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# ***Committee Meeting***

of

## **ASSEMBLY SOLID AND HAZARDOUS WASTE COMMITTEE**

**ASSEMBLY BILL Nos. 515, 516, 517, 518, and 519 (proposed ACSs)**

*(Discussion on proposed committee substitutes  
relating to solid waste management and disposal)*

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**LOCATION:** Committee Room 11  
State House Annex  
Trenton, New Jersey

**DATE:** February 26, 1998  
2:00 p.m.

**MEMBERS OF COMMITTEE PRESENT:**

Assemblyman John E. Rooney, Chair  
Assemblyman Peter J. Biondi, Vice-Chair  
Assemblyman Larry Chatzidakis  
Assemblyman Melvin Cottrell  
Assemblywoman Connie Myers  
Assemblyman LeRoy J. Jones Jr.  
Assemblyman Alfred E. Steele



**ALSO PRESENT:**

Algis P. Matioska  
Leonard J. Colner  
*Office of Legislative Services  
Committee Aides*

Thea M. Sheridan  
*Assembly Majority  
Committee Aide*

***Meeting Recorded and Transcribed by  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

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## TABLE OF CONTENTS

	<u>Page</u>
Gary Sondermeyer Assistant Commissioner Environmental Regulation New Jersey Department of Environmental Protection	2
Assemblyman Gerald J. Luongo District 4	13
Chris J. Carew Senior Legislative Analyst New Jersey State League of Municipalities	18
William Harrison Assistant Director of Project Review The Pinelands Commission	39
Tyler Scofield, Esq. American Ref-Fuel Company	44
Sue Murphy Ostergaard New Jersey Legislative Representative The Port Authority of New York and New Jersey	49
Robert D. Prunetti County Executive Mercer County, and Chairman Solid Waste Committee New Jersey Association of Counties	53
Linda D. Stender Freeholder Union County, and Former Councilwoman and Mayor Fanwood	71
John G. Carlton Executive Director Pollution Control Financing Authority Warren County	80

## TABLE OF CONTENTS

	<b><u>Page</u></b>
Alan W. Avery Jr. Director Department of Solid Waste Management Ocean County, and Representing Ocean County Board of Chosen Freeholders	83
David Pringle Campaign Director New Jersey Environmental Federation	92
Theodore A. Schwartz, Esq. Counsel Ocean County Landfill, Inc.	94
David A. Smith Princeton Public Affairs Group, Inc. Representing Middlesex County Utilities Authority	112
<b>APPENDIX:</b>	
Testimony submitted by Tyler Scofield	1x
Testimony submitted by Sue Murphy Ostergaard	3x
Letter addressed to Assemblyman John E. Rooney from John G. Carlton	6x
Statement submitted by Theodore A. Schwartz	8x

## **TABLE OF CONTENTS (continued)**

### **APPENDIX (continued):**

#### **Page**

“Reclaim New Jersey” submitted by David Pringle	14x
Memorandum submitted by David A. Smith	15x
Resolution submitted by New Jersey Association of Counties	16x
lmb: 1-120	

**ASSEMBLYMAN JOHN E. ROONEY (Chairman):** I'm going to call this meeting to order. This is the Assembly Committee on Solid Waste and Hazardous Waste (*sic*). At this time, can we have a roll call, please.

MR. MATIOSKA (Committee Aide): Roll call.

Assemblyman Steele.

ASSEMBLYMAN STEELE: Here.

MR. MATIOSKA: Assemblyman Jones.

ASSEMBLYMAN JONES: Present.

MR. MATIOSKA: Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: Here.

MR. MATIOSKA: Assemblyman Cottrell.

ASSEMBLYMAN COTTRELL: Here.

MR. MATIOSKA: Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Present.

MR. MATIOSKA: Assemblyman Biondi.

ASSEMBLYMAN BIONDI: Here.

MR. MATIOSKA: Assemblyman Rooney.

ASSEMBLYMAN ROONEY: Here.

MR. MATIOSKA: We have a quorum.

ASSEMBLYMAN ROONEY: Okay. Thank you very much.

At this time, just to give a little ground rules, anyone who hasn't signed in, please sign in now, if you want to speak. Everyone will be heard.

We're going to go through a list of bills. Basically, this would be the solid waste reform package to try and bring us back into constitutional muster with our solid waste laws in the State of New Jersey. What I'm going

to do is take testimony on all bills or any bills of your choice. I'm going to go through that process, and then from there, since the most contentious bill will be A-519 -- I guess that's been the one that has had the most problem -- we're going to run that bill first. If that bill passes, we'll go with the rest of the bills. If it doesn't pass, that will be the end of the Committee meeting. We will then hold the bills and carry them over for another session. So having that in mind, let's move on at this point and--

ASSEMBLYMAN JONES: Just a point, just to clarify what you just said, Mr. Chairman, when you said hold it over for another session, you don't mean legislative session?

ASSEMBLYMAN ROONEY: No. No.

ASSEMBLYMAN JONES: Okay.

ASSEMBLYMAN ROONEY: Another meeting, sorry -- another Committee meeting.

So having said that, I'm going to start with a good friend, Gary Sondermeyer, from the DEP.

Gary, long time no see.

**ASST. COMMISSIONER GARY SONDERMEYER:**  
It's been a day or so.

We all set?

ASSEMBLYMAN ROONEY: Yes.

MR. SONDERMEYER: Good afternoon, Mr. Chairman and distinguished members of the Committee. My name is Gary Sondermeyer, and I am the Assistant Commissioner of Environmental Regulation for DEP. Thank you for the opportunity to present testimony before you today at this

most significant point in time in the history of New Jersey's management of its solid waste. As you know, the current situation is the result of recent court rulings that have held the State regulations dealing with the flow of solid waste unconstitutional. This has resulted in financial problems in some counties that depended on the waste flow regulations to support the county-designated facility.

It should be noted that the court cases have upheld the county planning process, which has been the cornerstone of this State's system since the mid-1970s. It is a cornerstone that the Department believes should be maintained. There have been significant environmental improvements that have resulted from our county planning process. The facilities constructed have state-of-the-art controls that include necessary environmental safeguards and have been sited through a well-thought-out public process. The counties have also been in the forefront in advancing source reduction programs, in getting household hazardous waste and universal waste out of the municipal waste stream, and have been the driving force behind New Jersey's leadership position in recycling nationally.

To dismantle the entire county planning and solid waste system now is not appropriate. We share your goal that any county run solid waste facility needs to be operated in a competitive basis, and municipalities should have some freedom of choice in the disposal of their residents' solid waste. Yet, we need to ensure that the environmental improvements that the existing system have produced are not compromised, and we need to maintain and improve upon our current recycling program. We need the county planning process to be part of the solution.



With this brief introduction, I would like to offer that rather than move any of the proposed pieces of legislation under consideration today, we would like to sit down and work with the Legislature on a comprehensive and equitable solution to the solid waste problem.

In coordination with the Department of Community Affairs and the Department of Treasury, we have been working toward a consensus regarding some components of a statewide solution and agree that it must include the following:

1. Counties should retain the ability to coordinate planning efforts on behalf of constituent municipalities. However, until any action from Congress regarding flow control and interstate waste shipment authorizations, the State and counties are bound by the court decisions. We understand that debt needs to be covered in an equitable fashion. The State recognizes the need to both coordinate the process along with counties and authorities and to provide financial assistance to some balanced degree. Twenty million dollars has already been appropriated within the context of our partnership agreement program, and another \$20 million is being recommended. Counties have also been advised that they may seek up to a five-year deferral on bond act loan repayments. Additional opportunities for bond act program relief also appear workable.

2. From an environmental perspective, we need to maintain and advance recycling. Many counties have organized a regional system for recycling which consolidates various services and provides for an efficient system of collecting, processing, and marketing recyclable materials. The municipalities may not have the funding or the incentives to continue if the

systems are abandoned. You may recall that the statewide funding for municipalities ended when the recycling fund and the business tax credit program sunsetted in December of 1996. These programs not only contributed financial assistance to our municipalities and helped in financing private recycling initiatives, but they were also designed to provide valuable statewide data, which validated New Jersey's leadership position in recycling nationally. It is the most comprehensive statewide program in the United States today. We cannot let the current situation place our recycling gains in jeopardy.

The benefits of recycling are many and include the following: (a) Recycling creates jobs. A recent study showed that over 14,000 private sector jobs in New Jersey are attributed to recycling; (b) Recycling helps avoid increased debt. The diversion of the current 10 million tons per year of waste for recycling saves approximately 27,000 tons per day of solid waste disposal capacity; (c) It should be noted that since the state of Pennsylvania has a \$2 per ton recycling tax, and we export a significant amount of waste to Pennsylvania, we are regrettably funding Pennsylvania's recycling program to a greater extent than our own. In 1996, we shipped 2,225,000 tons of solid waste to Pennsylvania, which resulted in \$4,450,000 to their state's coffers.

We appreciate the opportunity to briefly present testimony today and look forward to working with the Legislature closely in developing a new blueprint for solid waste management. The task before us is great. As you know full well, the number of constituencies affected by the loss of flow control are many with a significant divergence of opinion on an equitable solution.

However, the themes of a legislative solution, some of which are outlined above and already identified in proposed legislation, are an important first step.

Thank you.

ASSEMBLYMAN ROONEY: Thank you, Gary.

Anyone have any questions for this speaker? (no response)

I have some major disagreements. We have appreciated the DEP being at the table a long time ago, whether it be through this legislative process or the last. I think I heard you say something about the Federal-- What was--

MR. SONDERMEYER: I did speak a bit about -- until such time as there is any form of a Federal solution, that the process is bound by court decision.

ASSEMBLYMAN ROONEY: You've already lost every case at the Federal level, and basically, you're still saying you want Congress to implement flow control?

MR. SONDERMEYER: No. Really the point of the statement directly was that right now the courts and the court decisions are what's dictating the system that's in place. And that's what the Department and the Department of Community Affairs, the Department of Treasury have been working toward in the nine months since the Court of Appeals' decision was trying to put something in place as an interim solution pending a broader solution put in place through this body.

ASSEMBLYMAN ROONEY: How many lawsuits are now filed as a result of the plan amendments that DEP has approved since the end of flow control?

MR. SONDERMEYER: I don't know an exact number, and I can't recite the cases to you. I think the number of cases--

ASSEMBLYMAN ROONEY: Does 17 sound like a reasonable number?

MR. SONDERMEYER: No. I think it's actually closer to 8 or 9. That's my understanding.

ASSEMBLYMAN ROONEY: I heard 17 was the real number. How many more lawsuits will be filed, as a result of other plan amendments being passed by the DEP? Because what's happened is, you're passing different plan amendments in different counties -- are forcing municipalities and haulers, basically, to go to court in opposition to it. The EIC -- which I hate that word and I'd like to see it stomped out once and for all, but environmental investment cost supposedly is different in each county. It ranges in some counties from zero up to, I believe, it's -- Warren County had \$77.98 EIC, if they were to go there, or that would be their debt portion that they would have to recover.

My county is about \$26-and-something, and what they've proposed -- and I think you guys have said that it's a great plan amendment -- is they will take whatever the competitive fee is, or the tipping fee, and I think that's \$54 a ton right now, and they will add to it the \$26 a ton for garbage for whatever your tonnage is in your municipality. Then, they're going to turn around and on the commercial waste, which municipalities don't collect, don't get involved in whatsoever, the BCUA in Bergen County is saying, "Yes, well, since we can't collect that, there's no legal way for us to do it." They're going

to let the municipalities do it, and the municipalities now are going to be assessed at whatever tonnage.

In my town, I believe, it was 2000 tons of municipal solid waste and about 3000 tons of commercial waste. So now I wind up with \$54 a ton, plus 26, plus another 26 for an equal 2000, and 13 for the additional 1000, I'm way over what I was paying pre-flow control. This is absolutely ludicrous. And what does it mean? It means higher property taxes. It's going to be the same throughout, I'd say, half the municipalities in Bergen County. And I think this is what's happening in those counties that are having real problems.

Some counties, like the landfill counties, don't have the problem. They've been at \$48 a ton, \$49 a ton, \$50 a ton, \$60 a ton -- not us in Bergen, not in Essex, not in Union, not in some of the other counties. We've been as high as \$135 a ton -- Somerset County, \$131 a ton. This is nonsense where you have these fluctuating rates across the state, and each county is out there on its own without any help. And that's what I object to. We've got to come up with a statewide solution that says put everybody on a even playing field. Level the playing field for everyone. Let them go out, compete in the marketplace, which is what the intent of the *Carbone* decision was, make it competitive rates, and then, let's see.

Because across the country in 49 other states -- well, let's not include Alaska and Hawaii, but in 47 other states, we're talking about \$36 a ton average disposal fees. And here in New Jersey, pre-*Carbone*, we were paying \$96 a ton -- almost triple the national average. And that was thanks to a program that was absolutely wrong.

