



Virginia Recycling Markets Development Council

**2003 ANNUAL REPORT**

**OF THE**

**VIRGINIA RECYCLING MARKETS  
DEVELOPMENT COUNCIL**

*The Virginia Recycling Markets Development Council, established by the General Assembly in 1993, is directed by statute (Section 2.2-1127, Code of Virginia), to report annually its findings and recommendations to the Governor and the General Assembly.*

Prepared November 2002



## Virginia Recycling Markets Development Council

### **2003 REPORT OF THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

TO: The Honorable Mark Warner, Governor  
and  
The General Assembly of Virginia

The Virginia Recycling Markets Development Council (RMDC), established by the General Assembly in 1993, is directed by statute (Section 2.2-1127, 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 RMDC, the RMDC 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 RMDC 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 RMDC for the purposes of this subdivision and shall cooperate with the RMDC in the preparation of the report.

In addition, the RMDC 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 RMDC are pleased to present the attached report to Governor Warner and to the General Assembly of Virginia.

Respectively submitted,

Members, Virginia Recycling Markets  
Development Council

**2003 REPORT OF THE  
VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

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**2003 REPORT OF  
THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

**EXECUTIVE SUMMARY**

The legislation establishing the Virginia Recycling Markets Development Council (RMDC) requires it to report annually to the Governor and the General Assembly on its findings and recommendations. This Annual Report of the RMDC has been prepared to reflect its work, primarily for activity in CY 2002.

**2002 ACTIVITIES OF THE RMDC - SUBCOMMITTEES**

The RMDC continued to work on three issues:

- the justification for a full-time, statewide recycling markets development specialist position;
- a review of the mandated recycling rates; and
- the proposed establishment of waste surcharges to support recycling programs in the Commonwealth.

**Based upon the reports submitted by the respective subcommittees and the overall work of the RMDC, the RMDC makes the following recommendations:**

- **Recycling Markets Development Specialist Position**

The RMDC continues to support the concept of a position to support and promote recycling and recycling markets development at the state level. In light of budget shortfalls, employee layoffs, and the uncertain status of a solid waste surcharge, the RMDC recommends a new study be done incorporating these changed circumstances in CY 2003.

- **Recycling Rates**

Based upon information from the annual recycling rate reports for CY 2001 and from the recycling rate mandate survey, the RMDC recommends leaving the recycling mandate at its present level of 25 percent.

- **Waste Disposal Fee or Surcharge**

After reviewing all relevant issues and recognizing the overall need to encourage additional waste reduction and recycling in Virginia, the RMDC recommends support of a waste surcharge of \$2.00 to \$3.00 per ton on all solid waste disposal facilities that are required by § 10.1-1413.1 to report annual amounts of waste disposed. The full subcommittee report (Appendix 2) includes recommended uses of the collected funds.

- **Recycling Equipment Tax Credits**

The RMDC recommends that further study of the Virginia Recycling Equipment Tax Credit be done to determine the feasibility of expanding the recycling tax credit program to include more than manufacturing equipment.

In CY 2002, the Governor appointed new members to fill the vacant seats on the RMDC (RMDC membership – Appendix 1). The RMDC will continue its work to facilitate and to promote recycling in the Commonwealth in Calendar Year 2003.

Respectfully submitted,

Members, Virginia Recycling Markets  
Development Council

# 2003 REPORT OF THE VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL

## INTRODUCTION

The legislation establishing the Virginia Recycling Markets Development Council (RMDC) requires it to report annually to the Governor and the General Assembly on its findings and recommendations. This Annual Report of the RMDC has been prepared to encompass its activities for Fiscal and Calendar Year 2002.

## FY-CY 2002 ACTIVITIES OF THE RMDC

### MEETINGS

The RMDC met seven times from September 11, 2001, through October 21, 2002. Meeting sites for the meetings included:

Central Virginia Waste Management Authority, Interstate Center, 2104 West Laburnum Avenue, Richmond, Virginia. (September and November, 2001)

Henrico Training Center, 7701 E. Parham Road, Richmond, Virginia. (March 2002).

Virginia Department of Transportation Materials Office, 6200 Elko Tract Road, Sandston, Virginia. (April, June, and August, 2002)

Clarion Hotel and Conference Center, 500 Merrimac Trail, Williamsburg, Virginia. (October 21, 2002, in conjunction with the annual meeting of the Virginia Recycling Association)

Overviews of these meeting are as follows:

- **September 11, 2001- Business Meeting:** Items discussed included: appointments from the Secretary of the Commonwealth for current RMDC vacancies; draft legislation for a state recycling markets development position and the surcharge on the management of solid waste; the RMDC annual report for 2000-2001 and the Virginia Council for Litter Prevention and Recycling's standing on issues relevant to the RMDC's work.
- **November 13, 2001- Information Session:** RMDC members present discussed the following items: current RMDC vacancies; the RMDC presenting a summary report to the Commission on the Future of Virginia's Environment at its November 29, 2002 meeting; discussion on the draft



legislation noted in the September 11 meeting and developing a work plan / recommendations for the incoming RMDC membership.

- **March 12, 2002 - Business Meeting:** Items discussed included: election of officers, conflict of interest; legislative updates in the areas of solid waste and recycling; report from the outgoing 2001 Chairman, John Carlock; (Appendix 3) statutory mission of the RMDC; general discussion of the RMDC work plan direction for 2002-2003 and a decision to perform a survey to determine commodity specific market barriers.
- **April 30, 2002 - Business Meeting:** Items discussed included: a presentation by a Department of Environmental Quality (DEQ) Policy Officer on Conflict of Interest and Administrative Process Act requirements; the purpose and function of the Virginia Economic Development Partnership (VEDP); problems facing the construction and demolition industry's ability to recycle; formation of work plan and subcommittees; upcoming Virginia Recycling Association's conference.
- **June 18, 2002- Business Meeting:** Items discussed included: results of the RMDC's survey work on commodity recycling barriers; recycling equipment tax credits, results of the local government recycling reports and updates from the RMDC's' subcommittees. DEQ's report on the results of local government recycling reports is provided in Appendix 4.
- **August 13, 2002 – Business Meeting:** Items discussed included: recommendations by the Waste Disposal Surcharge subcommittee – approved by RMDC; recycling rate report summary; recommendations by the Recycling Rate subcommittee – approved by RMDC; categories of processes counted as recycling; schedule of Economic Development meetings by the Governor; and the status of the State Recycling Coordinator position recommendation.
- **October 21, 2002 – Business Meeting:** Items discussed included: locality survey results on the recycling mandate; recommendations by the Recycling Rate subcommittee – approved by the RMDC; setting a higher goal for recycling beyond the 25% mandate; the proposed \$2-\$3 surcharge recommended by the RMDC; RMDC's annual report status; presentation by John Hadfield of SPSA on a proposed change to their curbside recycling collection program; establishment of a Nominating subcommittee for election of new officers in 2003; and setting of the next RMDC meeting for January 22, 2003.

## 2002 ACTIVITIES OF THE RMDC - SUBCOMMITTEES

- **Recycling Coordinator/Specialist – Will Vehrs, Subcommittee Chair and Paul Alcantar**

The subcommittee revisited its recommendation that the position of Recycling Markets Development Specialist be created within state government at a level that would allow it to work across Secretariats. Funding to support the position was to be derived from revenues generated through the Solid Waste Disposal Surcharge, previously recommended separately by the RMDC. In light of budget shortfalls, employee layoffs, and the uncertain status of a solid waste surcharge, the subcommittee recommends a new study, incorporating changed circumstances, during 2003.

