commingled	16,673.14	Batteries	4,811.15	Batteries	155.14	Waste	
Textiles	913.94	Ash	163,914.65	Ash	2,044.00	Other: Soil &	12,219.00
<b>TOTAL (A)</b>	<b>1,169,536.31</b>	Sludge	85,452.56	Sludge	62,905.16	Stone	
<b>Percentage of</b>	<b>18.53%</b>	Other Metal	7,709.56	Other: Soil/Stone	13,381.55	Other:*	1,153,058.99
<b>Total MSW</b>		Other	118,595.02	Other: Asphalt	33,433.00	<b>TOTAL</b>	<b>6,311,762.94</b>
		Other: Food	6,297.47	Other: Brush	2,939.50		
		Other: Chem.	2,265.70				
		<b>TOTAL</b>	<b>651,260.76</b>	<b>TOTAL</b>	<b>253,741.47</b>		
		<b>TOTAL (B)</b>	<b>905,002.23</b>				<b>Recycling Rate: (A+B)/Cx100</b>
		<b>Percentage of Total MSW</b>	<b>14.34%</b>				<b>Recycling Rate: 32.87%</b>
							<b>Modified Recycling Rate: 28.85%**</b>

\* Includes Total Tonnage of PRM (A) and may include Total Tonnage of SRM (B)

\*\* Modified Recycling Rate includes only "Recycled SRM" Tonnage in "B".



**APPENDIX 4**

**Final Report**

**Subcommittee on Waste Disposal Fees and Surcharges**



Date of Meeting: May 8, 2001

**RECYCLING MARKETS DEVELOPMENT COUNCIL  
AD HOC SOLID WASTE DISPOSAL SURCHARGE  
COMMITTEE REPORT:  
ACTION ITEM**

**BACKGROUND:**

The Recycling Markets Development Council has been requested to review three issues in 2001 by Senator William T. Bolling, Chairman of the Commission on the Future of Virginia's Environment. The three issues include increasing recycling rates, the justification of a full time recycling coordinator, and waste surcharges. Council has been requested to report back to the Commission by June 30, 2001, with recommendations on the issues. At the regular meeting of the Council on February 13, 2001, Chairman Carlock appointed three ad hoc committees to review the issues and make recommendations for the consideration of the full Council.

This report addresses the Commission's request for an assessment of the feasibility and appropriateness of a solid waste disposal surcharge and potential uses of the revenue that would be generated from such a surcharge or fee. The Committee members are Robert J. Kerlinger, Jr., John H. Mitchell, and Richard S. Weber, Chair.

**SOLID WASTE DISPOSAL SURCHARGE COMMITTEE DISCUSSION:**

The Solid Waste Disposal Surcharge Committee met on April 4, 2001, in the offices of the Central Virginia Waste Management Authority in Richmond. The Committee discussed the advantages and disadvantages of enacting a surcharge. The Report of the 2000 Legislative Ad Hoc Committee of the Northern Virginia Waste Management Board (Northern Virginia Planning District Commission) which addressed the surcharge issue was distributed and discussed by the subcommittee.

**Appropriateness of a Surcharge or Fee**

The Committee determined that a surcharge or fee on disposal of MSW was appropriate as a mechanism to enhance the viability of recycling and solid waste management planning provided that it was equitably applied to all disposal of MSW. The Committee isolated and excluded from this discussion, Construction Demolition and Debris (CDD) waste that was separated (not mixed with MSW), consumer-separated recyclables, and vegetative waste. Excess landfill disposal capacity in the Commonwealth has created a disparity in the handling and disposal/disposition costs between recycling and disposal that currently favors disposal. Assessment of a supplemental fee on disposal and the dedicated use

of the fee proceeds for recycling will aid in the development of recycling as and economically and competitively equal to disposal. More incentives for recycling are needed and more disincentives for disposal are needed.