I attended with you the last couple of days a waste of energy conference where Salem County is trying to site an incinerator down there, and I was surprised they're looking at taking in 60 percent of the trash -- from where? Delaware. And I listened, I listened to the process. I was impressed with the process. I don't live down in that area, but I think there would have to be a lot of questions that come up about what happens. The one thing that came out of the conference that I appreciated was that Delaware with their three counties has rate averaging. They pay now \$58.50 a ton in each county. I don't have a problem with that. But I do have a problem with Burlington County who is going to pay \$49 a ton. We in Bergen have been paying \$102 recently. Why? Because you closed my landfill. You wouldn't let -- you not personally, but you, DEP, closed my landfill. We were paying \$32 a ton. Thirty-two dollars a ton in the Meadowlands, and that was only in 1983. I think, actually, it was up till 1988.

And I've used the example many, many times: I had a 10-yard Dumpster sitting in my driveway with construction waste in it, and I got a call from my hauler. It was February of 1988. My hauler said, "John, if I pick it up today, it's 350 bucks. If I pick it up on Monday, it's \$1350," when it went up to the \$130, \$135 a ton from the \$35 a ton. That's what happened overnight, when you closed the landfills on us, and other counties were allowed to have their landfills. Yes, they had room for it and everything else, but I still remember there's 109 acres in Bergen dedicated to an ash landfill for our incinerator that still has never been opened, even though we never built the incinerator. There's total discrepancies here. I think we've got to get the system fixed.

I appreciate your coming to the table now. That's one thing I can say. I'd like to work with you, but my question still is, where have you been? That's a very important question.

MR. SONDERMEYER: Mr. Chairman, I think it's fair to say that you and I have jousting at every public forum on this issue for at least the past three years, and I certainly will not replay all of our discussions during that time.

ASSEMBLYMAN ROONEY: Even though I did.

MR. SONDERMEYER: That's okay. It is a very difficult problem. I would just like to say, I guess, a few things in response. Certainly, the systems that were built were built independently. And going back in time, it was a regionalization from 567 piecemeal, uncoordinated municipalities to 22 solid waste districts. The systems were built independently with Department oversight, and it's very complicated at this point in time to try to deal with a form of deregulation.

In terms of environmental investment charges -- I didn't say EICs, well, now I said it -- I know you don't like the term, but the highest one in the state actually is \$36 a ton. And that \$36 a ton, even with that assessment so far, that resulted in a \$10 reduction in the total tip fee for that particular county. In no county that I'm aware of that an EIC strategy result in any higher rates of anything. The rates have come down, and the highest one was \$36 a ton.

In terms of our Delaware discussion, which was very interesting the past couple of days, what you said was accurate, but what also struck me

is that the state of Delaware is at a recycling rate of between 2 percent and 3 percent.

ASSEMBLYMAN ROONEY: Oh, I agree. I was shocked.

MR. SONDERMEYER: So I don't think you can even compare the State of New Jersey and what we've done with the state of Delaware.

And I guess, finally, to put the offer back up, we would like to sit down within the next couple of weeks to work with the Legislature, to work with you on a comprehensive solution. Certainly, there are elements that we see and have positions on that we'd like to express and like to go forward in more of a comprehensive statewide way with you.

ASSEMBLYMAN ROONEY: Anyone else have any questions?

ASSEMBLYWOMAN MYERS: Mr. Chairman.

ASSEMBLYMAN ROONEY: Yes, Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: Good morning, Commissioner, congratulations on your promotion.

MR. SONDERMEYER: Thank you.

ASSEMBLYWOMAN MYERS: I agree with your concerns, as well as with the Chairman's concerns, and I think my biggest question, and maybe this concern is shared by some of the other Committee members, is-- We are getting some messages that there is some urgency toward action from the Legislature. You and the Treasurer and Beth Gates, at Division of Local Government Services, have been working for nearly eight months on the partnership agreements and audit process, and it seems to me through that program and process you have information that is not available to this Committee. Can you tell us today, and if not today, when can you tell us,



what the urgency is? Is it a statewide urgency? Are there particular counties in jeopardy today, next week, next month? How long do we have, as you propose today, which is my preference, to work together to try to come up with a package that we all can agree on?

MR. SONDERMEYER: In response, we will try to get you a better answer on it, but for today at least what I believe the Department of Community Affairs has put in place is a monthly reporting system.

Is that a signal of some kind? (referring to lights flickering in room)

I believe the Department of Community Affairs has put in place a monthly monitoring and reporting system with the Authorities regarding their outstanding debt payments to try to make sure that we're not running up against a situation where we might be coming to a default position. So I do believe that the State is watching that situation very, very carefully. If you'd like to get some more information, I'll coordinate with Beth Gates regarding more information about the debt situation.

But, as you know, Assemblywoman, we have worked very closely with the counties and Authorities on an interim circumstance to try to avoid that exact situation, and we certainly have over the past nine months. And at this point, I think we do need to sit down collectively and draft a program to move forward.

ASSEMBLYMAN ROONEY: Anything else, Connie?

ASSEMBLYWOMAN MYERS: Well, I didn't hear a time frame.

MR. SONDERMEYER: Well, as I said, I would like to propose that we get together within the next couple of weeks.

ASSEMBLYWOMAN MYERS: Thank you.

ASSEMBLYMAN CHATZIDAKIS: Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes.

Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Through the Chair, we've been hearing stories about Passaic County is going to default March 1 -- this coming Monday. How accurate are -- or has this been taken care of by your monthly monitoring, as you mentioned?

MR. SONDERMEYER: I don't believe that Passaic is in a default circumstance. I think that the Passaic County Utilities Authority was looking at a refinancing from some of their debt, which would avoid any form of a default circumstance. I have had discussions with the chairman of the PCUA, Mr. John Morley (phonetic spelling), on a daily basis regarding that, and I believe today was the day that the closure of their bond sale was to take place. So I don't think we're in that position right now.

ASSEMBLYMAN CHATZIDAKIS: Thank you.

ASSEMBLYMAN ROONEY: Assemblyman Steele.

ASSEMBLYMAN STEELE: Yes, what he said is correct. Apparently, that doesn't solve the problem.

ASSEMBLYMAN ROONEY: Anything else? (no response)

MR. SONDERMEYER: Thank you very much.

ASSEMBLYMAN ROONEY: Thank you.

Let's see. Assemblyman Luongo was here earlier and wanted to testify.

**ASSEMBLYMAN GERALD J. LUONGO:** Thank you.

Members of the Committee, Mr. Chairman, thank you very much. I do not have any prepared remarks because I was in other committees today, and when I had heard that you were meeting today, I felt as though I just wanted to briefly share some concerns with you. And as the immediate past president of Gloucester County Mayors Association, the Mayor of Washington Township in Gloucester County, which is a large municipality out of the 24 communities, plus Assemblyman, I have some concerns relative to the solid waste.

First of all, I'm not going to debate the previous speaker. I'm sure that he's quite adept with the DEP, and I'm sure they've done everything to assure the quality of the landfills and the operations of the individual Authorities. And having had to work with the DEP over several landfill issues in Washington Township, which dated back some 20 years, I can only say that their cooperation, assistance, and end result were beneficial to the residents whose homes were built on those landfills, and they did a great job in working with the developer and coming to closure at not too much of cost to the community or to the residents, but more so to the developer. So I thank them for that.

My concern is one which Assemblyman Rooney brought forth as the inconsistencies with the charges. As many of you may know in Gloucester County, the Gloucester County Improvement Authority, which to my knowledge, has not downsized one iota since its inception or to this point when, in fact, there is a crisis, as I look at it, with regard to solid waste disposal. My concern is that we were paying \$102 for many years to the Authority, and we did not quarrel when we had this, if you will, deregulation. We were able

to go out into the free market individually, one community, as many others have done also, and dispose of our trash at the incinerator for about \$50 a ton.

In Gloucester County, the mayors have unequivocally -- and I make that my operative word, unequivocally -- demanded that they not landfill, but that they go to ash incineration. If you've been to Gloucester County, you'll see that a great deal of the county has landfills, and regrettably, homes have been built on them over the years and, regrettably, have come back to haunt us. So we want to make sure that we believe -- we mayors may not be as informed as the DEP, but we believe that incineration is the answer over landfilling. And from what we understand, it's a 10-to-1 ratio, so you will get rid of more ash than you will of landfilling of solid waste.

My concern is simply this. We don't mind paying the \$50 a ton. We do take exception that the Gloucester County Improvement Authority has said they have authority from the DEP and the Local Board of Finance to charge us \$21.97 per ton that will be given to the GCIA. This is called "the environmental investment charge," of which, at questioning the GCIA, only 75 percent of that will go to retire the debt. And the other 25 percent is to -- I suppose for operations or to deal with the GCIA and this debt. I was under the impression that when the GCIA, or all these Authorities were formed, that they had a rate stabilization fund. That certain dollars were to be taken from the monies they were collecting and put into there, in the event that an emergency would ever arise. Well, that emergency has arisen, and apparently, they're coming back to the taxpayer once again.

Now, if the county wants to include this in their tax rate and charge us more taxes to help the GCIA, well, that's not much we can do about

it, except argue. But when it becomes this kind of charge -- which I have gone on record to all mayors not to pay it -- pay your disposal fee and escrow the \$21.97 until it comes down by law that we're required to do this -- because, first of all, we were not noticed that there was going to be a hearing before the DEP, which I assumed there was, to present their case. We have not seen any open books from the GCIA to find out just how much money they do have in reserve.

If they've made any effort to reduce their workforce, and I guess the question would be asked, since we dealt with Wheelabrator -- the mayors met with Wheelabrator, which is the incinerator in Gloucester County -- how many people does it take to run a landfill? They claim it took five or six. We have 26 or more. We don't know those answers. And until we get more answers, we want to know whether or not that the GCIA is operating appropriately, is downsizing in accord with this new ruling -- do we need them any longer after a fashion? -- or if we're going to dispose in the free market, what purpose would the GCIA have? The question is -- there's so many questions and not enough answers, and I'm concerned that whether or not in giving that information out to the mayors not to pay the 21.97, but to escrow it-- Because in Washington Township, that's \$650,000. That's 3 cents on the tax rate. Our tax rate is 1 penny is \$210,000.

Right now, without paying this, we'll have a 4 cent reduction in our tax rate this year, because we'll be able to return to the taxpayer actual tax relief. Because we're disposing what the newspaper says is a reasonable price. I want to know how do I explain to my taxpayers, "Well, we're getting it for \$51, but I also need to pay the county \$21.97." I know that may not be your

immediate concern, but it is the concern of many communities, many mayors, many taxpayers. And when we're talking about a State that's been talking about tax relief, we need some help. Now we're going to get caught up in this trash problem and paying additional monies.

I don't know what the rule of thumb that the DEP utilized, or the Local Board of Finance, in determining that \$21.97 was good, or is it \$10, is it \$30, is it \$50? I don't have that information. So I'm speaking out of ignorance on that particular issue. But I think it would be incumbent upon those agencies who have given that approval to have informed the mayors, who are being impacted by this decision, as exactly what happens. Because, as we're hearing it, it is a mandate of the DEP that they have to charge that money to us, and we have to pay.

The last time, I think, I studied government was that the Legislature and the County Board of Freeholders in passing appropriate ordinances are the only bodies that have the right to invoke tax. This may not be a tax. It's a charge. Fine, you're talking semantics. Nevertheless, it's the taxpayer who is paying it, so I'll draw that to be a tax.

I'd like your consideration of those issues. And in making your determination in what needs to be done, just remember the residents of New Jersey will bare this responsibility on their backs. And let me, in conclusion, say I realize there's an obligation to pay this bond, but I think it should be on the backs of one, the State, the local residents in that county, the bondholders, and the GCIA, and the counties. It should be a shared responsibility, and that there is no one organization or one entity that's going to offer a panacea for this debt. We didn't create it. It was a grand idea. It went bad. Now, we

need to pick up the pieces, but it's unfair to ensure that this debt be paid strictly on the backs of the taxpayers.

Thank you very much.

ASSEMBLYMAN ROONEY: Thank you, Assemblyman, Mayor.

I see Assemblyman Gibson is here also, former chairman of this Committee, if you would like to come up and testify. I want to recognize all legislators up front. (negative response from Assemblyman Gibson in audience) Thank you.

Any other legislators here that might want to testify? (no response)

Seeing none, we'll go on to the people who have signed up.

Chris Carew, from the New Jersey League of Municipalities.

Chris.

**C H R I S J. C A R E W:** Thank you, Mr. Chairman. Good afternoon Committee members. My name is Chris Carew. I'm a--

ASSEMBLYMAN ROONEY: Hit it until you see red. (indicating PA microphone)

MR. CAREW: How's that?

ASSEMBLYMAN ROONEY: Good.

MR. CAREW: Good afternoon, everyone. I'm Chris Carew, and I'm with the New Jersey State League of Municipalities.

In approaching this problem, as to what to do in the post-*Carbone* era of solid waste management, we put together a solid waste committee which includes representatives from 15 of the 21 counties in New Jersey. We had a lot of difficulty coming to an agreement as to how to approach this problem,

as to what municipal government should advocate. Obviously, there's been a parochial perspective to contend with because different counties have different problems. Some don't really have a problem presently because they don't really have much bond debt to contend with.

However, we did agree on two things. What we did is we took a very complicated problem and we set out two simple objectives. The first was that we felt that municipalities should have every option in determining how to collect their solid waste and where to dispose of it.