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

Local government recycling reports were submitted to DEQ in spring 2002. (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.) DEQ provided the RMDC with the results of these reports at their June 18, 2002 business meeting. DEQ also performed a “Virginia Recycling Rate Mandate Survey” (Appendix 5) in order to further assist this subcommittee with recommendations. The subcommittee held a public forum on the issue in conjunction with the fall Virginia Recycling Association conference. They reported the following recommendations to the RMDC:

- Leave the recycling mandate at its present level of 25 percent.
- Based on data received from the “Virginia Recycling Rate Mandate Survey,” have specific industry RMDC members contact and assist specific jurisdictions that reported marketing problems with certain commodities.
- Encourage individual localities to establish a policy to improve their own goals above the state mandated rate.
- Explore the concept of the state setting a goal rather than a mandate.

**The RMDC approved the subcommittee’s recommendations at their meeting on October 21, 2002. (Recycling Rate Subcommittee Report, Appendix 6)**

- **Waste Surcharge – Thomas Smith, Subcommittee Chair, and Phil Abraham, Bob Kerlinger**

The RMDC reviewed the issue of a waste surcharge as proposed during the 2001-2002 legislative session by Governor Warner. This recommendation was tabled and referred to a subcommittee by the Senate, and may be considered in the upcoming 2002-2003 legislative session. The Chairman of the RMDC appointed three members to a subcommittee to review this issue and develop recommendations.

The subcommittee met three times to discuss the issues and to develop draft recommendations. All meetings were announced and open to all interested parties.

The subcommittee believed that a smaller surcharge of \$2.00 - \$3.00 should be considered. A surcharge of this size would still represent a significant increase in the overall waste disposal fees paid in Virginia. For example, the Southeastern Public Service Authority, which serves eight localities in southside Hampton Roads, projects the tip fee paid by most of its member localities in FY 2003-2004 will be \$49 per ton and that its commercial contract haulers that serve area business will pay SPSA \$38 per ton. A \$2/ton waste surcharge would represent a 4% and 5% increase in tip fees paid by local governments and businesses, respectively, and a \$3/ton waste surcharge would represent a 6% and 8% increase, respectively.

After reviewing these issues and overall need to encourage additional waste reduction and recycling in Virginia, the subcommittee developed the following recommendation: (full text of the subcommittee report in Appendix 2)

The subcommittee recommends support of a waste surcharge of \$2.00 to \$3.00 per ton on all solid waste disposal facilities who are required by § 10.1-1413.1 to report annual amounts of waste disposed. The Subcommittee recommends that the waste surcharge be in the \$2.00 to \$3.00 per ton range to minimize its impact on the rates paid by localities, consumers and businesses for solid waste disposal.

The effective date of any legislation proposed this year should be July 1, 2004.

**The RMDC approved the subcommittee's recommendation at its meeting on August 13, 2002.**

## **FY 2002 ACTIVITIES OF THE RMDC – REGULATORY PARTICIPATION**

The Chairman and members of the RMDC worked with the Commission on the Future of Virginia's Environment on the issue of changing the existing 25% recycling mandate. The RMDC asked the Department of Environmental Quality to provide status reports on the 2001 recycling rate reports and to survey localities on whether the recycling mandated rate should be changed.

## **FY 2002 ACTIVITIES OF THE RMDC - PRESENTATIONS**

The RMDC received presentations from several organizations and individuals on recycling programs and issues during FY2002.

During Fiscal Year 2002, the RMDC received presentations on:

- 1) Virginia Council on Litter Prevention & Recycling – September 11, 2001, John Deuel, President.
- 2) eCycle EPA Partnership program – September 11, 2001, Georgiana Ball, Virginia Representative.
- 3) Conflict of Interest and APA – April 30, 2002, Cindy Berndt, DEQ Policy Officer.
- 4) Virginia Economic Development Partnership (VDEP) – April 30, 2002, John Sternlicht, General Council and Legislative Director.
- 5) C & D Project Developer and barriers to C & D Recycling – April 30, 2002, John and Eddie Plummer, Owners, J & E Recycling of Fredericksburg, Virginia.
- 6) Commodity Recycling Barriers Survey, June 18, 2002, Georgiana Ball, Virginia Department of General Services.
- 7) Recycling Equipment Tax Credits, June 18, 2002, Dan Gwinner, Department of Environmental Quality, Waste Division.
- 8) Recycling Rate Reports submitted by localities and solid waste planning units for CY 2001, August 13, 2002, Steve Coe, Department of Environmental Quality.

- 9) Recycling Mandate Survey information submitted by localities and solid waste planning units, October 21, 2002, Steve Coe, Department of Environmental Quality.
- 10) Proposed changes to curbside recycling collection program by SPSA, October 21, 2002, John Hadfield, Executive Director for the Southeast Public Service Authority.

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

## **2002 ACTIVITIES OF THE RMDC - STATE AGENCY INITIATIVES**

The RMDC tracked state agency initiatives during 2002 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 2001 and 2002. Summaries of these State Agency Initiatives are presented below:

### **1. DEPARTMENT OF BUSINESS ASSISTANCE**

The Department of Business Assistance (DBA) maintained its commitment to supporting the creation and nurturing of businesses in the recycling sector. Existing companies in other sectors were assisted in their efforts to increase or improve their recycling programs. During 2001, twenty-seven (27) 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) continued to be an active participant in regional activities and was selected by peers to serve another term as chairperson. The DBA continues to market the Virginia Procurement Pipeline's Business-to-Business Website, [www.virginiabusiness.org](http://www.virginiabusiness.org). Recycling businesses are encouraged to register with the site and companies seeking recycling services utilize the site to find appropriate vendors.

### **2. DEPARTMENT OF ENVIRONMENTAL QUALITY**

#### **Litter Prevention and Recycling Program Grants**

During FY 2002, the Department of Environmental Quality continued its administration of the annual grant program of the Litter Control and Recycling Fund. For the grant cycle beginning on July 1, 2001, the Fund

balance was approximately \$2.114 million. Of this amount, seventy-five (75) percent (\$1,354,267) was made available to local governments and regional organizations for implementing their litter prevention and recycling programs. Another twenty (20) percent (\$365,687) was awarded through grants for statewide or regional educational programs about litter prevention and recycling.

### **Recycling Rate Requirements**

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 included these reporting requirements in the amendments to the Revised **Regulations for Solid Waste Management Planning** (9 VAC 20-130-10 et seq.) and included requirements that localities report on an annual basis their recycling rates. Section 9 VAC 20-130-120 B&C of the Regulations requires that a minimum recycling rate of 25% of the total municipal solid waste generated annually in each city, county, town or region be maintained. Section 9 VAC 20-130-165 D establishes that every city, county, and town in the Commonwealth, or solid waste management planning region shall submit to DEQ by April 30 of each year, the data and calculations required in 9 VAC 20-130-120 B&C for the preceding calendar year. These regulations became effective August 1, 2001. One hundred and one (101) Recycling Rate Reports, representing 326 localities were submitted to DEQ. The state's average recycling rate was calculated to be 37.782%. (Appendix 4)

### **Localities not meeting 25%**

DEQ has initiated a series of "compliance assistance" meetings with those localities that did not report achievement of the 25% recycling rate mandate for CY 2001. DEQ will work with these localities to determine the accuracy of their reported recycling data and to evaluate their data gathering systems, so that all local programs can achieve the minimum 25% recycling rate where it is possible and practicable. (Appendix 7)

Areas for improvement based upon information from initial meetings are: tracking of recycling in non-governmental sectors, specifically cardboard and paper recycling; increasing awareness of recycling opportunities in the jurisdiction; cooperative marketing opportunities; and improving annual data collection systems for more accurate recycling numbers.