Some use of these funds (raised by the surcharge) might also be appropriate for supporting an environmental impairment fund to provide moneys for the proper closure and reclamation of old landfills. However, such a levy will place more of a burden on the current user of solid waste services (taxpayers and businesses) without a nexus to the use since current users did not necessarily contribute to historical problems. Use of the surcharge for this purpose does not improve recycling efforts in any way. Therefore, the Committee does not favor or recommend this as a primary use of disposal surcharge proceeds.

### **Unfunded Mandates on Localities/Loss of Program Funding**

The requirements for solid waste management plans and local programs to meet 25% recycling mandates are unfunded state mandates on local government. Many local governments have historically funded recycling and solid waste management planning from wholly or in part with disposal tipping fees. However, lower fees/revenues from tipping fees due to competition has reduced or eliminated this funding source and localities are experiencing increasing pressures to identify other funding sources to meet these mandates while facing many other funding needs. The Committee believes that a substantial portion of any such fee or surcharge should be provided to localities to offset the costs of solid waste management planning and recycling. State Code requires that all jurisdictions belong to a solid waste management planning district and that each district has a valid solid waste management plan. Therefore, the appropriate mechanism for distribution of revenues is most likely the solid waste management planning districts.

### **Issues With Imposition of a Fee or Surcharge**

Any surcharge or fee will be viewed and opposed by many as a new levy, cost, tax, or by some other name. However, funds to support recycling and solid waste planning must be provided from some revenue source. The requirement for funding solid waste planning and recycling has already been imposed. Several neighboring states have already implemented tipping fee surcharges and have had them in place for a number of years. That may, in part, have contributed to the tremendous increase in out-of-state municipal solid waste that now finds its way to Virginia.

The Committee is aware that some jurisdictions will be opposed to the surcharge since it places their disposal facility (ies) at a pricing disadvantage with facilities in nearby states. The Committee was not able to resolve this concern. Exempting out-of-state waste from the disposal surcharge is not fair or equitable. If the policy message is that Virginia favors recycling over disposal, that message

applies to all disposal, including incineration, both instate generated waste and imported waste.

The Committee is concerned that the rate of such a surcharge should be high enough to warrant the administration, disbursement and accounting issues. A one-dollar surcharge is not sufficient. Localities often have concerns that the revenues collected from such programs will not be substantially returned to them in a timely manner. Any legislation enacting a surcharge should address, reporting requirements, time frames for disbursement, rate and method of disbursement and allowable overhead.

#### **COMMITTEE RECOMMENDATION:**

The Committee recommends that the Council accept this report and forward a recommendation to the Commission on the Future of Virginia's Environment that provides for the establishment of a surcharge on municipal solid waste disposal in the Commonwealth, regardless of the origin of the waste. The Committee further recommends that revenues generated from such a surcharge or fee be distributed to localities through solid waste management planning districts. The distributions should be made based on population.

The primary purpose of the revenue should be to support the funding of solid waste management planning and recycling programs. A small portion of the revenues should be made available for solid waste planning and recycling at the state level. Funding is needed at the state level to develop a Statewide Solid Waste Management Plan and to support the funding of a full time recycling coordinator. Finally, the Committee recommends that the surcharge rate be five (5) dollars per ton disposed, and that it be collected on a quarterly basis and disbursed on a semi-annual basis. While the recommended rate is arguably an arbitrary number, the Committee recommends that it be high enough to generate real revenues to support recycling while still covering the costs to administer.