And I think, Mr. Chairman, your packages of bills achieves that objective, and to that extent, we support them.

The second and really the -- probably the most important objective was we felt that this problem of the debt incurred in the various counties should be considered a State problem, not an individual county problem. We've had some difficulty in coming up with a solution that's agreeable to everyone because again we've got some members on our solid waste committee who come from low-debt counties. They've been resistant to proposals to things like a flat tax on tonnage and proposals similar to that because they felt that their counties don't have these -- didn't incur the debt. They didn't make the decision to build some of these expensive facilities, and they shouldn't be, therefore, held responsible to pay for it.

After a lot of debate, however, it was agreed that if that is the only solution available, it certainly is a preferable one to what's presently being done with the environmental investment charges. We feel that's unfair and illegal. So to that extent, Mr. Chairman, we support what you've proposed in terms of a funding mechanism. We support it to the extent that it reflects a



statewide solution. However, we are preparing an alternative means to collect revenues to fund the outstanding bond debt in various communities and in the various counties, and we will work with the Appropriations Committee at the appropriate time to do that.

So what we would like to do is -- the League of Municipalities would recommend that the Committee move the bills out. And if you do decide to move on A-519 today, if the Committee could do that without recommendation and to leave open the question of how to fund the outstanding bond debt. But conceptually, I think, Mr. Chairman, your proposal comes a long way from that which was singularly discussed in the Legislature last session, which was basically to give the county the authority to tell the municipalities to charge whatever you want to charge them to pay for your own debt. This comes from representatives on our committee who come from counties who have a low debt. They felt that that was unfair to the municipalities who owed the high-debt counties.

So we support the package, Mr. Chairman, but if the Committee does vote today to move them out of Committee, we'd ask that A-519 be moved without recommendation so that we can work with the Appropriations Committee on other funding solutions.

ASSEMBLYMAN ROONEY: Thank you, Chris. And we have discussed it among ourselves, and I pretty well agree at this point we'll take out the tax portion of that. What we'll do is leave it as some sort of a State-funding mechanism, whether it be through the general appropriation process, whatever. At this point in time, I'd like to move it with recommendation, under those conditions, not putting a tax out there because

I checked with-- It's good to count your votes. That was-- Always helps to count your votes, and if I can get that done with taking out the tax, I believe we have sufficient votes to pass it out of Committee. We'll find out very shortly.

MR. CAREW: Yes.

ASSEMBLYMAN ROONEY: But I would do that. I have always maintained from the time we started with this Committee that when I put the bills in three years ago, it was \$10 a ton. You remember that? I said it would go \$10 a ton, 20 years, \$20 a ton. For ten years, we'd cover the whole debt statewide. It was my idea, and I said any other idea that comes to the table I welcome. The industry-- George Lohman was the spokesman for the industry, brought this proposal at 6 percent to 10 percent. I've kind of capped it at 6 percent. They brought that to the table and said, "Here, use revenues because revenues can be -- they can't be hidden." We're not going to have diversion of revenues because that's a Federal problem, and they'd be in trouble with the IRS if they tried to understate revenue.

So that was a great suggestion. To date, that's the best suggestion on the table. Apparently, that suggestion is not going to get voted out, and people have said, "Put it all to the State. Let the State do it in the Appropriations process." Fine, if that's what the Appropriation Committee desires, I have no problem with that either. If someone else on the Committee has a better idea, put it forward.

I want to say at this time I compliment Connie Myers for putting together an extensive -- extensive, believe me -- item by item-- She reads every bill, every paragraph, every line, and she gave me a several page missive on

where she wanted to see changes. I compliment you in front of this group, and you went item by item and did her homework. She's the only one that has come up with any alternate suggestions at this time.

At any time during the process between here and it ever getting passed, I welcome anybody to come to the table with a better idea because none of us are as smart as all of us. Only one idea is at the table and nobody else comes up with suggestions, it may not be the best. I'm sure the Appropriations Committee can deal with the funding mechanism a lot better. I have deliberately ducked the Appropriations Committee for 15 years I have been down here for various reasons and that being one of them. I'm not a finance person.

So I appreciate what you said. I appreciate the input from the Committee, but at this time, the Committee can take it from me that's -- what I'll do is I'll do the will of the majority.

Yes, Assemblyman Cottrell.

ASSEMBLYMAN COTTRELL: Are you telling me that you want the municipalities to set up their own garbage and be accountable for it? That would create, on landfills in the county -- that would create a total disaster.

ASSEMBLYMAN ROONEY: Excuse me, Mel. What this--  
Through the Chair.

ASSEMBLYMAN COTTRELL: What I'm saying is, if we create in one of these bills today -- if we create the municipalities to be accountable for their own garbage pickup, would create havoc with landfills which are very successful in New York and New Jersey and, I think, Ocean County, and that's a fact. It would create a disaster. There would be towns bidding all over the

(indiscernible), and the person who's running the landfill wouldn't know what to do. If they had to go outside here and there, creates a disaster. Where the county is running the works and -- are we able to handle our own debt, our own problems. And nobody just went ahead and said, hey, build an incinerator-- (indiscernible) The municipality has the authority and went ahead and do this. Nobody is accountable for the money. They don't even know where the money is, and you're telling me this is a vote for the municipality?

You're putting more burden on-- You might fault the municipality -- it might be happening -- but they'll be plenty of them in that county that aren't happening.

ASSEMBLYMAN ROONEY: Mel, I--

ASSEMBLYMAN COTTRELL: I mean, you are talking about the-- (indiscernible) I'm not putting you on the spot, but you must let every municipality have its say, not just a few.

ASSEMBLYMAN ROONEY: Well, I don't see the question -- I don't understand the question of how this--

ASSEMBLYMAN COTTRELL: Well, he says he supports the idea of the municipality. I disagree with him.

ASSEMBLYMAN ROONEY: The municipality being-- In other words--

ASSEMBLYMAN COTTRELL: Accountable.

ASSEMBLYMAN ROONEY: --the only thing the bill says is that the municipality -- and this is A-516 that we're dealing with now -- but the municipality will determine that-- It is basically a bill that is -- it's permissive.

It says the municipality can do what they're doing now, whatever they're doing now, whether they want to-- They can go into a interlocal agreement with the county if they now use the county as -- whatever they do or if they have a private residential contract. If they would try the residential contract, and they don't get involved in garbage at all, they can continue that. The only thing they have to do is do it by an ordinance, which we do anyway. We say, okay, here is the way we are going to handle our garbage. You do it, we make a motion that we allow private residential contracts, it goes to a public hearing, it's done, and it continues the way it has been. If you want to assign the county as your designee for disposal, that's fine. You can do that, but it's still -- it puts the control back in the hands of the local officials. Because I disagree with DEP on the fact that we're not recycling enough, and it's because -- or we're recycling because the county's involved. We're recycling because the municipalities have done a good job in getting the recycling programs going.

I've gone from where we had a DPW site where our people would go in and throw the stuff down there, and they would have to clean it up every Monday. Now we have curbside recycling. We take care of that, but that's still my prerogative in my town. I've been working with the county on other aspects of it. The planning aspects, fine, I'll keep them involved in the planning, but give-- The best solution to handling garbage is the closest solution to the source of the garbage. I believe that you and I, as local officials, because you've been a mayor and I'm a mayor, we're the ones who really determine what's going to happen in our towns to that garbage. It's not by giving the authority to the county.

ASSEMBLYMAN COTTRELL: That's the-- (indiscernible)

MR. CAREW: Unless, Mr. Chairman, as you said, if the municipality chooses to use the county, then that's--

ASSEMBLYMAN ROONEY: If they choose, they can do it.

ASSEMBLYMAN COTTRELL: Wait a minute.

ASSEMBLYMAN ROONEY: That's in the bill.

ASSEMBLYMAN COTTRELL: Assemblyman Rooney, don't take the whole show. Let me speak. If you divide the towns up in the county, you tell me-- Now, you talked about being a mayor, I've been a mayor, I've been around politics for a long time.

ASSEMBLYMAN ROONEY: Me, too.

ASSEMBLYMAN COTTRELL: Okay. What's cheaper? If it's run by the county on the tax rate of all the rateables that people might not put into that plan or does it go on their own?

ASSEMBLYMAN ROONEY: In my county, Mel, honestly, in my county it's cheaper to go on their own.

ASSEMBLYMAN COTTRELL: Well, in my county it's not. And I represent three counties, and it's not.

ASSEMBLYMAN ROONEY: And I'll tell you why. And because in your county you have an efficient landfill. You've been able to maintain that landfill and to bring your garbage into it. I haven't.

ASSEMBLYMAN COTTRELL: It's a set amount, and you know why?

ASSEMBLYMAN ROONEY: Right.

ASSEMBLYMAN COTTRELL: You can--

ASSEMBLYMAN ROONEY: According to staff, there's nothing in the bill, in A-516, that precludes you from doing what you're doing now.

ASSEMBLYMAN COTTRELL: Yes, but the franchise-- The franchise in these bills are going to hurt us.

ASSEMBLYMAN ROONEY: What's that?

ASSEMBLYMAN COTTRELL: The franchise. Taking out the franchise, it's going to hurt us.

ASSEMBLYMAN ROONEY: What franchise? Basically, he's saying the court decisions did that, not us. But the franchise is taken out by the court decision, not by this bill. Right now, the franchise is out because of *Carbone*.

ASSEMBLYMAN COTTRELL: I can remember one old lawyer years ago who said, I'm going to support your right until you go to court, and if the judge rules you wrong, it appears like the judge might be wrong.

ASSEMBLYMAN ROONEY: What I'm trying to do, Mel, is to eliminate us going to court in any more of these cases. And that's what's happening. Every time DEP approves a plan amendment, we have another series of lawsuits. Not one, but in my county with the plan -- if the plan amendment -- and somebody had something that said it was a great plan amendment.

I don't know who the source was on that, Larry, but I'd love to find that out. Please, call that number--

ASSEMBLYMAN CHATZIDAKIS: You can call.

ASSEMBLYMAN ROONEY: I'll call and find out who the hell are you. Please tell me it's a-- (indiscernible)

ASSEMBLYMAN CHATZIDAKIS: I'm not saying that that's--

ASSEMBLYMAN ROONEY: Okay. But in my county, we've already had 18 municipalities lined up against the BCUA threatening the lawsuit. And we have, I would say, out of the 70 municipalities, you're probably going to have 60 of them going to court on this very plan amendment, and this is an EIC \$26 a ton. That's what's going to happen. I want to stop that. I want to get this back to an even playing field. Let me decide if I'm going to go with my county or if I'm going to go on my own. That's all I ask for. And that's what the League is saying, is that they want to have the municipalities have the ability to do that. We can't keep the counties in control -- or in line as to give us a competitive price. If we're going to just throw it at them and say, "Here, do it to us again. You've done it to us for 10 years, do it to us some more." You have not experienced-- I apologize for the -- any deprecation that I may be sending here, but you haven't experienced what we have in the high-fee counties. You haven't seen \$135 a ton, \$131 a ton, \$126 a ton. This is the numbers. These are killing us.

ASSEMBLYMAN COTTRELL: Now I fear if the State allows the toxic waste into my landfill and costs my township \$16 million. And let me tell you something--

ASSEMBLYMAN ROONEY: You're right.

ASSEMBLYMAN COTTRELL: Don't tell me I haven't experienced it.

ASSEMBLYMAN ROONEY: You're right.

ASSEMBLYMAN COTTRELL: I have.

ASSEMBLYMAN ROONEY: I mean that's--



ASSEMBLYMAN COTTRELL: What I'm doing now is saving my taxpayers money, because we pay our own bills, we paid our own money off and-- (indiscernible) No help from the Department, because we didn't get none. And let me tell you, you're looking at the taxpayers in your district, and that's the true fact why you're here today, and that's what I'm talking about in my district. I'm looking out for the taxpayers in my district, that's who I represent.

ASSEMBLYMAN ROONEY: Mel, one of the first things I said when I came down here, may be 10 or 15 years ago, was trying to get school boards out of litigation -- just -- even in my district. School boards that had sent garbage to a particular location and that landfill was declared as a hazardous -- they were trying to assess school boards to pay for that landfill with the hazardous material. So we were trying to get that out. I agree with you, I think that's happened, but I think what we have to deal with now is that we have safeguarded against it. We have much safer landfills. All the landfills we are looking at are state of the art. They're supposed to be doubled lined. That's where we should go. This is the direction that I'd like to see this go. I don't care if Town A goes to a landfill, if Town B to an incinerator. Whatever it is I want it to be best for the town and best for the people in that town.

ASSEMBLYMAN COTTRELL: That's what I want for my town. And let me tell you something, nobody has made accountable all the money that's spent as yet. I have not seen one cent where how they spent all that money without putting a block down.

ASSEMBLYMAN ROONEY: That's another thing. I was hoping to save that for the particular individual who may wind up testifying today.

ASSEMBLYMAN CHATZIDAKIS: Mr. Chairman, if I may, this is the second Committee meeting we're having on the testimony on these package of bills. In my opinion, we've heard more and had more input in the last half hour than we did the entire first meeting. I think you have a lot more people to testify.

ASSEMBLYMAN ROONEY: Yes, we do.