## **Solid Waste Planning Units Survey**

DEQ distributed a RMDC Recycling Rate Mandate Survey to all of Virginia's Solid Waste Management Planning Units (SWPUs) on September 4, 2002. This survey requested comments on whether or not the 25% recycling rate mandate should be changed and provided an opportunity for the SWPUs to provide comments on the importance of recycling and the strength or weaknesses of recycling commodity markets in their localities. Results of the survey were presented to the RMDC at its meeting on October 21, 2002 in Williamsburg as part of the Recycling Rate Subcommittee's report. (Appendix 5 and Appendix 6, respectively)

## **Waste Tire Management Program – Regional Projects**

The Virginia Waste Tire Management Program continues work with its regional waste tire management projects. In 2002, DEQ provided administrative oversight for a regional waste tire management project with the Montgomery Regional Solid Waste Authority (two counties, 1 city and 2 towns). 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.

## **Waste Tire Management Program - End User Reimbursement**

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 9.66 million PTEs were collected, processed and beneficially used during the year, with End User Reimbursements of over \$2.2 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 65,931,700 PTEs at a cost of over \$17 million from the Fund.

DEQ received authorization from the Waste Management Board to modify its reimbursement rate for waste tire pile clean ups from \$50 per ton up to \$75 per ton effective October 25, 2002. This increase was designed to increase tire pile clean up activity on the Top Five largest remaining waste tire piles in the Commonwealth, as well as providing an additional financial incentive to property owners for the clean up of smaller tire piles. A

second increase from \$75 to \$100 per ton reimbursement rate was authorized effective July 1, 2003, based upon Available Funding.

### **MACREDO**

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 serves as host for an electronic recycling markets web page for its members, as well as developing and reporting on various projects dealing with recyclables in the region. MACREDO is composed of EPA Region III states (Delaware, Maryland, West Virginia, Pennsylvania and Virginia and the District of Columbia). Virginia served as the host for the Spring Business meeting of MACREDO at Virginia Tech in late May.

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

The Department of General Services (DGS) 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 65 agency offices were assisted with recycling, resource recovery issues or the reutilization of state surplus property involving a wide variety of materials and locations. Significant assistance was provided to agencies with outdated computer systems and electronics reuse and recycling. Environmental policy implications and regulatory issues related to electrical products were assessed. Training provided in 2002 related to recycling updates and surplus property management. The State Agency Recycling Coordinator was a member of a DGS Committee working on a pilot study of "Best Value" purchasing and provided input on integrating environmental impacts into the purchasing process using Best Value concepts.

In association with MACREDO and the Virginia Department of Environmental Quality, DGS has been involved in an EPA Region III eCycle group working to implement pilot electrical product recycling collections in the region. DGS has provided assistance in survey development, contract solicitations and project management.

### **4. DEPARTMENT OF TRANSPORTATION**

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.

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. One new experimental project is being planned which will include a short section of asphalt rubber pavement.

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. The Department is currently working with Ready Mix Concrete suppliers to recycle as much wash water from ready-mix concrete trucks cleanup operations as possible.

Fiber mulch, which is produced from recycled paper, is used to aid in seeding operations on construction projects. Over 250,000 cubic yards of Fly ash was used as a fill material in the construction of Route 58 Southwest Bypass project in the Hampton Roads area this past year. These are some examples of the Department's efforts to allow quality-recycled materials the opportunity to compete in a free market against conventional construction materials.

## **FY 2002 ACTIVITIES OF THE RMDC - PUBLIC FORUM**

All meetings of the Virginia Recycling Markets Development Council were noticed in the Virginia Register or on Virginia's Town Hall web site, and opportunities for public participation were an integral part of each Council meeting.

## **2002 ACTIVITIES OF THE RMDC - RMDC RECOMMENDATIONS**

Based on its deliberations between July 2001 and November 2002, the Virginia Recycling Markets Development Council makes the following recommendations:

- That the state table the establishment of a State Recycling Markets Development Specialist position.

In light of budget shortfalls, employee layoffs, and the uncertain status of a solid waste surcharge, the committee recommends a new study, incorporating changed circumstances, during 2003.

- That the state leave the mandated recycling rate at its present level of 25 percent. That it encourage individual localities to establish a policy to improve their own goals above the state mandated rate. Lastly, that the State explore the concept of the state setting a goal rather than a mandate. (Appendix 6)
- That the state establish a surcharge on disposal of municipal solid waste (MSW) in Virginia based on the recommendations made in the FY 2002 report by the RMDC's Waste Surcharge subcommittee and approved by the RMDC. (Appendix 2)
- That further study of the Virginia Recycling Equipment Tax Credit be done to determine the feasibility of expanding the recycling tax credit program to include more than manufacturing equipment.

**APPENDIX 1**

**FY2002 RECYCLING MARKETS DEVELOPMENT COUNCIL MEMBERS**

## **FY2002 RECYCLING MARKETS DEVELOPMENT COUNCIL**

### **APPOINTEES**

Michael Benedetto	Chairman
Diane Jones	Vice-Chair
Brian Salmon	
B. Paige Holloway	
David Woodbury, Jr.	
Thomas Smith	
Michael Ward	
Robert J. Kerlinger, Jr.	
Phillip Abraham	
Edward Duke	
Eddie Schneider	
Richard M. Lerner	
John Kline	
Paul Alcantar	
Douglas Wine	

### **REPRESENTING**

Paper Industry
Rural Planning District
Aluminum Industry
Citizen Member
Glass Industry
Municipal Government
Oil Industry
Organic Waste Industry
Plastics Industry
Recycling Industry
Solid Waste Collection Industry
Scrap Metal Industry
Tire Industry
Urban Planning District
Virginia Municipal League

### **STATE AGENCY**

A. Georgiana Ball	Department of General Services
William R. Bailey III	Department of Transportation
Michael P. Murphy	Department of Environmental Quality
William Vehrs	Department of Business Assistance

**APPENDIX 2**

**Final Report**

**Subcommittee on Waste Disposal Fee and Surcharges**

**FY 2002**

**Virginia Recycling Markets Development Council  
Waste Surcharge Subcommittee Report**

The Recycling Markets Development Council (RMDC) reviewed the issue of a waste surcharge as proposed during the 2001-2002 legislative session by Governor Warner. This recommendation was tabled and referred to a subcommittee by the Senate, but may be considered in the upcoming 2002-2003 legislative session. The Chairman of the RMDC appointed three members to a subcommittee, Phil Abraham, Bob Kerlinger, and Tom Smith, to review this issue and develop recommendations.

The subcommittee met three times to discuss the issues and to develop draft recommendations. All meetings were announced and open to all interested parties.

The first meeting focused on the Governor's proposal and goals for a waste surcharge, and the issues and concerns with this legislation. The issues identified by the subcommittee were:

- Proper mechanism for money to be returned to localities and/or solid waste planning districts for recycling and waste reduction programs. There is lack of trust with local governments with the state on this issue.
- Should construction and demolition debris be included in the tonnages to be surcharged?
- Should waste-to-energy facilities be charged the surcharge?
- This fee would impact the competitiveness of private and public solid waste facilities potentially reducing host fees and revenues to local governments who rely on solid waste flow for funding.
- The proposed \$5.00 per ton surcharge may be too high.
- The distribution of the funds should focus on solid waste and recycling issues and mandates, such as recycling and waste reduction, solid waste management and planning, landfill closure, and brownfields.