#### **DRAFT MOTION:**

I move that the Virginia Recycling Markets Development Council accept the report of the Solid Waste Disposal Surcharge Committee and forward a recommendation to the Commission on the Future of Virginia's Environment prior to June 30, 2001, that legislation be drafted:

1. To establish a surcharge on disposal of municipal solid waste (MSW) in Virginia, and,
2. That the surcharge rate be five (5) dollars per ton or two (2) dollars per yard (for waste not scaled) for every ton or yard of MSW disposed or incinerated, and,

3. That the revenues raised be placed in a non-reverting fund and be disbursed to solid waste management planning districts on a per capita basis to support solid waste management planning and recycling programs, and,
4. That no more than 15% of the surcharge revenues be made available to the Department of Environmental Quality for supporting solid waste management planning and recycling at the State level, administrative costs of this program, and State grants to fund innovative recycling projects, and,
5. That the surcharge be submitted within 30 days of the end of each fiscal quarter and be disbursed semi-annually by January 31 and July 31 of each year.

I further move that the Ad Hoc Solid Waste Disposal Surcharge Committee, having completed its work, be dissolved.

Respectively Submitted,

Robert J. Kerlinger, Jr.  
John H. Mitchell  
Richard W. Weber, Chair

This version of the subcommittee report was revised to incorporate the suggestions and corrections from the full Council discussion. At their meeting on May 8, 2001, the Council voted\* to accept the recommendation of the subcommittee as written herein and forward that recommendation to Senator Bolling and the Commission on the Future of Virginia's Environment.

\*NOTE: The state agency members of the Council abstained from this vote or were not present at the time of the vote.



**APPENDIX 5**

**Presentations to**  
**The Commission on the Future of Virginia's Environment**

**November 27, 2000 - Power Point Presentation by Michael Benedetto**

**June 26, 2001 - Power Point Presentation by Robert Kerlinger**



**Presentation to the Solid Waste Subcommittee of the  
Commission on the Future of Virginia's Environment (SJR76)**

**Date:** November 27, 2000

**Time:** 2:00PM

**Location:** General Assembly Building

**Presenter:** Michael P. Benedetto, VRMDC

**1. Who the VRMDC is:**

Established by the General Assembly to develop and monitor the implementation of a plan to strengthen Virginia Recycling Infrastructure and Markets.

Group of industry and government leaders dedicated to preserving Virginia environment.

**2. What we have accomplished:**

Increased the Public's awareness about recycling.

Worked with DEQ to develop reporting of materials being recycled in the Commonwealth.

Determined the frequency in which material is collected for recycling or otherwise disposed of.

**3. What we are recommending:**

Continuation of the Recycling Machinery Tax Credit.

A full time recycling coordinator to promote the Commonwealth as a Recycling Friendly State.

Increasing the State Mandated Recycling Goal of 25%.

Promote tax incentives and / or credits to encourage recycling and recycling market development.

**4. Why do we need a full time recycling coordinator?**

We currently have Georgiana Ball that does recycling and recycling materials purchasing for General Services.

Will Vehrs provides assistance for all types of business, including recycling for the Department of Business Assistance.

Michael Murphy supports the VRMDC administratively and handles Recycling Grants and Regulations.

Bill Bailey is involved in recycled content materials purchases for VDOT.

The VRMDC believes that we need a Recycling Coordinator to:

- coordinate recycling efforts;
- proactively pursue new recycling market development opportunities;
- assist local and regional recycling efforts;

## **5. Why do we need to increase the State Mandated Recycling Goal of 25%?**

Over 13 million tons of waste is disposed of in Virginia.

Virginia is one of the top three largest importers of Solid Waste in the US.

Virginia's recycling goal was 25% in 1995 and has not changed (Sen. Hanger is from VA). A recommendation is being made as part of Virginia's Solid Waste Management Plan not to increase that rate. This goal is among the lowest in the US and sends the wrong message.

### **Other Recycling / Waste Diversion Rates:**

State	Goal	Year
North Carolina	40%	2001
DC	45%	1995
Maryland	35%	?
Pennsylvania	35%	?
Delaware	35%	?
West Virginia	50%	2010 (Hometown of Sen. Bolling)
Massachusetts	46%	2000 (Hometown of Del. Ware)
New York	50%	1997 (Hometown of Del. Albo)

In the City of Virginia Beach, taxpayers were surveyed and responded that the VA Beach recycling program was the best use of taxpayer dollars – higher than the police and fire departments and libraries.