I don't want to say anything against Beth Gates, but I think that's probably the best information that we ever got -- talking to all of these. But Beth Gates, Director of Local Government Services, had provided information we've never seen before.

ASSEMBLYMAN CHATZIDAKIS: Oh, not to insult anybody. I mean the information that Beth Gates gave us is very valuable, but I'm talking about we're hearing perspectives now from different entities.

ASSEMBLYMAN ROONEY: That's what it's all about. It's a process.

ASSEMBLYMAN CHATZIDAKIS: Okay, there's a process. As I mentioned before and you admonished me a little bit, I'm a little bit concerned about the-- (laughter)

ASSEMBLYMAN ROONEY: They apologized.

ASSEMBLYMAN CHATZIDAKIS: --rush to judgment. At this point, I would like to continue hearing testimony. But I would like to make a motion to hold Assembly Bills Nos. 515 through 519 -- take some of the DEP recommendations. We have 21 counties. We have the Meadowlands. We

have 22 entities to deal with. We know they all have different problems. I know your position is the State made everybody do it, but if that was the case, then everybody would have the same problems. Clearly, there's different problems, different conditions. I think we should continue to move forward, but I don't think-- I know I am not prepared to vote on these bills. The consequences of doing something wrong now I think would be a lot greater than doing nothing. A court order does not guarantee certain results, which I think you seem to feel. We have to work this way out. I don't know what the parliamentary rules are, but I do have the motion. I would like to place a motion to hold these bills and to continue testimony today.

ASSEMBLYMAN ROONEY: As the sponsor of the bills and, also, the Chairman, I don't know if I have the right to ask you not to do -- I would ask you as a friend not to do that at the present time. I would rather have the testimony.

ASSEMBLYMAN CHATZIDAKIS: Oh, I don't mind hearing continued testimony.

ASSEMBLYMAN ROONEY: Let's hear the testimony, and then we'll make that decision. At that time, I may withdraw the bills for a vote, if you would let me have that option.

ASSEMBLYMAN CHATZIDAKIS: Well, I don't see anything that you ever said or done that would make you do that, but that's not the story.

ASSEMBLYMAN BIONDI: Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes.

ASSEMBLYMAN BIONDI: Just let me say, I appreciate your enthusiasm for these bills and your frustration. I know they've been around for a couple of years, but I think what you, respectively, and our colleague, Assemblyman Cottrell, have just clearly demonstrated that it's a very complex situation. The counties are in unique situations. I think that we don't make a mistake we should take and draw in as much possible information that we can prior to going to the vote.

I'd like Larry's suggestion. I think we have now-- Two weeks ago we had a meeting, and no one was here to offer any alternatives. There was nothing presented. And now we're hearing from the DEP, the League of Municipalities, and I'm sure there's plenty more that are coming through. I think we need to go through it. It's going to be a unique situation to try to find a solution for each county without just throwing a tax out and saying, "Okay, let's throw some more money at the problem."

So, officially, I will second your motion.

ASSEMBLYMAN ROONEY: I think the parliamentary procedure is that this is only testimony on bills right now. That motion is not in order -- is not appropriate. Basically, at the end of the testimony, then, whether the bill is brought up for a vote or not, I will ask for a motion and second. If it fails to receive it, that's sufficient to say that the vote will be held or voted up or down. That's the other thing, too, that is possible.

ASSEMBLYMAN JONES: Can I have a point of clarification, Mr. Chairman, because there is a lot of dialogue happening on one side of the room, and we're really not quite privy to the motion and the spirit of the motion. So--

ASSEMBLYMAN ROONEY: Well, let me put it this way that the motion is not in order.

ASSEMBLYMAN JONES: --what are you guys talking about?  
(laughter)

ASSEMBLYMAN ROONEY: They want to table -- they're trying to tell you that they're not voting for the bills at this time so--

ASSEMBLYMAN JONES: Well, I figured that. (laughter) I caught the spirit.

ASSEMBLYMAN CHATZIDAKIS: I assume you heard what the DEP said?

ASSEMBLYMAN JONES: Yes.

ASSEMBLYMAN CHATZIDAKIS: Okay. I'm taking that from what-- They have input, which they didn't have input the last meeting.

ASSEMBLYMAN JONES: And I have a tendency to--

ASSEMBLYMAN ROONEY: Whoa. Wait a minute. That was-- Hold on. Hold on. The DEP was free to come to any meeting and testify. They have chosen not to be here in the past, and they have chosen not to come up with alternatives in the past, not as if that I have not heard them.

ASSEMBLYMAN CHATZIDAKIS: I'm not saying that.

ASSEMBLYMAN ROONEY: I've been asking for them to come to the table.

ASSEMBLYMAN CHATZIDAKIS: I'm not saying that. I'm just saying, as a matter of fact, they weren't here the last time we had a committee hearing.

ASSEMBLYMAN ROONEY: That was their fault, not ours.

ASSEMBLYMAN CHATZIDAKIS: I'm not blaming anybody, I'm just stating a fact, and we're getting information here. We have a memorandum here, also, from other entities. We're getting information now.

ASSEMBLYMAN ROONEY: Larry, in past performances with DEP, they only come to the table when they think there's something that they don't like that's going to be passed that particular session, and then they say that they're going to come up with alternatives. But from what I'm hearing, their alternatives is the existing system that we have with a few patches on it, and if--

ASSEMBLYMAN JONES: Can I say something?

ASSEMBLYMAN ROONEY: --you'll pardon my clarification, I just want to read something that was done by staff. And, basically, it was an answer partially to the questions that Connie Myers brought up, and it says -- I don't want to go through that-- It says, "In the absence of clear legislative direction, the DEP and DCA have adopted regulations to maintain the status quo. To date, at least nine counties and public authorities have proposed the imposition of EICs of various kinds. As mentioned earlier, this ad hoc approach has resulted in numerous lawsuits with no end in sight. Unless the Legislature adopts a new statutorily based solution, the revenues generated by the assessments made against solid waste collectors and agencies of deposited, etc., obvious to finding funding obligations, and go through--" He explains the bills. "The DEP would also make similar--"

In essence, what it says is that this is a clear answer to the problem. DEP is only basically promoting the existing situation, keeping the counties in, keeping the plan in, and doing nothing to change the system. So

that's the difference between these bills and what DEP will probably propose. You'll see them come up with a proposal.

Yes, LeRoy.

ASSEMBLYMAN JONES: Thank you, Mr. Chairman, through you, and I guess this is to the record. It basically supports, I believe, the sentiment that's been expressed by the Assemblyman. I have great problems with what I heard in terms of the recommendations from the League, because-- I certainly respect you and the League, and we've always worked well together in the past on other pieces of legislation, but what really bothers me, Mr. Chairman, and members, is when we begin to talk about what we need to abandon in the bill, give it to another committee, and let them figure it out, specifically, the funding mechanism.

I think, at the outset of this Committee, we talked about what a great responsibility all of us had as a Committee to make sure that we began to structure a foundation that would be the statewide model for solid waste and, hopefully, something that other states can model itself after. And when charged with that kind of responsibility, obviously, there is a large degree of excitement that goes along with that -- a willingness to participate in the process.

Assemblywoman Myers certainly did that by way of her recommendations and a willingness to continue to hear all of the testimony from the individuals who have come out this afternoon to provide that. A lot of people here have problems with the bill, and it's not necessarily a means to knock down the legislation. It is their simple constructive input that they're trying to provide into a process that will allow us to deliberate, decide how we

want to craft a piece of legislation, and how we want to vote on it. And then with a complete piece of legislation, which would include a recommended funding source or funding structure, then we move it on to the next committee that has a responsibility to look at that, perhaps tweak it, retool it a little bit, lend their amendments and input. But I don't think we should be abdicating our responsibility as legislators to say, "Well, we'll take that out and send it to Appropriations. Because they're the finance people, let them figure it out." Well, hey, I know a little bit about finance, and I think certainly to suggest that anyone else here doesn't have that ability to be creative about it or to even lend something as simple as common sense to go into a process is certainly something that is bothering me.

I think we need to leave the legislation here. It shouldn't leave here until we're all satisfied with it. I don't think we should be lending another headache to another committee because all that's going to happen there is that they're going to look at it and you're going to get the same thing that you're getting here. And if anybody out there thinks that because it goes to Appropriations without a funding mechanism it's going to be any different than what's happening here now, you're all fooling yourselves and you can get on the elevator, go home because it will be sitting here come next session. And that's the reality of what we do here, and you all know that, and nobody is fooled by that.

So let's listen to the testimony, take the notes, roll up our sleeves-- Mr. Chairman, we're in this with you, and we believe that your enthusiasm will certainly carry the State to another level as it pertains to solid waste. So let's do what we have to do as legislators, get the job done, and put forth legislation



that's meaningful. And let's not abdicate our responsibilities or abandon our responsibility as legislators and members of this Committee.

Thank you, Mr. Chairman.

ASSEMBLYMAN ROONEY: Assemblyman Jones, I agree with you on most of what you said. The only problem I have is that if there were other solutions at this table, I would have no problem. The only solution I've heard is take out the tax because nobody wants to vote for a tax from both your side and our side. I am trying to yield to the majority rule to try to move the process because we are in a situation where there are counties that may be defaulting, other counties that are sitting there waiting for an answer, at least waiting for a sign, as to what we're going to do.

These bills so far are the only game in town. As far as I'm concerned, I have asked everyone to put forth some solutions to the problem. I will not accept the solution that says that we're going to continue with the system that we have that's absolutely defunct. I can go through another speech and another 10 paragraphs on why that system is not working. I want some solutions, and I want some message out there that help is on the way. We're not doing that by delaying the process. We're not doing it by sitting here and saying, "We will wait for DEP." I know what their answer is going to be.

ASSEMBLYMAN JONES: I'm not.

ASSEMBLYMAN ROONEY: It's going to be the same answer they've given all along, keep the counties in charge, keep the EICs, every county is on their own; and that's nonsense.

ASSEMBLYMAN JONES: Let me respond, Mr. Chairman, because I'm not suggesting that we should be guided by DEP. I think their

input is valuable, but I don't think they are the final word. I think what we're trying to say is that this process will allow us to begin to explore potential solutions that are, perhaps, out there by way of the recommendations that comes from the individual witnesses that testify today. Those become the ingredients that go into the bill. That becomes the fundamental foundation of how we craft a meaningful piece of legislation. Again, if we move this legislation to another body, we're going to go through the same process all over.

The process is what we're about to avail ourselves to through the testimony that the members of the League are obviously putting forth. Other members of industry will come forward and talk about specific areas of the bills that they're concerned about, and I think that in essence becomes what we need to begin to craft the legislation. I don't think we've allowed the legislative process to go from cradle to grave, as this Committee is concerned. And I think what we're all saying to you is that we stand with you in terms of just trying to get a meaningful piece of legislation out. We just want the process to allow itself to move through fruition, so we can get the benefit of all the concerns that are out there and then begin to sit down, roll our sleeves up, and say, "Well, how do we put this together so that we get a broad base of support and a complete piece of legislation."

ASSEMBLYMAN ROONEY: Thank you.

By the way, I've ruled the motion out of order, since there was--

ASSEMBLYMAN JONES: It wasn't mine, so I don't care.

(laughter)

ASSEMBLYMAN ROONEY: I know. So it's--

I wanted to get to the testimony. I think-- If you want questions of Mr. Carew--

ASSEMBLYMAN CHATZIDAKIS: Well, now, I wasn't sure if you meant you weren't ready to vote on this today.

ASSEMBLYMAN JONES: No, we said-- I think you said it was just continue the meeting.

ASSEMBLYMAN ROONEY: The meeting. Yes.

ASSEMBLYMAN CHATZIDAKIS: Oh, okay.

ASSEMBLYMAN ROONEY: Anyone else have any questions for Mr. Carew? (no response)

Thank you, Chris. I appreciate it.

MR. CAREW: Mr. Chairman, if I could just quickly address Assemblyman Jones.

In suggesting that the bills be moved out of Committee today, we didn't want to circumvent the process, but we just came to an agreement conceptually on what we're going to propose. I didn't want to discuss it today, because we have finance people working on it so that when we do present it to the Legislature, it's well thought out and we'll be able to answer questions on it. We share the Assemblyman's concern that there are municipalities out there in Atlantic County and Gloucester and Passaic who are paying an environmental investment charge, which we think is illegal and unfair. We want-- The sooner we get this process moving, hopefully, the sooner we can eliminate that problem for those municipalities. So that's why we suggested that, but if-- Wherever the debate takes place, we want to be part of it.

ASSEMBLYMAN JONES: Right.

MR. CAREW: And if it happens here, that's fine.

ASSEMBLYMAN JONES: And through the Chair, Chris, I appreciate your saying that. I don't want you to feel that we see differently. We do see the same. I think you've made my point for me. You're consulting with the financial people in the League. I think that needs to be a discussion with this Committee, so we clearly understand what we're putting out and we're putting out a complete piece of legislation and referring it proudly to the Appropriations Committee for their review.

ASSEMBLYMAN ROONEY: Okay, let's continue with other testimony.

MR. CAREW: Thanks, Mr. Chairman.

ASSEMBLYMAN ROONEY: Thank you, Assemblyman Jones.