The Subcommittee at two subsequent meetings further discussed these issues. In general, the Subcommittee believed that because the funds generated by a waste surcharge result from the disposal of solid waste, a significant majority of the total funds generated should be returned to Virginia localities to reduce the

amount of solid waste disposed in Virginia and to pay for the impact of solid waste disposal on Virginia localities. Closure of 1205 landfills should also be a priority for use of these funds because of the potential impact of these unlined landfills on Virginia's environment.

The subcommittee also believed that a smaller surcharge of \$2.00 - \$3.00 should be considered. A surcharge of this size would still represent a significant increase in the overall waste disposal fees paid in Virginia. For example, the Southeastern Public Service Authority, which serves eight localities in southside Hampton Roads, projects the tip fee paid by most of its member localities in FY 2003-2004 will be \$49 per ton and that its commercial contract haulers that serve area business will pay SPSA \$38 per ton. A \$2/ton waste surcharge would represent a 4% and 5% increase in tip fees paid by local governments and businesses, respectively, and a \$3/ton waste surcharge would represent a 6% and 8% increase, respectively.

After reviewing these issues and overall need to encourage additional waste reduction and recycling in Virginia, the subcommittee developed the following recommendation:

*The subcommittee recommends support of a waste surcharge of \$2.00 to \$3.00 per ton on all solid waste disposal facilities who are required by § 10.1-1413.1 to report annual amounts of waste disposed. The subcommittee recommends that the waste surcharge be in the \$2.00 to \$3.00 per ton range to minimize its impact on the rates paid by localities, consumers and businesses for solid waste disposal.*

*The subcommittee recommends that a total of at least 70% of the funds collected should be returned to local governments to fund recycling, yard waste composting, solid waste management and environmental programs. Funding local recycling programs and the development of recycling markets should be the top priority for the expenditure of funds because these activities reduce the amount of solid waste disposed in Virginia and thereby minimize the impact of solid waste disposal on Virginia's environment.*

*The 70% should be sent directly back to solid waste management planning units based upon a formula using population as a basis because population is one of the best indicators of the amount of solid waste generated within the unit. A floor should be established in any such funding formula to insure that a minimum amount is sent to smaller units. Units must ensure funds are distributed to localities that perform recycling, solid waste management services and environmental programs within the solid waste unit using the same formula. Any residue (e.g., incinerator ash) which results from processing through a Virginia waste disposal facility shall not be again charged the waste disposal surcharge. The funds that are returned to local solid waste planning units should be utilized*

as follows:

- *A minimum of 30% and a maximum of 60% of the funds received by a unit shall be used for local recycling and yard waste composting programs, including local grants to private companies for recycling markets development and processing.*
- *A minimum of 30% and a maximum of 50% shall be used for local solid waste management purposes, including closure costs (including closure of 1205 landfills), operational costs, and any other use to offset the impact of the solid waste fee surcharge.*
- *A maximum of 30% may be used for other local environmental programs, including open space, watershed management and protection, brownfield redevelopment, closure of 1205 landfills and any other solid waste management program.*

*The remaining 30% of the total funds generated by the waste disposal surcharge shall be used for statewide environmental programs, such as open space preservation or water quality improvement, with 2% of the total funds be used to fund DEQ to administer the program.*

*C&D facilities should be charged the waste surcharge, with a cubic yard to ton ratio of 6:1 for facilities that do not have scales.*

*The effective date of any legislation proposed this year should be July 1, 2004.*

The funds should be placed in a separate trust fund which can only be used for the purposes stated. Should funds be used for any other purpose, an enactment clause in the legislation should provide that the fund and surcharge would be repealed.

**The RMDC approved the Subcommittee's recommendations at their meeting on August 13, 2002.**



**APPENDIX 3**

**Report From the Outgoing 2001 Chairman, John Carlock**



## Virginia Recycling Markets Development Council

February 28, 2002

**TO: Members, Virginia Recycling Markets Development Council**

**BY: John M. Carlock, Chairman, VRMDC, 2000 - 2001**

**RE: Chairman's Report - March 12, 2002 Meeting**

Due to other commitments associated with my regular job, I will be unable to join you for the March 12, 2001 meeting. As the outgoing Chairman of the Council, I wanted to share a few thoughts with you at this first meeting for 2002. To newly appointed Members, Welcome! To returning Members, Welcome Back!

### Council Mission

The mission and responsibilities of the Virginia Recycling Markets Development Council are clearly spelled out in the enabling legislation. DEQ provided copies of the enabling legislation to all Council members in a February 5, 2002 Memorandum. While a variety of duties are specified, the bottom line is that the Council is to study and make recommendations that will facilitate development of markets for recycled materials in the Commonwealth. A corollary to this is that the Council is to evaluate and recommend steps that can be taken to increase recycling in the Commonwealth. Thus, the Council's mission has both an economic development and an environmental protection component. Within this broad mission, individual Council members are expected to identify issues from the perspective of the market sector or group that they represent that warrant Council consideration. The public, including trade associations and other groups, may identify issues and request the Council to explore them. Decisions on which of these issues to consider are at the discretion of the Council. The General Assembly has in the past adopted resolutions requesting the Council to evaluate particular issues and make recommendations. General Assembly Commissions, e.g. the Commission of the Future of Virginia's Environment, have also requested the Council to examine particular topics and report back to the Commission for its consideration.

Since its creation by the General Assembly in 1993, the Council has generally operated through consensus, although votes are typically taken on all actions and formal recommendations to the Governor and General Assembly.

The Council is charge with reporting on an annual basis to the Governor and the General Assembly on its activities and accomplishments during the previous year. To the degree possible, the report should provide some direction on future activities. This report is to also address the status and prospects for recycling in the various economic sectors. DEQ provided copies of the 2001 Annual Report to all Council members in a February 5, 2002 Memorandum. Generally, the representatives of the various market sectors have prepared the basic information on the status of recycling and market conditions. A Council Subcommittee, appointed by the Chairman compiles the report, summarizing Council activities, studies and recommendations, DEQ staff work with staff from the Division of Legislative Services to ensure that the report is formatted and packaged to meet the standards of the General Assembly.

Staff support for the Council is provided in two ways. The Department of Environmental Quality is charged with providing limited administrative and logistical support. This included preparation of meeting minutes, publication of meeting notices in the Virginia Register of Regulations, distribution of meeting notices to Members and interested parties, maintenance of the mailing list and meeting logistics. Staffing for specific studies, arrangements for presentations at Council meetings, preparation of the Annual Report and so forth are provided by the individual Council members. Neither the legislative charge nor the funding to DEQ is sufficient to permit state staff support for the entire scope of the Council's mission. Thus, the willingness and ability of Council members to commit their time and resources to the Council's work will determine in large measure whether the Council is successful in accomplishing its mission.

## Accomplishments

Over the past several years, the Council has accomplished a number of things. It has been recognized by the General Assembly as a viable institutional mechanism for consideration of recycling-related issues. In part, because of its study and recommendations during 2001, the Council has been requested to participate in discussions with several regional Planning District Commissions and Waste Management agencies and boards, the Virginia Municipal League, the Virginia Association of Counties and the Solid Waste Association of North America, Old Dominion Chapter.

### 1. Legislative Participation

In 1998, the Council was directed by the General Assembly to work with the Department of Environmental Quality in evaluating the level of recycling being accomplished in Virginia and to determine the degree to which recyclable materials were being collected for recycling, but then landfilled instead.