## **6. How can we fund a Recycling Coordinator and support the State Mandate?**

One solution is to consider a User Fee to be added onto waste being disposed of in Virginia.

Pennsylvania has received \$32,000,000 in revenue through a \$2.00 per ton disposal fee to fund state recycling programs. A similar fee would generate about \$26,000,000 in revenue for Virginia.

Revenues generated through this fee would support our recycling efforts.

**7. Would publicly owned facilities support this effort?**

Some might and some might not. One option would be to consider a two-tiered User Fee with a lower or no fee for state generated garbage.

**8. Is this legal?**

While I do not pretend to be a lawyer or know all of the laws of the Commonwealth, a friend who is a lawyer has suggested that it could be and used the example of Virginia's Universities charging a lower rate for in state tuition vs. out of state tuition.

**9. We all know that recycling is the right things to do. By supporting the:**

Continuation of the Recycling Machinery Tax Credit.

A full time recycling coordinator to promote the Commonwealth as a Recycling Friendly State.

Increasing the State Mandated Recycling Goal of 25%.

And, promoting tax incentives and / or credits to encourage recycling and recycling market development...

We will continue to send the responsible message to Virginians.



**RECOMMENDATIONS OF  
VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

*Presentation by the  
Virginia Recycling Markets Development Council  
To  
Commission on the Future of Virginia's Environment  
By Robert Kerlinger  
June 26, 2001*

**VRMDC MEMBERSHIP**

**APPOINTEES**

*John M. Carlock*

*Richard S. Weber*

*Edward A. Duffy*

*Michael Benedetto*

*Vacant*

*Diane L. Jones*

*Richard M. Lerner*

*Betty H. Boswell*

*Andrew T. Carrington*

*Robert J. Kerlinger, Jr.*

*John H. Mitchell*

*Douglas C. Wine*

*Grady A. Wood*

*Vacant*

*Vacant*

**STATE AGENCY**

*A. Georgiana Ball*

*William R. Bailey III*

*Michael P. Murphy*

*Will Vehrs*

**REPRESENTING**

*Chairman, VRMDC FY2000-2001*

*Urban Planning District*

*Virginia Association of Counties*

*Plastics Industry*

*Paper Industry*

*Solid Waste Collection Industry*

*Rural Planning District*

*Scrap Metal Industry*

*Glass Industry*

*Citizen Member*

*Organic Waste Industry*

*Vice-Chairman, VRMDC*

*Recycling Industry*

*Virginia Municipal League*

*Oil Industry*

*Tire Industry*

*Aluminum Industry*

*Department of General Services*

*Department of Transportation*

*Department of Environmental*

*Quality*

*Department of Business*

*Assistance*

## **RESPONSIBILITIES**

- A.1.** Promote and coordinate state agencies' and authorities' efforts to enhance markets for recycled or recovered materials.
- A.2.** Promote the purchase of products made from recycled or recovered materials.
- A.3.** Identify and evaluate financial and other incentives that may attract new businesses that can use recycled or recovered materials generated in Virginia.
- A.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.
- A.5.** Develop recommendations for the establishment of a regional or interstate marketing system for recycled materials.
- A.6.** Encourage the use of uniform recycling definitions and standards throughout the state.
- A.7.** Promote and encourage public/private market development initiatives.
- A.8.** To report annually its findings and recommendations to the Governor and the General Assembly; and
- A.9.** To determine the volume of materials by varying categories or commodities which is being recycled in the Commonwealth and to report its findings in its 1998 report. The Council shall investigate the frequency of situations in which, because of market conditions or other factors, materials collected for recycling are otherwise disposed of, and determine measures to avoid the recurrence of such situations. The Department of Environmental Quality (DEQ) shall provide staff to the Council for the purposes of this subdivision and shall cooperate with the Council in the preparation of the report.
- B.** The Council shall develop and monitor the implementation of a plan to strengthen Virginia's recycling infrastructure and markets which (i) improve the supply and quantity of recyclables available; (ii) expand the capacity of collectors, processors, and manufacturers to handle and use secondary materials, and (iii) incorporate strategies to increase the use of specific measures