Bill Harrison from the Pinelands Commission.

**WILLIAM HARRISON:** As I indicated when I testified at the last hearing, the Commission has some specific concerns with the package of legislation. We sent up some language to address those concerns, and let me just quickly go through those.

In terms of A-515, there's language in that bill dealing with landfill closures requiring plans to be submitted to the Department in accordance with the Department's regulations. The Commission also because of the sandy soils in the Pinelands has specific requirements for landfill closure, and our language that we suggested make sure that the plans required by our regulations are also submitted.

As to A-516, that legislation allows municipalities to determine where their garbage is going to -- to do it very simply. The Commission, since

its inception, has had specific regulations concerning what solid waste facilities are appropriate in what locations within the Pinelands and limiting the importation of most solid waste to the Pinelands to the Pinelands counties and municipalities. As a result, we're suggesting language to make it clear that nothing in A-516 is modifying revisions to the Pinelands Protection Act and the Comprehensive Management Plan.

Finally, in terms of A-519, if this Committee and the Legislature determines it's appropriate for in some fashion -- for the State, for stranded solid waste management costs to be paid on a general basis, we would like to suggest, and have proposed specific language to accomplish this, that landfills that were closed in the Pinelands, virtually all of which there is insufficient money-- Most of these are municipal landfills. There are a couple of private landfills. The same situation where there was not developed enough money to properly close those landfills prior to their being closed. And we think that if you're addressing the costs for incinerators, etc., that the closure of these landfills should also be addressed at the same time. The only thing I noted in the version of the bill that was handed out today -- the change we're proposing to Section 9 -- that language is now moved to Section 5 of the bill.

ASSEMBLYMAN ROONEY: I believe we addressed most of your concerns, as far as the-- There should be a line in here in the bills that-- There will be a line addressing the concerns of the Pinelands Commission and nothing would be construed in the bill to adversely affect the Pinelands Act.

MR. HARRISON: Thank you.

ASSEMBLYMAN ROONEY: You're welcome.

I think that's usually what we give you.

MR. HARRISON: Thank you.

ASSEMBLYMAN ROONEY: Okay.

ASSEMBLYMAN JONES: Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes.

ASSEMBLYMAN JONES: Are we saying that all the amendments--

ASSEMBLYMAN ROONEY: It's going to be a one-line sentence saying, nothing shall be construed in this bill to adversely affect the Pinelands Act.

ASSEMBLYMAN JONES: And that's satisfactory?

MR. HARRISON: Yes. On the closure cost for the landfills, obviously, you have a bigger decision to make, and we're just asking if you decide to do that that you consider including closure of landfills in the Pinelands. We'd be glad to work with you on developing language that will accomplish that based on what you're otherwise doing.

ASSEMBLYMAN ROONEY: All right. So what counties would we be looking at, as far as landfills, in the Pinelands?

MR. HARRISON: The seven counties that are partially in the Pinelands are Burlington, Atlantic, Cape May, Cumberland, Camden, Gloucester, and there are 60 landfills, and we can provide where those are if the Committee desires.

ASSEMBLYMAN ROONEY: Is there a stated debt already, as far as what that would cost?

MR. HARRISON: No. What we would have to do is go to each of the landfill owners and determine the money. Some of them have determined costs, others have not.

ASSEMBLYMAN ROONEY: Okay. Staff is advising us they know what those numbers are, and they've been looking for a funding source, so I think--

MR. HARRISON: Yes. We've tried several vehicles.

ASSEMBLYMAN ROONEY: --maybe you should check with your legislators in Burlington or Ocean County, and they would support the bill--

MR. HARRISON: Well--

ASSEMBLYMAN ROONEY: --to get the funding mechanism going.

MR. HARRISON: Right. I think that's the bigger issue. I think they would agree that something be done -- that these should also be addressed.

ASSEMBLYMAN ROONEY: I think there's more to it than just meets the eye as far as the funding that we have here. There's other hidden funding with landfill closures that haven't been met and could easily be addressed by something like this mechanism. That's what I had in mind.

Thank you very much.

MR. HARRISON: Thank you.

ASSEMBLYMAN ROONEY: Oh, I'm sorry.

Did anyone else have any questions?

ASSEMBLYMAN JONES: I was just, Mr. Chairman--

ASSEMBLYMAN ROONEY: Sorry about that.

ASSEMBLYMAN JONES: That's all right.

Just to clarify, and I just want to make sure the witness is clear on what we're saying here and that I'm clear. There's going to be a blanket disqualifier in A-516, but in the letter that--

ASSEMBLYMAN ROONEY: All the bills.

ASSEMBLYMAN JONES: All the bills?

ASSEMBLYMAN ROONEY: All the bills -- that will say that nothing in this act shall be construed as to adversely affect the Pinelands Act.

ASSEMBLYMAN JONES: And that's--

MR. HARRISON: That that would address -- and then we don't have to keep watching each bill as it changes to make sure nothing sneaks in.

ASSEMBLYMAN JONES: Okay.

ASSEMBLYMAN ROONEY: From what I've been told, that's a standard line that they put in every one of these bills. The Pinelands comes up and asks for it, and we put it in--

ASSEMBLYMAN JONES: Okay.

ASSEMBLYMAN ROONEY: --almost automatically. Obviously we have to be reminded because it didn't appear in here, so we'll take that into consideration next time.

MR. HARRISON: Thank you.

ASSEMBLYMAN JONES: I'd say the process is sort of like working right now, huh?

ASSEMBLYMAN ROONEY: Absolutely.

ASSEMBLYMAN JONES: Okay.

MR. HARRISON: Thank you very much.



ASSEMBLYMAN ROONEY: Thank you.

Tyler Scofield, American Ref-Fuel.

**TYLER SCOFIELD, ESQ.:** Is this the microphone?

ASSEMBLYMAN ROONEY: If it has a red light on, it's on.

MR. SCOFIELD: Okay. Good afternoon, Mr. Chairman and Committee members. My name is Tyler Scofield. I am an attorney with American Ref-Fuel Company. With me is Alan Iantosca, he is the Plant Manager of American Ref-Fuel's Essex County Resource Recovery Facility.

While American Ref-Fuel -- we're still reviewing the draft legislation that came out of -- a day or two ago-- We'd like to offer the following comments on various pieces of the legislation.

First, we think that A-518 needs to be modified to provide for the end of all public utility regulation of New Jersey's solid waste disposal facilities. Both the in-state and out-of-state disposal facilities need to have the same opportunity to compete for and to provide disposal service of New Jersey solid waste. Fairness and the *Atlantic Coast* decision require that all disposal facilities, whether in-state or out-of-state, be treated equally. Continuing to hamper New Jersey disposal facilities with utility regulations will impair their ability to be competitive. Also, the limited flow control that's currently allowed by *Atlantic Coast* cannot be implemented if in-state facilities are burdened with full utility regulation. Now, without utility regulation, the New Jersey DEP will still have more than adequate oversight of New Jersey disposal facilities through registration requirements, through A-901 licensing, through solid waste management plan, and through facility permits.

Further as it relates to A-518 -- that bill should be modified at least to achieve its specific purpose of deregulating the rates of solid waste disposal facilities. The proposed Section 44 deregulates rates, but at the same time the proposed Section 20 talks about maintaining supervision over the economic aspects of all solid waste disposal. This Section 20 and its modification should be stricken from A-15 (*sic*), and the underlying statutory provisions should be repealed, so it's very clear that there's no ongoing economic oversight of solid waste facilities in New Jersey.

Plus, we also think that Assembly Bill No. 515 needs to be changed to simplify the approval process for new and modified resource recovery agreements. The restructuring of existing resource recovery agreements and the negotiation of new resource recovery agreements will allow for the full utilization of New Jersey's resource recovery facilities. The current McEnroe process that's in place is too time consuming and complicated to achieve this. A simpler process will ensure that the existing resource recovery facilities are fully utilized and avoid or reduce outstanding stranded solid waste costs.

Finally, we think that you should consider moving forward with the utility deregulation and with procurement law improvements, even if you don't move forward with the stranded cost recovery legislation. Moving forward with the dereg and with the procurement law enhancements will lower the amount of stranded cost -- and so, whenever the final solution for solid waste stranded costs is reached, it will be less of a problem than it is today.

Are there any questions?

ASSEMBLYMAN ROONEY: Well, just some comments on the deregulation. We've done that except for the name. The only reason we're keeping the fact that it's a utility is that you have an assessment in there that's a third of a percent that you pay right now of--

MR. SCOFIELD: The latest bill that I saw doesn't do a complete deregulation. On your assessment and on the host agreement related resource recovery, I think you should take that -- maybe put it over in the solid waste bill, you know, so it's right next to the host agreement for transfer stations and the host agreement provisions for landfills. But the balance of the bill, all this rate regulation -- not rate regulation, but rather the regulation that relates to compelling a solid waste facility to provide service that relates to certification and all those other sorts of things need to be completely pulled out so there's no misunderstanding later about what the scope of oversight is.

ASSEMBLYMAN ROONEY: Just confirms-- We're looking for a delicate way to say it. Basically, the only thing that the amended bill does is to maintain the fee -- the third percent. That's the only reason that there was even anything left. Because what happens is, if you do--

MR. SCOFIELD: It must be a different draft than what I've been looking at.

ASSEMBLYMAN ROONEY: Yes, what we're talking about. We'll get you a current draft.

MR. SCOFIELD: Okay.

ASSEMBLYMAN ROONEY: But I have removed everything, except for the third of a percent, which allows us to impose the 6 percent. So that's one of the things. And it's also a fee for the DEP to collect. I believe it's

between \$3 million or \$4 million that they get, basically, to oversee for the A-901 forms and some of the other things that they do. They would be very upset if we took that out.

MR. SCOFIELD: So sections -- the draft Section 20 that talked about continued economic oversight of solid waste facilities--

ASSEMBLYMAN ROONEY: That's out.

MR. SCOFIELD: That's currently all gone?

ASSEMBLYMAN ROONEY: Economic oversight is out.

MR. SCOFIELD: The Tuesday bill was Section 20, but there's a bill that's later than section -- than Tuesday?

MR. MATIOSKA: Is that A-515?

ASSEMBLYMAN STEELE: It's A-518 -- A-518.

MR. SCOFIELD: I think it's in A-518. It's Section 20 -- talks about economic oversight by the DEP. It's on Page 11 of the draft bill of the 23rd of February.

ASSEMBLYMAN ROONEY: This is basically to maintain the revenue source. It's just that DEP registers you under the A-901, and basically, that's just the fee to do that. Nothing else beyond the actual registration of someone, so it's not any real-- This was, I believe, a compromise last year with DEP, as far as the deregulation.

MR. SCOFIELD: The thing is that we don't have any problem with the assessment that's up front or the postarrangement, but this is in the body of the stuff that's -- the old 13A, and on, through all the old solid waste utility regulation. They're talking about, it says right here, competitive rates and oversight of the economic aspects of solid waste disposal. That is not

deregulation of rates. I understand maintaining the assessment and I understand maintaining the host agreement, but basically, what you need to do is the old solid waste utility act -- is get rid of all of it, and these other two sections recodify it over in the solid waste management bill.

ASSEMBLYMAN ROONEY: We'll consider it, and we'll get with you on the language.

MR. SCOFIELD: Okay.

ASSEMBLYMAN ROONEY: As far as we're concerned, it doesn't-- All it does is allow DEP to register the individuals in the process and collect a fee, and that's it. It doesn't go beyond that. We have to leave something--

MR. SCOFIELD: There are other sections prior to that that do that. This section does not have to do with that and is really a continued-- It would allow them to continue to oversee the facilities on an economic basis, which is what I thought we were getting away from.

ASSEMBLYMAN ROONEY: No, it doesn't. That's out. We've made those amendments.

MR. SCOFIELD: Right.

ASSEMBLYMAN ROONEY: That's out.

Anything else?

MR. SCOFIELD: That's it.

ASSEMBLYMAN ROONEY: Okay. Actually, I might as well go with the other half of the team, I guess.

Sue Murphy Ostergaard, which is the Port Authority of New York and New Jersey, where this facility has been involved.

ASSEMBLYMAN JONES: Mr. Chairman, he also mentioned A-515 needed to be simplified. I was wondering what kind of simplification he was making reference to and whether he had recommendations for simplification.

ASSEMBLYMAN ROONEY: No. He's asking the host community fees and to move them over to Title 13. It's a valid suggestion if you look at it.

ASSEMBLYMAN JONES: Okay.

ASSEMBLYMAN ROONEY: Yes, thank you.

**SUE MURPHY OSTERGAARD:** Good afternoon, Mr. Chairman, distinguished members. I thank you for allowing me this opportunity to come in today.

While the Port Authority has no objection to the general concept of providing financial assistance in the aftermath of the *Atlantic Coast* and *Carbone* decision, A-519 creates some difficulties for the Port Authority. Historically, the Port Authority was included in the original definition of contracting unit in the McEnroe Act and has borrowed substantial sums. One is a part of the development of Essex Resource Recovery Facility and, two, with providing solid waste disposal service to Essex County.