Beginning in 1999, the Council was requested by the Commission on the Future of Virginia's Environment to make presentations to both the Commission and to its Subcommittee dealing with solid waste and

recycling issues. Presentations were made in 1999 and 2000 and a series of presentations were made during 2001. Following the 2000 presentation, the Council was requested to study three major issues and develop recommendations for consideration by the Commission. The specific issues to be addressed included:

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

Those studies were undertaken, recommendations developed and a report provided to the Commission in June 2001. Discussions with the Commission continued throughout the remainder of 2001. The reports on each issue are included in the Council's 2001 Annual Report. Detailed supporting documentation is on file with DEQ. A status report on the Council's study and follow-up of these issues, including presentations, was provided to the Commission on the Future of Virginia's Environment in November 2001. A copy of that report is attached to this Memorandum.

## 2. Regulatory Participation

During Calendar Year 2000, the Department of Environmental Quality convened a Technical Advisory Committee to advise it in the revision of the Regulations for Solid Waste Management Planning and Recycling. The Chairman of the VRMDC, as well as several individual members of the Council, served on the TAC.

During Calendar Year 2000, the Department of Environmental Quality revised and readopted Regulations governing the Recycling Equipment Tax Credit. The Council acted to support the continuation of this Tax Credit and provided comments to DEQ during the rule-making process.

## 3. Administrative

Since its creation, the Council has faced difficulties in pursuing its mission, which were attributable to the original enabling legislation. The primary concern was in establishing a quorum at each meeting. Because several Council seats had either not been filled or were filled with individuals who were unable to participate regularly, a quorum was frequently not present at meetings. This prevented the Council from accomplishing its mission. In 2001, the General Assembly amended the quorum provisions of the enabling legislation, which should enhance the Council's ability to accomplish its mission. The legislation now provides that a majority of the appointed members constitutes a quorum of the Council.

A secondary concern was the lack of continuity on the Council. As originally structured, all Council members served four-year terms with all terms beginning and ending concurrently. In the 2001 amendments to the enabling legislation, the General Assembly addressed this issue by establishing overlapping terms with the 2001 appointments.

While not crucial to accomplishing the mission of the Council, steps were taken during 2000 to enhance the Council's visible identity through creation of a logo and letterhead. The logo and letterhead are available in an electronic form for use by the Council.

### Future Work Activities

At the conclusion of 2001, the Council has identified several items for continuing study and consideration.

1. Evaluation of local government recycling reports

At its meeting on December 10, 2001, the Commission on the Future of Virginia's Environment requested that the Council evaluate the local government recycling reports, when they are submitted to DEQ in Spring 2002. The Council was requested to report back to the Commission on this analysis and any implications for future recycling.

2. Continuing evaluation of options to encourage increased recycling in the Commonwealth

This ongoing evaluation is clearly within the scope of the Council's mission as defined in the enabling legislation. Based on the December 10, 2001 discussions of the Commission on the Future of Virginia's Environment, the Commission clearly expects continued reports from the Council in this area, including consideration of the waste disposal fee or surcharge, increased recycling rates and appropriate staffing at the state level to support recycling and markets development.

3. Evaluation of recycling equipment tax credits

In 2000, the Council acted to support the continuation of the Recycling Equipment Tax Credit. At the same time, the Council discussed the expansion of this Tax Credit to cover recycling equipment that was purchased by non-manufacturing businesses. The Council determined that this issue should be studied further in the future. No action was taken during 2001 because of the level of effort required to respond to the request on the Commission on the Future of Virginia's Environment. This issue remains on the table for future consideration. Given the current

budget situation and legislative and executive branch concerns about increasing the number of special interest tax credits, this will be a difficult initiative to pursue.

4. Virginia Council on Litter Prevention and Recycling

At its September 22, 2001 meeting, the Council heard a presentation from the Virginia Council on Litter Prevention and Recycling (VCLPR). The VCLPR had conducted a series of focus groups to advise it in determining appropriate actions that could be taken to improve litter prevention and recycling in the Commonwealth. At the time of this presentation, the VCLPR had not completed its study, although it was expected to recommend establishment of a state coordinator position. The Council determined that this discussion should be continued after the VCLPR had completed its study and recommendations to determine if cooperative actions might be appropriate. This is likely to be especially important to any discussions about the establishment of a new state position of Recycling Markets Development Specialist.

As the past Chairman of the Virginia Recycling Markets Development Council, it has been a pleasure to serve the Commonwealth and the Council in this capacity. I thank my fellow Council Members over the past four years for the opportunity to work with them, and to serve as their Chairman for the past two years. I believe that the Council has made significant progress in the past four years in addressing its legislative charge and has laid the foundation for future progress. Much, however, remains to be done. The accomplishments of the past four years are attributable to the hard work and dedication of Council Members from the private and the public sectors. Continued progress is dependent on the continued willingness and ability of new and future Council Members to undertake the necessary work. It is now your Council. It will be what you make it to be. Good Luck!

JMC:fh



## Virginia Recycling Markets Development Council

November 28, 2001

**TO: The Honorable Senator William T. Bolling, Chairman, Commission on the Future of Virginia's Environment**

**BY: John M. Carlock, Chairman, Virginia Recycling Markets Development Council**

**RE: Status Report on VRMDC Activities**

At the June 26, 2001, meeting of the Commission on the Future of Virginia's Environment, the Virginia Recycling Markets Development Council presented its Report on three Recycling Studies to the Commission. These studies were prepared in response to your request of December 18, 2000. As you have requested, this Memorandum provides a status report on Council activities since that time. It also provides clarification on several issues that have been raised during public discourse on the Council's recommendations and during Council review of draft legislation, prepared by the Division of Legislative Services at your request.

### COUNCIL ACTIVITIES

The Virginia Recycling Markets Development Council held regular quarterly meetings on September 11, 2001 and on November 13, 2001. At the September meeting, the Council received a presentation from the Virginia Council on Litter Prevention and Recycling (VCLPR) on the activities of the VCLPR and its ongoing study of the need for recycling education. The Council also received a presentation from staff in the Departments of Environmental Quality and General Services about the Recycling Program, a partnership between the U.S. Environmental Protection Agency and Mid-Atlantic States, to address the issue of disposal and/or reuse of obsolete electronics equipment. The Council also discussed the status of its recommendations to the Commission on the Future of Virginia's Environment.

At its November meeting, the Council reviewed the draft legislation, prepared by the Division of Legislative Services, to implement the Council's recommendations and discussed the content of this status report to the Commission. The Council received public comment on the draft legislation. The Council also discussed its work plan and meeting schedule for Calendar Year 2002. During Calendar Year 2002, the Council

expects to focus its efforts on tracking the status of any legislative initiatives that deal with recycling issues that may be considered by the General Assembly, to review local government recycling reports as they are submitted during the Spring of 2002, to revisit existing legislation and regulations providing for a tax credit for recycling equipment, and such other issues as may arise.

During the six months since submitting its report to the Commission, Council members have been active in responding to requests from local governments and others in the waste industry for information on the Council's recommendations and action taken by the Commission on the Future of Virginia's Environment on those recommendations. Presentations were made to the Northern Virginia Waste Management Board, Environmental Policy Committee of the Virginia Municipal League, Hampton Roads Planning District Commission, Virginia Association of Planning District Commissions and the Solid Waste Association of North America, Old Dominion Chapter. Comments received during these presentations have been considered by the Council in formulating the following points and clarifying its recommendations. Council members have also actively worked with the Secretary of the Commonwealth, Department of Environmental Quality and the various trade associations to ensure that a full slate of nominees for Council membership was available for consideration by the Governor.