## REQUEST FROM COMMISSION

- **Examine the following issues and report by June 30, 2001**
  - Current recycling rate
  - Feasibility and appropriateness of establishing a fee or surcharge
  - Justification for a full-time recycling coordinator

## SURVEY OF OTHER STATES

- **Survey seven states and DC**
- **Rates**
  - Recycling Goals 20 – 45% (3 states)
  - Diversion Goals 25-50% (5 states). Includes recycling)
- **Surcharges**
  - 4 states use either surcharge or advance disposal fees
- **Reporting**
  - All require reporting. Only PA funds specifically
- **Funding**
  - Five states provide funding to support local programs

## FINDINGS CONCERNING RECYCLING RATE

- **Local Government Survey – 64% response**
  - 32.78% recycling rate – statewide
  - 28.85% if reused supplemental materials not counted
  - Range - <1% - 50%

- Revisions to Solid Waste Planning Regulations (include Recycling Requirements – Effective, June 2001)

### **RATE RECOMMENDATION**

- **Defer consideration of increase in rate pending:**
  - One year of experience with new Solid Waste Management Planning Regulations and Annual Reporting
  - Determination of whether it should be a recycling rate or a diversion rate (Note that diversion may reduce recycling because of increased source reduction.)

### **FINDINGS CONCERNING WASTE DISPOSAL SURCHARGE**

- **Appropriate mechanism to support recycling and planning**
- **Unfunded mandates can be addressed**
  - Equitable allocation of funds
- **Associated issues**
  - Other states have similar surcharges of fees
  - Captures revenue associated with out-of-state waste
  - Level of surcharge
  - Exemptions
  - Administration

### **SURCHARGE RECOMMENDATION**

To establish a surcharge on disposal of municipal solid waste (MSW) in Virginia, and,

That the surcharge rate be five (5) dollars per ton or two (2) dollars per yard (for waste not scaled) for every ton or yard of MSW disposed or incinerated, and,

That the revenues raised be placed in a non-reverting fund and be disbursed to solid waste management planning districts on a per capita basis to support solid waste management planning and recycling programs, and,

That no more than 15% of the surcharge revenues be made available to the Department of Environmental Quality for supporting solid waste management

planning and recycling at the State level, administrative costs of this program, and State grants to fund innovative recycling projects, and,

That the surcharge be submitted within 30 days of the end of each fiscal quarter and be disbursed semi-annually by January 31 and July 31 of each year.

### **FINDINGS CONCERNING STATE STAFFING FOR RECYCLING**

- **State Staffing for Recycling**
  - State agency collection and purchasing
  - Assistance to potential employers
  - Data and grants management
  - Use of recycled materials at VDOT
- **No staffing supports development of markets for recycled materials**
- **Other states have dedicated staffing for market development.**

### **STAFFING RECOMMENDATION**

To establish the position of State Recycling Markets Development Specialist in a position in state government that will allow it to work across Secretariats; and,

That the State Recycling Markets Development Specialist be tasked with the responsibilities outlined in the Council's recommended position description: and,

That the position and associated costs be funded initially at the level of \$100,000 per annum. Funding to be provided through the waste disposal surcharge

### **FUTURE ISSUES**

**Determine whether goal is to recycle materials or divert waste from landfills.**

**Revisit rate recommendation based on:**

- Legislative advice on diversion v. recycling
- Evaluation of CY 2001 local government reports