In A-519 by oversight, I would think, the Port Authority was not specifically identified as a party that can petition for recovery of stranded solid waste management costs. Therefore, the primary concern of the Port Authority is that it would not benefit from this act. The definition "public authority" set forth in A-519 does not include bistate agencies. Thus, the Port Authority would not be entitled to share in any monetary subsidies from the

Debt Retirement Surcharge Fund created by the bill. As a result, the Essex County Resource Recovery Facility would be at a competitive disadvantage, while other solid waste facilities throughout the state would benefit financially from the bill in the form of subsidy.

The Port Authority would be left to deal with the fallout also from the *Atlantic Coast* and *Carbone* without any financial relief. In essence, competitors would be subsidized enabling them to charge a lower tipping fee than they otherwise could. In addition to this, the Port Authority would not receive a similar subsidy. It would unfairly have to absorb the entire cost of lowering the tipping fee.

To remedy this, we would like to see language inserted that would include the Port Authority as a bistate agency and also language added on Page 8 under numeral 1 and 2. I have copies here, which we'd give those to you. One is again to -- on Page 2 -- would be to add-- On Page 4 would be to add bistate agencies. And on the other, on Page 8, it says numeral 2, if we could add where it says, "unless the debt service obligations was incurred to mitigate," we would also add "or fund the cost of any obligation entered into prior to 6/30/97." And then the last one is also a phrase added, under No. 1, on Page 8, "the settlement of judgments or contract claims" could also be included in that part.

ASSEMBLYMAN ROONEY: Not quite willing to accept those amendments on face. I'll have to look at them. But I think I'm more concerned with the county debt than I am with a bistate agency that seems to be with money flowing in on a daily basis. I know I'll have to consider that,

because right now I believe the Ref-Fuel facility is offering \$50 a ton down there.

MS. MURPHY OSTERGAARD: I think what probably many people don't understand, Mr. Chairman, is that the Port Authority consolidates all of their bonding. And we've consolidated our bonding and our debts in order to get the best and lowest interest rate for everything concerned. And even though the debt may be retired, it will impact other projects -- other worthy projects that the great State of New Jersey supports by lowering the fund that we have the ability to borrow. So that, yes, we are an extensive agency with great amounts of revenue coming in, but we also have billions of dollars being invested throughout the port area, throughout certainly Newark Airport, the bridges and tunnels, etc. -- are all needed to be bonded for repairs, etc. And when one large item like this is jeopardized, it jeopardizes other projects down the line.

ASSEMBLYMAN ROONEY: I'll really have to look at that before I'd agree to the amendment. At first blush, I'm not too happy with it because I happen to remember the process that happened and how Ref-Fuel was given this particular project. It was not competitively bid. There was quite a few things that were done that because the Port Authority was doing it, there was not attention paid to the competitive process -- local bidding law, etc. So I'll really have to look at that.

MS. MURPHY OSTERGAARD: Thank you.

ASSEMBLYWOMAN MYERS: Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes.



ASSEMBLYWOMAN MYERS: How much debt does the Port Authority have relative to this facility?

MS. MURPHY OSTERGAARD: The Port Authority's debt has been retired, as I mentioned, Assemblywoman, on this particular facility, but it's been retired because it was rolled in with other debts. In other words, all of our bonding for the most part, where legally possible, is consolidated so that we can get the lowest rate -- the lowest and best rate available.

ASSEMBLYWOMAN MYERS: But I don't understand on what basis you would be looking to be including in--

MS. MURPHY OSTERGAARD: Because we still have the debt. Even though it's been paid, we still haven't recouped the money.

ASSEMBLYWOMAN MYERS: How much money?

MS. MURPHY OSTERGAARD: I'm not prepared to testify to that myself, but we will get you any kind of documentation that you do need on that.

ASSEMBLYWOMAN MYERS: Well, you're aware that there is language in A-519, which is the funding bill, that would require an audit of any county or authority seeking assistance for debt--

MS. MURPHY OSTERGAARD: Yes, we are.

ASSEMBLYWOMAN MYERS: --and requires mitigation. You still think Port Authority would come under that process?

MS. MURPHY OSTERGAARD: Well, a debt is a debt, whether it's been paid or not. I mean it's a--

ASSEMBLYMAN ROONEY: Thank you, Mrs. Myers. I love that question. That really goes to the heart of the matter -- having an audit of the

Port Authority. That would be an interesting situation. Just a comment, thank you.

ASSEMBLYMAN STEELE: I'd like to have the copies.

ASSEMBLYMAN ROONEY: Yes, can we have copies of that, please -- of your testimony, please.

MS. MURPHY OSTERGAARD: Yes, I do.

ASSEMBLYMAN ROONEY: I'm going to call Mr. Prunetti, the Mercer County Executive, next, who has asked to be moved up in the process.

**ROBERT D. PRUNETTI:** Thank you, Mr. Chairman, members of the Committee. Thank you for allowing counties to present their position this afternoon, since it is we who hold the debt that you're all talking about. I have a prepared testimony that you will receive. However, after listening to some of the testimony today by the DEP, the League of Municipalities, private vendors, the Port Authority, and everybody else concerned, and the debate that took place up here, I think I want to just make some comments off the cuff, which I think most of the counties are feeling very disturbed by.

Seems that you have a package of bills here that don't do anything to solve the counties' problem. And forgive us if we're a little bit queasy about you talking about marketizing the system and downsizing the system and doing all kinds of 'izing' to the system without telling us how it is you're going to pay for this new system, how you're going to pay for the old system. So forgive us if we have a little hesitancy and a little lack of confidence in you telling us, "Well, we're going to pass these bills today, and we're going to make everything okay, and we'll tell you how we're going to pay for it later," because

after all, ladies and gentlemen of this Legislature, it is you who got us where we are today.

So we've got a problem, and we're asking your help to solve that problem. This package of bills doesn't really provide us with a solution. It doesn't appropriate enough money. It doesn't give us any stability. It provides absolutely no guarantee that the counties will be made whole in this process. And that's, ladies and gentlemen, what we are very much concerned with.

If, on one hand, you take away all authority and responsibility from counties in order to allow us to pay for our own debt through a system that was devised long ago -- you remove us from that, develop a new system, and don't provide a means to handle the debt that we've incurred because the State told us to-- And those of us, like Mercer County, who have a high-debt situation in this case have it because we've been aggressive in trying to meet the State mandates that were placed upon us.

So today I not only represent Mercer County, but I'm also the Chairman of the New Jersey Association of Counties Solid Waste Committee. We have met time after time after time with legislative committees and individuals of the administration, the DEP, the DCA, and every kind of letter you can throw up there, and yet, we don't have a solution to this problem other than some accusations that somehow counties didn't do the right things. Well, I suggest to you, we did what the State told us to do, and so we're here looking for your help.

You've heard a lot of things today, but I don't think, as I said, many solutions actually. It is a complex problem. Every county has a different

problem. Every county has a different system. Every county has a different level of indebtedness. And, on top of that, we have the Supreme Court and every other court in the land giving us all sorts of decisions, which seem to conflict with one another every now and again.

So we have tried to, amongst ourselves, develop some ideas and some solutions. We have sent resolutions to this Committee, as well as other committees in the Legislature, as well as the administration, saying that we've got some ideas. What we would like to do, if not today, is to be able to discuss those ideas with you and tell you the kinds of things that we think would possibly make the system more competitive, have counties be able to live up to their responsibilities and become competitive in doing so, and also have the State live up to its responsibility in terms of the mandates it placed on counties, as well as live up to the court decisions.

So we would ask you that before you pass any of these bills that you hold them -- as was suggested by some of the members of this Committee -- until you have an opportunity to have some real working sessions with those of us who have been on the front lines with this -- the counties that were charged with the responsibilities of developing a system, the counties that were charged with the responsibility of incurring the debt, and the counties that were charged with the responsibilities for paying for that debt. If we don't solve that problem, I don't care what kind of system you come up with, I don't care who sells what bill of goods in terms of, "We got lower rates here and lower rates there," it will be property taxpayers in this state that foot the bill, home owners that foot the bill.

So we should be very careful about what we craft and make sure that we know after doing so who actually is going to be paying the bill.

Thank you. If there are any questions, I'd be happy to answer them for you.

ASSEMBLYMAN ROONEY: Thank you, Bob.

I would like to ask a couple of questions. One thing I don't agree with you on in some of the things that you've said that as far as there isn't any money in these bills to help the counties that was the purpose of the bills. And, as the sponsor, I've always been concerned about the debt of the counties. Three years ago, when I was originally the -- or one of the plaintiffs on the *Carbone* issue, I said, if you're going to destroy something and take it out, then you have to have something to replace it. I had a series of bills that I put in at that time, again \$10 a ton for 20 years, \$20 a ton for 10 years. That would have done it. The haulers came in with a better solution. This one was a 6 percent to 10 percent tax. I don't believe we need 10 percent; 6 percent would easily cover it.

And to the questions of whether it's going to adequately cover the debt, I want to thank Director Beth Gates, who was here -- I hope she still is, we may have some questions for her if she were to accommodate us later-- She gave us the debt. The debt outstanding right now is \$1,639,310,491. That's as of February 3, when this was put out. The annual debt service is 141 thousand, 952 dollars and 979 cents (*sic*). The 6 percent of the annual revenues for the industry comes out to about \$84 million. Another 60 million, you have the entire debt service -- is the annual debt service for the outstanding debt.

We heard from J. B. Hanauer, who was here last meeting, saying that, as far as some of this debt, it could be reallocated and actually put out at a lower rate to get that down further. We also know that a lot of this debt is not real. In my own county of Bergen, we have \$118 million in debt, and the asset in Bergen is probably worth 60 million. I'm not interested in paying off the asset value. If they have that transfer station up in Bergen County, it can either be sold or leased and which is what they're going to do. The difference -- the stranded debt -- is what I'm interested in supporting the counties.

Your county, I'm just looking up here. Mercer County had an original debt of \$260,979,354. I understand that you called your bonds for the incinerator, and the debt outstanding now is \$145,787,119. I don't know if there's any asset attached to that. I don't know what that was spent for, but certainly that number of 147,787 came into the calculations that I had to pay your county's debt. That this was the intent of this bill: to treat every county fairly, to make sure that every county got that stranded debt -- that they were left holding the bag after the bonds were defeased, after the assets were sold, after whatever they did -- that they would not be left in the lurch and have to depend on EICs to go out and coerce, cajole, you know, wind up in lawsuits with their municipalities that deliver the garbage to collect these fees. This was to put everybody on an even playing field.

So I have a problem with what you've testified to.

MR. PRUNETTI: Well, I have a similar problem with what you just said. You just said, if I understood you correctly, and I understand that you and I don't always communicate properly -- but if I understand what you said, you said that this bill would collect about \$80 million, and the debt

outstanding is about \$141 million. How is that enough money to pay for the debt?

ASSEMBLYMAN ROONEY: What I've told you, Bob, is that there are assets attached to this debt. I have--

MR. PRUNETTI: But that goes exactly to my point, Mr. Chairman, and excuse me and forgive me. But that goes exactly to my point. You said things like there are assets attached, not all the debt is real, you can refinance and lower your debt, you can do all of these things. I'm sorry, counties are not willing to accept that. That is unacceptable because, until you show us and until you do, in fact, somehow lower our debt, we are not going to sit by and have the same thing-- You've made some reference to the State -- the DEP keeps doing it to us. We're not going to let the State keep doing it to us. You know, you have some references here to how you're going to make up the other \$60 million, but I haven't seen that. It's not in the bill, and that's what I'm suggesting.

ASSEMBLYMAN ROONEY: No. No. Yes, it is.

Mr. Prunetti, read the bill.

MR. PRUNETTI: I've read the bill.

ASSEMBLYMAN ROONEY: Apparently, as the Chairman of--

MR. PRUNETTI: I've read the bill.

ASSEMBLYMAN ROONEY: --the Counties'--

ASSEMBLYMAN JONES: Mr. Chairman, point of order.

ASSEMBLYMAN ROONEY: No. Excuse me. I have the Chair.

ASSEMBLYMAN JONES: That's my point, Mr. Chairman. I think--

ASSEMBLYMAN ROONEY: I haven't recognized you.

ASSEMBLYMAN JONES: It's a point of order, though. If, Mr. Chairman, you are going to engage in debate, which is truly healthy and I think it's certainly eye opening and allows us to explore different things in the legislation, I think it would be most appropriate for the Vice-Chair to, perhaps, then chair the meeting so that there could be some control in terms of the flow of the dialogue, because I want to get the benefit of the dialogue, and you can't get it when it's going back and forth between the Chair and the witness.

ASSEMBLYMAN ROONEY: Assemblyman Jones, let me explain the bill.

MR. PRUNETTI: I apologize, Assemblyman.

ASSEMBLYMAN ROONEY: Let me explain the bill. As the sponsor of the bill, let me explain it to the County Executive from Mercer County.

It says right in here that it would be a 6 percent to 10 percent tax, and then for the difference, it would come from the general revenue, the appropriations, and that's the difference.

MR. PRUNETTI: Yes. Thank you, Mr. Chairman. I understand that. I read the bill, too.