#### COUNCIL CLARIFICATION OF ISSUES CONCERNING ITS RECOMMENDATIONS AND THE DRAFT LEGISLATION

At its meeting of November 13, 2001, the Virginia Recycling Markets Development Council reviewed two draft bills, prepared by the Division of Legislative Services, to implement the Council's June 2001 recommendations to the Commission on the Future of Virginia's Environment. The Council also considered issues and questions that had been raised during public review of its recommendations. The following points attempt to answer those questions and clarify the Council's recommendations. These points should be considered by the Commission on the Future of Virginia's Environment during its deliberations on this proposed legislation.

- A. A bill adding a \$5 per ton surcharge fee on all municipal solid waste (MSW) landfilled or incinerated in Virginia.
  - 1. Which solid waste are included? The Council and its Subcommittee considered this issue at great length. The intent of the Council was to include all Municipal Solid Waste that is disposed of (landfilled or incinerated) at a facility in Virginia. Consumer separated recyclable materials, construction and demolition debris and vegetative wastes were to be excluded. Incinerator ash, derived from a material that has already been subjected to the Virginia surcharge, should not be subject to the surcharge. Incinerator ash, imported into Virginia for disposal, should be subject to the surcharge. The Council did not specifically address industrial waste, sludges or waste that is exported to another state for disposal. The Council believes that it would not be prudent to levy the surcharge on waste that is being exported for disposal. The Council does recognize that this may raise other issues in particular parts of the state.

The draft legislation specifies that the surcharge would apply to municipal solid waste (MSW) only. The Virginia Solid Waste Management Regulations ((VAC



20-130-10 et seq.) define MSW as residential, commercial, and institutional solid waste.

2. Which solid waste management facilities are required to collect the fee? The draft legislation specifies disposal of MSW at landfills and incinerators in Virginia. This is consistent with the recommendations of the Council. It is unclear if the following facilities would be exempt from collecting the surcharge: construction and demolition debris landfills, materials recovery facilities (MRF) and composting facilities. This is consistent with the Council's recommendations. The Council did not address industrial waste landfills. Also, the Council did not address transfer stations. However, the Council does not believe that the surcharge should be levied at transfer stations. According to DEQ, these are 60 permitted MSW landfills and 7 incinerators in Virginia.
3. Should waste-to-energy (WTE) facilities levy the surcharge on the MSW received or the ash generated? Though not recycling, WTE reduces the volume of "waste" to be landfilled by 10 to 1. The Council did not specifically address this issue. However, a number of localities and regional authorities that operate WTE facilities have indicated their concern over this issue. The Council believes that the surcharge should be levied on the ash to be disposed of and not on the MSW delivered to the WTE facility. However, the Council believes that if MSW will be subjected to the surcharge as it is received at a Virginia WTE facility, the resulting ash should not be subject to the surcharge, as that would constitute double counting. Incinerator ash from a facility not permitted by Virginia (out-of-state) would be subject to the surcharge. The Council is of the opinion that MSW delivered to an incinerator that is not a WTE facility should be subject to the surcharge. According to DEQ, there are presently no permitted non-WTE incinerators in Virginia.
4. How much money will the surcharge generate each year? The DEQ study *Solid Waste Managed in Virginia in CY 2000* reports that 11,628,287 tons of MSW were landfilled or incinerated in Virginia. At \$5 per ton, this would generate \$58,141,435. Tonnages that the Council recommended be exempt from the fee and tonnages for materials that the Council did not specifically address are:

<u>Material</u>	<u>Quantity</u>	<u>Council Position</u>
CDD	3,604,991 tons	Exempt
Vegetative	556,973 tons	Exempt
Recycled	708,574 tons	Exempt
Industrial	932,628 tons	Not Addressed
Incinerator Ash	676,532 tons	Exempt
Sludges	571,192 tons	Not Addressed

5. What can the money be used for? The draft legislation specifies that up to 15% is available to DEQ for 3 uses: solid waste planning and recycling programs at the state level, grants for innovative recycling programs and for fund administration. Although not specified, the draft implies that at least the

remaining 85% go to the solid waste planning units on a per capita basis for solid waste management planning and recycling programs. The Council did not specify further details on use of the funds.

6. Does this surcharge apply to out-of-state waste? Both the Council and the draft legislation specify that the fee applies to MSW managed by Virginia facilities, regardless of the origin of the municipal solid waste.
7. Is the timeline realistic? The dates specified in the draft legislation for the start-up of the fee payments and implementation of the grant awards may not be feasible. Some consideration should be given to allowing more time for these provisions to go into effect.
8. Why do the funds go to the solid waste planning units? Planning units are the group of localities that join together to develop and submit the Solid Waste Management Plans, required by 10.1-1411 of the Code of Virginia. Localities may also submit a plan just for their locality; the locality then would be the planning unit. The designated solid waste planning units are responsible for plan development, monitoring of plan implementation and appropriate revisions to ensure effective management and compliance with the Solid Waste Planning and Management Regulations. A concern has been raised over the process to be used by the solid waste planning units in determining priorities for use of the funds and/or allocation of the funds to localities. The Council did not address this issue specifically. However, since regional planning units are comprised of local governments, it has been assumed that the region's localities would determine a fair and equitable allocation and prioritization. The Council believes that the program could provide the funds directly to the local governments.
9. Will the grant-making effort be subject to regulatory implementation through the Administrative Processes Act (APA)? The proposed legislation does not specify regulations and, it is the Council's understanding that state-funded grant programs are not required to go through the formal APA regulation adopting process. However, to address concerns raised by localities and others, some form of a public process should be used to develop the grant guidance. (See also item #8.)
10. Will the surcharge adversely affect the localities that border neighboring states? For example, Bristol is concerned that the \$5 extra would result in its MSW going to facilities just across the border in Tennessee. Comment #1 above addressed this issue.
11. Will MSW used as alternative daily cover at landfills be subject to the surcharge? The Council did not address this issue.
12. Since localities will receive significant funding, will there be competition with the private sector if allowed to purchase equipment and services that could be provided by the private sector? The Council did not address this issue. At least some Council members believe that some type of prohibition may be needed.

Other Council members are of the opinion that fostering competition may lead to enhanced recycling efforts.

The Council requested the Department of Environmental Quality to provide it with comparative information on experience in other states. According to DEQ, the State of Pennsylvania has a \$2 per ton fee, which collected \$42,952,000 for FY 2000 (21,476,000 tons). The funds are designated for local governments in 5 different grant programs:

<u>Grant Type</u>	<u># Grants</u>	<u>\$ Awarded</u>
Planning	15	\$860,031
Recycling	301	\$21,569,061
Coordinators	52	\$410,845
Performance	632	\$14,868,567
Inspection	35	\$305,799
Total	1,035	\$38,014,303

Details on the activities covered in these categories were not available.

B. A bill establishing the position of State Recycling Markets Development Specialist within DEQ.

1. Is DEQ the correct location for this position? The Council did not recommend that the position be housed at DEQ. Both the Departments of Business Assistance and Environmental Quality and the Economic Development Partnership were discussed by the Council as potential locations since a majority of the job duties listed in the bill are of an economic development nature.
2. Can a staff level position handle the specified duties? The Council recommended that this be a position that could work across Secretariats. Several of the job duties, listed in the bill and recommended by the Council, are usually handled by Secretaries, Agency Heads and Policy Directors.
3. How will the position be created and funded? To create a new position, a state agency must secure funding and stay within its MEL (maximum employee level). Regardless of which state agency this position is assigned, the Council believes the legislature should provide both a designated source of long-term funding for personnel costs and the corresponding increase to that agency's MEL. The Council previously recommended that the position be funded through the Solid Waste Disposal Surcharge, at the amount of \$100,000 per year. However, the Council believes that the position is of such importance that it should probably be funded through general funds to ensure that these services are available to the Commonwealth whether the Surcharge is enacted or not.