**Refine formula for allocating proceeds of surcharge to localities.**

**Determine mechanism for coordination of state's overall recycling activities.**

### **CONCLUSION**

**VRMDC appreciates opportunity to study and recommend actions on these issues.**

**VRMDC is prepared to work with the Commission and others in refining its recommendations.**

**APPENDIX 6**

**Virginia Recycling Markets Development Council's Recommendations to  
the Commission of the Future of Virginia's Environment**





## Virginia Recycling Markets Development Council

June 20, 2001

The Honorable William T. Bolling  
Member, Virginia Senate  
Chairman, Commission on the Future of  
Virginia's Environment  
General Assembly Building, Room 317  
Richmond, Virginia 23219

Re: Recycling Studies (ORG: Recycling Council)

Dear Senator Bolling:

Pursuant to your request of December 18, 2000, the Virginia Recycling Markets Development Council has studied the following issues:

1. The current recycling rate of 25% - comparison to other states, alternative rates and steps to increase the rate in Virginia.
2. The feasibility and appropriateness of establishing a fee or surcharge on solid waste disposed of in Virginia.
3. The justification for DEQ to hire a full-time recycling coordinator.

In responding to your request, the Council worked with the Department of Environmental Quality to survey local governments in Virginia concerning their level of recycling and to survey other states to learn about their recycling programs – goals, staffing and funding. The Council evaluated the feasibility of establishing a waste disposal fee or surcharge and associated implementation issues. Finally, the Council examined state staffing issues associated with recycling. The Council established three subcommittees to address these issues and considered their findings and recommendations at meetings on February 13 and May 8, 2001. The issues were also discussed at a Council work session on June 12, 2001.

Based on its studies, the Virginia Recycling Markets Development Council offers the following recommendations for consideration by the Commission on the Future of Virginia's Environment.

1. **Recycling Rate.** There should be no change in the current 25% recycling mandate until data from all localities for Calendar Year 2001 is received and evaluated. Annual reports from localities are required by the Solid Waste Planning Regulations, 9 VAC 30-120-10, et. seq., as amended June 2001

2. Disposal Surcharge. Legislation should be drafted to:
  - a. Establish a surcharge on disposal of municipal solid waste (MSW) in Virginia: and,
  - b. The surcharge rate be five (5) dollars per ton or two (2) dollars per cubic yard (for waste not scaled) for every ton or yard of MSW disposed or incinerated: and,
  - c. The revenues raised be placed in a non-reverting fund and be disbursed to solid waste management planning districts on a per capita basis to support solid waste management planning and recycling programs; and,
  - d. No more than 15% of the surcharge revenues be made available to the Department of Environmental Quality for supporting solid waste management planning and recycling at the State level, administrative costs of this program, and State grants to fund innovative recycling projects; and,
  - e. The surcharge be submitted within thirty (30) days of the end of each fiscal quarter and be disbursed semi-annually by January 31 and July 31 of each year.
3. Recycling Coordinator. Legislation should be drafted to:
  - a. Establish the position of State Recycling Markets Development Specialist in a position in state government that will allow it to work across Secretariats; and,
  - b. The State Recycling Markets Development Specialist be tasked with responsibilities outlined in the Council's recommended position description (attached); and,
  - c. The position and associated costs be funded initially at the level of \$100,000 per annum. (It is the sense of the Council that funding to support this expenditure be provided through revenue generated through the waste disposal surcharge if that is enacted or through the General Fund, if the surcharge is not enacted.)

The analysis to support these recommendations is included in the attached reports of the Council. This letter and attachments comprise the report of the Virginia Recycling Markets Development Council to the Commission on the Future of Virginia's Environment on these issues.

The Virginia Recycling Markets Development Council is pleased to have had the opportunity to study these issues and provide these recommendations to the Commission on the Future of Virginia's Environment for consideration. The members of the Council are prepared to work with the Commission and others in any further analysis and refinement of these recommendations that may be appropriate.

Respectfully submitted,  
 John M. Carlock, AICP  
 Chairman

JMC:  
 Attachments