ASSEMBLYMAN ROONEY: Now, let me continue, Mr. Prunetti. Let me continue to give you the real sense of what this debt is, and this is what we've been hearing. Although it's \$142 million a year debt service, a lot of that debt is fictitious for the simple reason there are bonds outstanding, like your own -- like your own -- where when they're called, the actual value will decrease tremendously.



The Hudson County \$140 million: we estimate there's about \$40 million worth of cost, \$100 million is still there.

They have Passaic County down here with \$98 million worth of debt. They have been suing us for 31, and I think the actual number they've settled for is 20. So there's another 70 million savings.

In my county, when we talked about the transfer station, the transfer station right now is either up for sale or lease, and it's approximately a \$60 million worth of value. That means there's stranded debt -- what's left after the value has been taken out of the asset -- is only 58 million, 50 percent. The real world of this, when we get the numbers--

In the last meeting we asked Director Gates to try and get these asset values, to try and find out what's really debt. You can't look--

In your situation, you had \$280 million worth of debt. You called your bond; you got 140 million left.

MR. PRUNETTI: I know exactly what we did.

ASSEMBLYMAN ROONEY: All right.

MR. PRUNETTI: The 140, that debt is real. We're paying for it now, and we're paying for it because the DCA and Local Government Services made us guaranty the bonds, and we're paying for that. It's real. Every single penny of it is real. Now, I don't know if any other county-- I haven't talked to many of my colleagues about them having fake debt. I know that our debt is real. And so what I'm suggesting to you is we can make all of these assumptions, and you can say we can refinance, and maybe DCA and Beth Gates will tell us where the fake debt is because-- I'll tell you what, if I got some fake debt, you tell me where it is, and I'll get rid of it.

ASSEMBLYMAN ROONEY: Let's get--

MR. PRUNETTI: But what I'm trying to suggest to you, Mr. Chairman, is this. This package of bills, if it's voted out of Committee today, it's going to be voted out of Committee without the things you mention today being verified and guaranteed to counties. And what we won't accept is the fact that you're going to say, "We're going to pass these bills, and we're going to worry about these other things later. And, by the way, the Legislature will come up with another \$60 million out of general appropriations, don't worry about it." That's my point. That's our point. It won't work the way you're suggesting, and we would urge you not to report these bills out of Committee until there are more sessions like this and until we can get a bill that truly counties can sign onto. After all, we're holding the debt.

ASSEMBLYMAN ROONEY: Again, if we can read the bill, basically, Beth Gates, the Director of Local Government Services, determines what the stranded debt is, the real debt. The stranded debt is what's left after an asset is subtracted out. She's the one that has to make that determination. It's not John Rooney. It's not any member of this Committee.

MR. PRUNETTI: Are those assets-- I understand that, Mr. Chairman, but are those assets sold--

ASSEMBLYMAN ROONEY: Mr. Prunetti, I have the Chair. Mr. Prunetti, you're out of order.

MR. PRUNETTI: I apologize.

ASSEMBLYMAN ROONEY: You'll let me finish. You may be able to do that in your county and your county seat but not here. You have

to go by our rules, and our rules are parliamentary procedure. When you're recognized, you speak.

We're talking about a process that has to continue to go to the Appropriations Committee, that Beth Gates would be involved in that process. That's all we're trying to do. I'm really insulted that you'd come here saying that we're doing something wrong for the counties when I thought we were helping the counties. If you're talking about a situation here that you don't like this proposal, I find it absolutely mind-boggling. We take the counties off the hook.

We take \$140 million of debt away from your county that has no assets, that has no tangible reasons for it being there. You went out to bond for an incinerator, you wind up spending \$142 million, you don't put a shovel in the ground, and you have \$140 million worth of debt. How did that happen, Mr. Prunetti? Could you explain that to me?

MR. PRUNETTI: Sure.

ASSEMBLYMAN ROONEY: Because I have a hard time justifying it to these people (indicating committee members), when we talk in caucus and they say, "Why the hell should we pay for \$140 million--

MR. PRUNETTI: I can tell you how it happened.

ASSEMBLYMAN ROONEY: --of Mercer County's debt that got nothing?"

MR. PRUNETTI: If you're going to sit here and chastise Mercer County, I'll tell you exactly how it happened. It happened because this State put a moratorium on incinerators when we tried to build one. That's how it

happened. We would have had it built. We wouldn't of only had as an asset a set of plans.

So, Mr. Chairman, as you chastise Mercer County, let me say this. All the counties are asking for-- You're not getting us off the hook unless you pass legislation which guarantees that our debt will be paid, and I am suggesting to the members of this Committee, this legislation does not do that. I think you heard the Chairman say it himself. There are no guarantees because you're going to pass it on to some other committee. You're going to pass it on to the general treasury, to the general appropriations and then will come up with the other 60 million, and, by the way, we're going to get rid of the fake debt. I'm suggesting to you that doesn't solve the problems for counties.

And I apologize if I was out of order. I've had too many debates over too many years about this. All I know is we got a big bill, not just Mercer County, most of the counties in this state, and all we're looking for is a way to pay for it. Either allow us to do it ourselves the way we've been or provide that solution for us. Let's not dance.

ASSEMBLYMAN ROONEY: Mr. Prunetti, what has been the EIC, as you propose, in your municipalities? How much per ton?

MR. PRUNETTI: What we're doing is, is that we're going to reduce our tipping fee \$20 a ton immediately by taking recycling -- recycling, another State mandate -- by taking it out of the rate. So we'll drop this to \$98 a ton. Our EIC, as you put it -- that's not the term, I don't think, that we've used -- but the difference between the debt and providing waste disposal is about \$35 a ton roughly -- \$32 to \$35 a ton.

ASSEMBLYMAN ROONEY: Mr. Prunetti, the only thing I can say to you is that you're going to wind up with the same thing we have today. You're going to have diversion in your county because it makes sense for an entrepreneur in the garbage collection business to divert garbage because it's going to make him big profits. That's what's going to happen. That's what's happening--

MR. PRUNETTI: Well, I don't-- I don't--

ASSEMBLYMAN ROONEY: Bob, please. Bob, please, let me finish. You keep interrupting and I lose my train of thought.

MR. PRUNETTI: You're asking me a question and I want to answer it.

ASSEMBLYMAN ROONEY: But all I'm saying-- No, I made a statement. I said you're going to have the same thing that's occurring today. At \$98 a ton, you are totally noncompetitive with the rest of the state, the rest of the world. The real number right now across the state is between \$50 and \$60 a ton. You can go to Essex County incinerator for \$50 a ton. That's a real rate. You can go to some of the other incinerators for \$50 to \$60 a ton. In Bergen County, we have a 42.75 a ton rate that -- USA Landfill picks it up and Bergen County brings it out to a landfill out of state. That's the kind of numbers that are out there. When you put that situation in competition with your situation of \$98 a ton, the guy says, "Hey, this is a no-brainer. I can make \$40 or \$50 a ton by diverting the garbage." You wind up with the same lawsuit. You wind up with the same situation, and you wind up in court again because your situation doesn't meet *Carbone*. It's not a competitive rate. It's not competitively bid.

Bob, I'm just trying to help you.

MR. PRUNETTI: I want to thank you. I appreciate the help.

ASSEMBLYMAN ROONEY: I am trying to get you and other counties out of the debt situation and into the competitive market. That's what I'm trying-- It's lower property taxes for all of us. Maybe a couple of counties have a problem with that--

ASSEMBLYMAN BIONDI: Not for all of us.

ASSEMBLYMAN ROONEY: --because they've been down at the low rates for so long -- the \$49 -- but I'm trying to help them, too.

MR. PRUNETTI: Well, I understand.

ASSEMBLYMAN ROONEY: And I just heard a good way to do it.

MR. PRUNETTI: I appreciate your advice, Mr. Chairman. My point is some of the things you're saying just-- The difference is the debt. That's all. It's the debt. And that's what most counties' differences are. When you quote rates of-- Our disposal rate is \$45 a ton.

ASSEMBLYMAN ROONEY: Fine.

MR. PRUNETTI: Okay. The difference is the debt. The difference is in transfer and transportation but mainly the debt. That's what counties can't compete with, the debt. It's simple. You can throw all these numbers out all you want. I guarantee you Essex County is not \$50 a ton once you add the real numbers, the real debt. They're subsidizing that debt somehow, either through their taxpayers or somebody else, but it's not \$50 a ton to dispose of garbage in that incinerator. I can tell you that.

ASSEMBLYMAN ROONEY: Bob, I think the two of us have to sit down, maybe have a drink together at some point, and get over the animosity that we had for the last three or four years because we've been on the opposite side. Believe me, these are my bills. I'm on your side. I have tried to find a way for the counties to come out of this whole. I don't want this ununiform situation across the state. It kills us. We wind up with garbage diversion. We wind up with lawsuits. We wind up with everything negative. The only people making money on the system are the guys who are diverting garbage, and the other diverters are the lawyers. They're diverting our money.

MR. PRUNETTI: Nor do we. Nor do we. And all we're asking you to do is not pass these now. Allow us to come back and share with you our suggestions. Some of the things we sent in our resolution to you, let's talk about them, because then maybe we can craft a bill, as I said, that we can all agree on. That's all.

ASSEMBLYMAN STEELE: Mr. Chairman.

ASSEMBLYMAN ROONEY: Yes, Mr. Steele.

ASSEMBLYMAN STEELE: Mr. Chairman, I did not receive that information.

Who did you forward it to?

MR. PRUNETTI: Well, NJAC sent it to this Committee, as well as other committees. We'll be more than happy to send it again.

ASSEMBLYMAN STEELE: No. My point is that no one ever received it.

ASSEMBLYMAN ROONEY: I didn't get it either.

ASSEMBLYMAN STEELE: Yes. So we need to-- Who has it?

ASSEMBLYMAN ROONEY: Senator Connie. (*sic*; laughter)

MR. PRUNETTI: Well, it was sent to the Committee. All I can tell you is it was sent to the Committee.

ASSEMBLYMAN ROONEY: We'll take care of it.

ASSEMBLYMAN CHATZIDAKIS: Mr. Chair?

ASSEMBLYMAN ROONEY: Yes.

ASSEMBLYMAN CHATZIDAKIS: I have a question for Mr. Prunetti.

Does your county have a Rate Stabilization Fund factored into your--

MR. PRUNETTI: Yes. We've been using it.

ASSEMBLYMAN CHATZIDAKIS: So you have been.

MR. PRUNETTI: Yes. That's how we were able to divert some problems last year actually through that fund. I mean, I don't have to tell you, that fund is only so large and there's only so much time you going to be--

ASSEMBLYMAN CHATZIDAKIS: I realize it, but there is a fund that exists--

MR. PRUNETTI: Yes. Yes.

ASSEMBLYMAN CHATZIDAKIS: --that helps in times where for one reason or another--

MR. PRUNETTI: Absolutely.

ASSEMBLYMAN CHATZIDAKIS: --the fees are changed.

MR. PRUNETTI: That's correct.

ASSEMBLYMAN CHATZIDAKIS: I know it's not a permanent solution, but it is a short term.



MR. PRUNETTI: Right. That is correct. It has provided us with short-term relief, and we have to get the approval of the Commissioner of DEP in order to utilize that fund, and we've done so.

ASSEMBLYMAN CHATZIDAKIS: Thank you.

ASSEMBLYMAN JONES: Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes. Mr. Jones.

ASSEMBLYMAN JONES: Thank you, Mr. Chairman.

Mr. Prunetti, you mentioned that NJAC was preparing to develop its own recommendations for solution.

MR. PRUNETTI: Right.

ASSEMBLYMAN JONES: Are you at that point or--

MR. PRUNETTI: I think we're pretty far along in that. I mean, in our resolution, we indicate the concepts that we have.

ASSEMBLYMAN JONES: Okay.

MR. PRUNETTI: So we are pretty far along. In fact, we probably have a draft of a bill that we can share it with you.

ASSEMBLYMAN JONES: I think that would certainly be in order to the extent that you can get that to us ASAP. I think that would be very, very helpful.

MR. PRUNETTI: Okay. Be happy to do that.

ASSEMBLYMAN JONES: Thank you.

ASSEMBLYMAN ROONEY: Anyone else have any questions?  
Yes, Connie.

ASSEMBLYWOMAN MYERS: Mr. Prunetti, Mercer County has applied for the Partnership Program Aid?

MR. PRUNETTI: I believe we have, Assemblywoman.

ASSEMBLYWOMAN MYERS: And have you been audited yet?

MR. PRUNETTI: We are in that process right now.

ASSEMBLYWOMAN MYERS: You're in the audit process.

MR. PRUNETTI: Yes.

ASSEMBLYWOMAN MYERS: So you have no opinion, I suppose, because it hasn't been completed as to the worthiness of that process.

MR. PRUNETTI: Well, no, I think, in fact, the process with what we, NJAC, are suggesting, I think you have to go through that process. I mean, you really do have to identify what the stranded costs are truly. Very quickly, what we're saying is we're basing our suggestions on a market rate solution: taking the market rate and having the State in some fashion subsidize the difference between the market and the debt. And so, in order to do that, that process that you're talking about, I think we have to go through, yes. But we just haven't -- they haven't completed Mercer yet, to the best of my knowledge.

ASSEMBLYWOMAN MYERS: Do you have a time frame?