The Council requested that the DEQ provide it with information on experience in other states with a similar type of position. According to DEQ, the State of Pennsylvania hired its first Market Development Specialist at DEP in 2000. The first goal was the creation of a new Recycling Markets Section within DEP, which has been accomplished. The next project is developing a Recycling Markets Development Center, where business owners, economic development specialists and local governments can actively seek existing markets and help identify and develop new markets.

Additional information on experience in other states that have implemented a Waste Disposal Surcharge and those that have employed a Recycling Markets Development Specialist is contained in the report of the Virginia Recycling Markets Development Council to the Commission on the Future of Virginia's Environment, dated June 20, 2001.

## CONCLUSION

The Virginia Recycling Markets Development Council is pleased to provide this status report to the Commission on the Future of Virginia's Environment. The Council hopes that this information provided to clarify issues and questions that have been raised on the Council's recommendations is helpful to the Commission on the Future of Virginia's Environment as it deliberated further on the Council's recommendations and the draft legislation.

The members of the VRMDC would be pleased to continue working with the Commission in its efforts to address these important initiatives.

JMC:fh

**APPENDIX 4**

**2001 Recycling Rate Report Summary**

## Recycling Rate Report Summary

### Virginia Localities Reporting Rate Information

**Note: Summary information presented is based solely upon "as reported" recycling rate data submittals.**

As of October 17, 2002, 101 Recycling Rate Reports, representing 326 Virginia localities had been received. This represents a return rate of 100%. (Responses were requested back by April 30, 2002.) Totals for all reports are presented below:

Principal Recyclable Material (PRM)		Supplemental Recyclable Material (SRM)				Total MSW Disposed	
		Recycled SRM		Reused SRM			
Paper	821,594.01	Tires	29,519.42	Tires	25,381.49	Household Waste	4,058,187.58
Metal	332,973.95	Used Oil	44,038.46	Used Oil	842.39		
Plastic	28,071.85	Used Oil Filters	1,454.28	Used Oil Filters	3.41	Commercial Waste	1,507,238.50
Glass	32,867.85	Used Antifreeze	4,232.69	Used Antifreeze	13.44		
Commingled	79,080.41	Auto Bodies	134,121.00	Auto Bodies	600.00	Institutional Waste	264,117.28
Yard Waste	611,235.53	Const. Waste	123,209.17	Const. Waste	110,663.56		
Wood	174,932.22	Demol. Waste	103,061.93	Demol. Waste	20,209.00	Other:*	391,609.23
Textiles	18,121.71	Debris Waste	24,564.37	Debris Waste	482.00		
<b>Total PRM (P)</b>	<b>2,098,877.51</b>	Batteries	33,157.35	Batteries	3.00	<b>TOTAL (M)</b>	<b>6,221,152.59</b>
		Ash	317,703.24	Ash	185,487.00		
		Sludge	111,579.68	Sludge	13,542.08		
		Tree Stumps (>6" Diameter)	57,016.26	Tree Stumps (>6" Diameter)	5.00		
		Other: Electronics	230.48	Other: Soil/Stone	8,679.98	<b>Recycling Rate:</b>	<b>Recycling Rate:</b>
		Other:	265,602.12	Other: Asphalt	53,148.00	<b>(P+S)/(P+S+M)</b>	<b>37.78%</b>
				Other: Brush	150.00	<b>x 100</b>	
				Other:	10,317.12		
		<b>TOTAL Recycled SRM</b>	<b>1,249,490.44</b>	<b>TOTAL Reused SRM</b>	<b>429,527.47</b>		
		<b>Total SRM (S)</b>	<b>1,679,017.91</b>				

\* May include total amounts of SRM generated

**APPENDIX 5**

**Results of**  
**“The Virginia Recycling Rates Mandate” Survey**

## MEMORANDUM

**TO:** Recycling Markets Development Council

**FROM:** G. Stephen Coe  
Virginia DEQ

**SUBJECT:** Virginia's Recycling Rate Mandate Survey Results - Status

**DATE:** October 15, 2002

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As of Tuesday, October 15, 2002, a total **74** of "Virginia's Recycling Rate Mandate Surveys" sent to Virginia's Solid Waste Planning Units have been received (**73%**). The submitted surveys provided the following responses:

**33** survey respondents indicated that the existing 25% recycling mandate is appropriate and should remain unchanged.

**8** survey respondents indicated that the existing 25% recycling mandate is too low and should be raised to **30 to 40%**. (5 - 30%; 2 - 35%; 1 - 35 to 40%)

**14** survey respondents indicated that the existing 25% recycling mandate is too high and should be lowered to **0 to 20%**. (2 - 20%; 6 - 15%; 3 - 10%; 1 - 0%; 2 - No % Given)

**19** survey respondents indicated that the existing 25% recycling mandate is appropriate but should be changed in the following way(s): 1) Should be a corresponding mandate to use recycled products. 2) Include energy produced from burning refuse. 3) Provide grants to fund collecting data for Recycling Rate Reports. 4) Help offset cost with the total program of recycling from setup to pickup process to market because of costs. 5) The mandate should take into consideration a SWPU ability to recycle. The state should consider population and number of businesses in a locality. 6) Separate household recycling, business and industry recycling. 7) Set mandate at 30% for 2002, 35% for 2004, 40% for 2006, 45% for 2008, and 50% for 2010. 8) Should take into consideration that a one-size fits all mandate is not practicable. Localities are faced with different market conditions and fiscal responsibilities. 9) Should be adjusted to reflect proximity to markets and cost/beneficial ratios, particularly to rural communities. 10) Effective recycling and waste diversion programs should receive financial support should a tipping fee surcharge be enacted by the Virginia General Assembly. 11) Support raising the recycling rate to encourage recycling in the Commonwealth. Suggested goal: 30% by 2004; 35% by 2006. Re-consider the rates again after the 2006 Reports are evaluated. 12) The recycling rate should be a goal not a mandate. It is difficult for some localities without a large presence of business/industry, population, funding and/or resources to achieve mandates that may come



easier for larger municipalities. 13) Drop the mandate, otherwise provide state funding assistance. 14) It seems that jurisdictions are always faced with unfunded mandates for this and that. Why can't the state develop incentives to recycle? Then provide credits, grants, packages, etc. to those communities that do not meet the 25% mandate so that they can meet it. Perhaps those communities then could "find" a way to improve their recycling percentage by using grant money. How about the state giving a certain amount of tax money back to local jurisdictions that meet the mandate? 15) With the mandate remaining at 25%, an increased rate established as a goal is appropriate, perhaps 35%. 16) Smaller rural counties have difficulty meeting the 25% due to limited funding. Governing bodies often perceive recycling as a secondary priority and do not provide funding to permit a program to move forward. Therefore a grant or matching cost program maybe helpful, i.e., to help purchase equipment (recycling bins) and to help identify and locate markets for recyclables. 17) Need better access to existing funds. 18) There should be more allowance for material reuse, e.g., road building material.

(A total of **52** survey respondents or **70%** of those responding indicated that the existing 25% recycling rate mandate is appropriate.)

Additional comments included the following: 1) Recycling Should Not Be Mandated. 2) Problem is Lack of Markets and Expense of Recycling. 3) Recycling is not a viable option in rural areas; Not Enough Revenue. 4) Recycling programs suffer greatly with market fluctuations. Having problems with school programs because of market fluctuations with newspaper, corrugated and school paper recycling. 5) Just don't have a market that is practical because of the rural nature of the area and lack of funds for the program. Recycling is too expensive for a locality with a low population density. 6) No local markets for recycling materials. 7) The recycling rate is too high and should be adjusted to a level to is acceptable to each locality. 8) Recycling markets are only sufficient because our contractor is responsible for marketing the commodities. Recycling markets have been mediocre for years and they will be until end markets find "recycle" opportunities. The only market that there is more demand than the product recycled in the HDPE/PET market. 9) Our market is sufficient only because we contracted for the disposal of MSW and required recycling as part of the contract. 10) Lower mandate to 15% with rewards for achieving 25% or more. 11) In some cases recycling markets for a commodity are insufficient because it has a market but the specifications are so expensive to attain and/or the price paid is not near the price needed to recover costs that it is not marketable. 12) We believe in the importance of recycling, however, for a small, rural county it is quite costly and difficult to properly educate the citizens as to its overall benefit. 13) More focus should be given to waste diversion and reuse.

A total of **66** Solid Waste Planning Unit localities reported their FY 2002 Recycling Program Costs. The total local Recycling Program Costs for FY 2002 represented by these reports was **\$19,103,736**.

The number of respondents to each of the following specific recycling program questions is indicated below:

- 58** Recycling is important to our community/region as part of our solid waste management strategy/plan.
- 7** Recycling is too expensive and the state mandate should be dropped.
- 26** Recycling should be a local/regional option, not a mandate.
- 32** Recycling should be available to every citizen of the Commonwealth.
- 19** Recycling programs should be funded by the Commonwealth, not local governments.
- 25** Recycling programs should pay for themselves through sale of the collected commodities and the avoided disposal costs.
- 7** Recycling programs should be standardized across the state.
- 40** Recycling programs should remain a product of the localities'/regions' ability to offer such services.
- 16** Recycling services should be a required part of the basic services offered by a locality/region, as are solid waste disposal, water and sewer services.
- 47** Recycling programs need state assistance to develop/expand markets for the collected commodities.
- 6** Recycling markets are sufficient for our program.
- 65** Recycling markets are insufficient for our program, specifically for: **9** aluminum; **18** newspaper; **15** cardboard; **26** office paper; **21** steel cans; **32** mixed paper; **31** PETe; **31** HDPE; **51** container glass; **44** other plastics; **23** tires; **17** used oil; **19** used antifreeze; **23** textiles; **29** used oil filters; **16** lead-acid batteries; **8** Other: Agricultural Plastics; Whitegoods; Electronics; Glass; Wood Pallets; Construction Waste; Computers; CRTs.

**APPENDIX 6**

**RECYCLING RATE SUBCOMMITTEE REPORT**

## Report of the Recycling Rate Subcommittee

Members: Richard Lerner, Michael Murphy

**Subcommittee charge:** Work with the Department of Environmental Quality (DEQ) to review the 2001 recycling rate reports submitted by Solid Waste Planning Units (SWPUs) in 2002 to determine if it is appropriate to recommend a change to the existing 25 percent recycling mandate. Report any recommendations to the RMDC for consideration in the response to the Commission on the Future of Virginia's Environment request for such information.

- I. On July 25, 2002, the Recycling Rate Subcommittee received a summary report from DEQ on the data submitted by localities on their recycling programs for calendar year 2001. Based on this data, DEQ calculated that the statewide recycling rate for 2001 was 37.34 percent.

After a review of the data and of the summary information provided, the Subcommittee recommended the following:

- 1) that DEQ present its findings to the RMDC at its August 13<sup>th</sup> meeting,
- 2) that the RMDC/DEQ seek local government input on the issue of changing the recycling mandate, and
- 3) that no change to the mandate be proposed at this time by the RMDC.

These recommendations were discussed at the RMDC's August 13, 2002 meeting.

- II. On October 15, 2002, the Recycling Rate Subcommittee received a summary report from DEQ on the recycling rate survey developed and sent out to the local government Solid Waste Planning Units (SWPUs). The SWPUs were responsible for submitting the recycling rate reports for their jurisdiction(s), and thus were identified as the best information sources on the recycling rate

questions. On October 21, 2002, the subcommittee also hosted a public forum to solicit comments on the recycling rate mandate. Comments received at the forum generally reinforced the responses from the survey.

After reviewing the survey results and the public comments, the subcommittee made the following **recommendation** at the October 21, 2002 meeting of the RMDC:

The existing 25 percent recycling mandate is seen as appropriate at this time. The Subcommittee recommends that no change to the mandate be considered at this time.

**Result of Subcommittee Recommendations:**

**At its October 21, 2002 meeting, RMDC adopted the subcommittee's recommendation to leave the existing recycling mandate at its current level of 25 percent.**

**APPENDIX 7**

**Recycling Rate Compliance Assistance Meetings – DEQ**

## Recycling Rate Compliance Assistance Meetings - DEQ

With 100% of localities reporting (or included in a regional solid waste planning unit's report) their 2001 recycling rate data, Virginia's 2001 statewide average recycling rate was 37.78 percent. The rates reported are as follows:

### Meeting or exceeding the 25% mandate

Virginia Peninsula Public Service Authority	51%		
Central Virginia Waste Management Authority	44%		
Cumberland Plateau PDC	44%		
Rockbridge County	42%		
Southeast Public Service Authority	35%		
Eastern Shore	34%		
Rappahannock-Rapidan PDC	33%		
Mt. Rogers PDC	32%		
South Crater PDC	30%		
Thomas Jefferson PDC	30%		
Galax-Grayson County	30%		
Martinsville-Henry County	29%		
Northern Neck PDC	28%		
Fredericksburg-Stafford County	27%		
Piedmont PDC	25%		
Alexandria	31%	Arlington County	36%
Bath County	25%	Bedford City	45%
Botetourt County	29%	Campbell County	35%
Caroline County	32%	Danville	49%
Fairfax	46%	Fairfax County	34%
Falls Church	53%	Harrisonburg	29%
Loudoun County	28%	Lynchburg	48%
Manassas	29%	Mecklenburg County	46%
Montgomery County	27%	Nottoway County	50%
Patrick County	92%	Pittsylvania County	33%
Prince William County	34%	Roanoke	55%
Roanoke County	27%	Rockingham County	33%
Salem	25%	Spotsylvania County	34%
Staunton	55%	Tazewell County	35%
Waynesboro	49%		

**Below 25% mandate**

<b>Lord Fairfax PDC</b>	<b>21%</b>	<b>Alleghany-Highlands</b>	<b>16%</b>
<b>Culpeper County</b>	<b>23%</b>	<b>Wythe-Bland Counties</b>	<b>13%</b>
<b>Halifax County</b>	<b>23%</b>	<b>New River Resources Authority</b>	<b>11%</b>
<b>Wise County</b>	<b>22%</b>	<b>Highland County</b>	<b>18%</b>
<b>Craig County</b>	<b>18%</b>	<b>Giles County</b>	<b>16%</b>
<b>Amherst County</b>	<b>16%</b>	<b>Bedford County</b>	<b>18%</b>
<b>Appomattox County</b>	<b>15%</b>	<b>Franklin County</b>	<b>12%</b>
<b>Carroll County</b>	<b>12%</b>	<b>Floyd County</b>	<b>6%</b>
<b>Manassas Park</b>	<b>2%</b>	<b>Scott County</b>	<b>3%</b>
<b>Brunswick County</b>	<b>2%</b>	<b>Lee County</b>	<b>15%</b>

**DEQ has scheduled visits to each of the reporting localities that reported a recycling rate below the 25% mandate. These compliance assistance meetings are designed to review the data collection methods, the program designs, and locality promotion of recycling as well as market opportunities for the collected recyclables. DEQ staff will offer suggestions and guidance on developing data resources and marketing information that can help in reaching a higher recycling rate.**