MR. PRUNETTI: I think shortly. I think they're doing it now -- three to six weeks, Assemblywoman.

ASSEMBLYWOMAN MYERS: I have a question on the bill. It's my understanding from staff that the 84 million that we keep talking about is if you collected the assessment also on solid waste facilities, as well as collectors. But it's also my understanding we may not be taxing facilities, and I would like to know what would be the amount generated if it's only on collection.

ASSEMBLYMAN ROONEY: I didn't say anything about that. We were leaving it on total dollars in the business. It was 6 percent total.

ASSEMBLYWOMAN MYERS: But we can't keep talking about 84 as some kind of a number if we're really not going to generate that. I mean, I don't know if it's half that or--

ASSEMBLYMAN ROONEY: That was based on a \$1.4 billion industry number, and we took 6 percent of that, and that's what it came out to, 84 million. We don't know if that number is correct.

ASSEMBLYWOMAN MYERS: Right, but staff has the breakdown, and I'm asking--

ASSEMBLYMAN ROONEY: Staff won't have any numbers on what the actual revenues will be until the end of April. That's when these reports-- You have last year's, but you won't have this year's.

ASSEMBLYWOMAN MYERS: Last year's -- be fine. I just--

ASSEMBLYMAN ROONEY: One point four.

ASSEMBLYMAN JONES: I don't think she's asking that. She wants to know--

ASSEMBLYMAN ROONEY: Do you want to know if it's broken down by collection and disposal? They don't have a number on it right now. We'll get it for you.

All right. Anyone else? Anything else?

MR. PRUNETTI: No. Just let me apologize to the Committee and the Chairman for the spirited debate we sometimes-- We've been at it a long time, so I apologize.

ASSEMBLYMAN ROONEY: Bob, what's new. I don't have a problem with that. (laughter)

MR. PRUNETTI: It's not new, but some of the members haven't heard it before so--

ASSEMBLYMAN ROONEY: At least I have the gavel this time, see. (indicating; laughter)

MR. PRUNETTI: Thank you.

ASSEMBLYMAN JONES: Yes, we just want you to hold on to it.

ASSEMBLYMAN ROONEY: No, Bob and I have been down the road before.

Right, Mike. Where's Mike? Mike left. Gary's here, though.

Linda Stender, Freeholder from Union County.

Welcome, Freeholder.

**L I N D A   D .   S T E N D E R:** Good afternoon, Mr. Chairman, members of the Assembly Committee. Thank you for the opportunity to speak to you today.

Before I go into my explanation representing Union County as a Freeholder, I just want to tell you that the frustration over the State system for me goes back a ways as well because, in 1988, I was just starting out as a councilwoman before I was elected mayor in my town of Fanwood. So while we were grappling with trying to explain to our constituents why it was that their rates had gone up overnight -- had doubled -- and all the problems that went with it, at Union County they were dealing with the fact that the State had mandated the county into solving the problem and were dealing with the fact that we were getting letters, which we still have on file, where the DEP was

threatening us with \$50,000-a-day fines if we didn't get the incinerator built and deal with the problem.

So, as we fast-forward to this, when I have now joined the Freeholder Board two years ago, when all this problem began and solid waste was found to be unconstitutional, we certainly all cheered. Because we said, "You know what? The State created this problem and look at the mess that we're in, and this is their problem and now they'll solve it." And we waited to hear what the solution was, and all we heard was the deafening sound of silence.

What we chose to do, therefore, at the County of Union, facing \$283 million worth of debt, was we said we could either sit and wait to see what's going to happen at the State or we can be proactive. Now, last year we took-- I was the Chairman of the Board last year, and we chose to address the problem, to confront what faced us, which was \$283 million worth of debt. We said we did not want to be in the position of having Union County go into default because of the debt that we had. We felt that that was an issue that would not help our county, that it would affect our bond rating, which is Triple A, and that that was not where we wanted to be. So we chose to try to find a solution. And that's what we've done.

We've come up with a plan that we are very close to closing where we are leasing the facility back to our operator, which is Ogden-Martin (phonetic spelling). We have a 20-year contract and are going to pay \$180 million of that debt off. In return, we are entering into voluntary contracts with our municipalities, which will provide for a \$50 a ton fee -- tipping fee -- for our municipalities, and that's guaranteed over the life of this contract,

which is 20 years. The only increases that are built into it would be CPR. At the end of that time, we would get the facility back. It will have a value of \$200 million, and then we can get rid of it, do whatever we're going to do with it -- be out of the business, which is where I think we would all like to be.

My concern today is that-- I think there's a couple of things. We are guaranteeing that we're going to provide a reduced rate, and that was part of our goal. We said we want to solve the problem. We believe that the State has a role to play here in terms of paying off this debt. Last year I was down here. I supported Assemblywoman Myer's position that the State should bond for this to pay off the debt. So far \$20 million was put in, and with all due respect, I'd call that chump change compared to \$1.7 billion worth of debt.

But be that as it may, we went through the audit process. We have been through that. Our system that is in place would allow us to pass that benefit down to our municipalities because the \$50 a ton rate that's guaranteed does have an EIC, which has been approved by the DEP. It's about-- I think it's \$13 a ton is what our EIC is at this point in time. So any money that comes in from the State would then be directed towards that to further reduce our fee for our people in Union County.

So I guess my point here today is that the bills that you are looking at are going to not help us get this done. We have come to the point where we have solved the problem. We would like to see the State, in fact, put some money into this. We think that that properly is where it belongs, and if you would do that, that then we could go ahead and add it or have it reduce our costs. But the bills that are in front of us today are not going to help us because you're going to not allow us to get the rest of our deal closed.

So maybe what I want is for Union County to have the same protection as the Pinelands. Just don't hurt us. What you're doing with some of these bills would prevent us from finishing out our deal. For instance, in A-516, the language that -- with the local public contracts law, you would not allow us to enter into our contracts in a voluntary fashion through our interlocal plans. That's a big piece for us. The A-515--

ASSEMBLYMAN ROONEY: Freeholder, you have the wrong bills. You don't have the current copy. We've taken that out.

MS. STENDER: Okay.

ASSEMBLYMAN ROONEY: We're allowing for interlocal agreements with the towns entering into a interlocal agreement with the counties by simply passing an ordinance. So they can still do that, and we're still going to keep that mechanism. The other-- I don't know if Ogden wants to come forward, but they're here today. I understood they didn't have problems with the bill. It didn't hurt them in the negotiation process with you.

The other part of the situation is that whatever is left over after you transfer from public to private ownership of this is what we intend to pay off. And that's exactly my point with County Executive Prunetti. You had a debt of 293,670,000. You're saying that you're going down -- to what? -- I believe it was about 100 million--

MS. STENDER: Hundred eighty million.

ASSEMBLYMAN ROONEY: --180 million or so. Your debt is reduced by over a 100 million. And I understand -- I think it was even better than that from some of the numbers I've ever seen, but--

MS. STENDER: Right. We have other contingencies in place to deal with that remaining debt.

ASSEMBLYMAN ROONEY: The real, or stranded debt, is really only -- it's not only, but you'd wind up with 180 million left out of half of what your debt is now.

MS. STENDER: No. Well, we view the-- We call it 283, because there's a loan that the State has that we figured at some time would be forgiven in the realm of things. I mean, that is the debt number that we have been dealing with and that we are trying to get done.

ASSEMBLYMAN ROONEY: After purchase by Ogden -- the transfer to Ogden, I understand you'll have about \$100 million debt. That's all you're going to have out of what you now--

MS. STENDER: No. No. It's 293. They're going to pay off 180 over the next 20 years in the refinance.

ASSEMBLYMAN ROONEY: So you, the county?

MS. STENDER: But the rest of it, we are dealing with in other ways--

ASSEMBLYMAN ROONEY: But Union County's debt -- your portion -- was going to be about \$100 million -- is what's left after takeover, the 280 -- I mean, 180.

MS. STENDER: But in the 180 there is EIC -- we are guaranteed a rate--

ASSEMBLYMAN ROONEY: Forget EICs, forget EICs. The debt, as far as this package is concerned, what we're looking at is what do you have left after you transfer ownership or whatever -- operations -- to Ogden. What



does Union County have left as their stranded debt where you have no option, no way to pay that off? How much is left?

MS. STENDER: It's about 100 million that we have also to deal with, but what I think you're doing--

ASSEMBLYMAN ROONEY: What I'm saying is this package of bills deals with that 100 million. It allows us a funding mechanism to go back to the county and say, "This is your stranded debt, you apply, and you get relief from that 100 million." You don't have to have any EIC or any other funding mechanism. You're now on an even playing field with everybody else. And if you have a \$50 contract over 20 years, I'll tell you what, I'll send my garbage down to you.

MS. STENDER: Well, it's--

ASSEMBLYMAN ROONEY: If you went to your local municipalities and said, "I'll guarantee a 20-year contract at \$50"--

MS. STENDER: That's what we're doing.

ASSEMBLYMAN ROONEY: --they're going to do it, too. Because what happens is on the landfills, people don't realize, they said we can't compete with landfills. GROWS Landfill is \$30-some-odd a ton. If you went to GROWS Landfill and you said, "I want to commitment for 20 years," you're going to find out what they found out in Atlantic County is that it's a \$50 or \$60 a ton number if you want that kind of a commitment for that long a period. The landfill is going to be -- because they have to project out their costs, and it's going to have to be a lot higher than a gate rate. So these are the kinds of things we're trying to resolve so that-- You're going to be competitive. I'm sure of that.

MS. STENDER: Well, except that what concerns me is that the package of bills -- and I just came in today to this -- but as I see--

ASSEMBLYMAN ROONEY: We have to get you the amendments, yes.

MS. STENDER: --what you have is that what-- We don't want you to hurt us. In other words, don't put into this legislation language that will prevent us from finishing closing up the deal. And that means that the county has a role and that we are in -- through a voluntary system, we have waste control flow going on. But they're entering into it voluntarily, but what I see here is that-- It throws major monkeys into it.

ASSEMBLYMAN ROONEY: You have the old set of bills. They have been changed.

MS. STENDER: Excuse me.

ASSEMBLYMAN ROONEY: You have the old set of bills. That's been changed.

MS. STENDER: Okay.

ASSEMBLYMAN ROONEY: If you want the Office of Legislative Services to cover that, we'd be happy to have them cover it.

MS. STENDER: All right. So I guess the point then would be that I would ask that you would not release these bills at this point in time because I am not yet comfortable that with all your good intentions that you're not going to hurt us. We spent a year and a half and we're about a month away from getting this done, which will mean \$9 million worth of property tax relief to the municipalities in Union County this year.

ASSEMBLYMAN ROONEY: Good for you guys, really.

MS. STENDER: Thank you for your--

ASSEMBLYMAN ROONEY: I think that's great. I'm glad to hear it because it makes our numbers that we've been looking at a lot lower, as far as dealing with this bill.

MS. STENDER: Well, wait a minute, though. This is another concern is that we've worked very hard to solve our problem. I think that we've been doing the job that we're supposed to be doing. On the other hand, when the State finally comes to some conclusion and says, "You know what, we have an obligation here." We fully expect that any money that is put up towards this debt that we shall be part of that solution, because that's only fair, too.

ASSEMBLYMAN ROONEY: Freeholder, the one thing I want to tell you, and staff has said, there's nothing in these bills currently -- amended bills -- that will hurt your county. And what the bottom line is, is that we're going to help you, because whatever's left after you sell the plant is going to be taken care of by the State. That's what these bills currently say and do. They would do, if they get approved. So that's where it's at. I will work with you and also with the Senate President from your county.

MS. STENDER: Thank you.

ASSEMBLYMAN ROONEY: He has told me personally he is endorsing these bills.

MS. STENDER: He's endorsing these bills?

ASSEMBLYMAN ROONEY: Yes. Absolutely. He's looking for a statewide solution to help his county and other counties that are in the same boat.

MS. STENDER: But these bills don't allow us to get our deal done.

ASSEMBLYMAN ROONEY: You're wrong. You're wrong.

MS. STENDER: Okay.

ASSEMBLYMAN ROONEY: Because I've told you that has been amended out of it. You have old copies of the bills.

MS. STENDER: Okay.

ASSEMBLYMAN ROONEY: He's endorsed the ones that we have, not the ones that you have. Okay.

MS. STENDER: Okay, well--

ASSEMBLYMAN ROONEY: We will get you clean copies of the bills, and we'll circle the places where they've been changed to allow your deal to go through.

MS. STENDER: Okay.

ASSEMBLYMAN ROONEY: And Ogden was in doing the same thing.

Correct, Paula? You have no problem with the fact that we've changed that. (indiscernible response from audience)

Ogden-Martin is represented here.

MS. STENDER: Okay. Well, with all due respect, I would still ask you to hold these bills until we have a chance to review them.

ASSEMBLYMAN ROONEY: Just like my wife -- doesn't believe me.

Okay, next is John Carlton, Pollution Control Financing Authority of Warren County.

ASSEMBLYMAN COTTRELL: What's the matter with Ocean County?

ASSEMBLYMAN ROONEY: They're next.

ASSEMBLYMAN COTTRELL: Okay.

ASSEMBLYMAN ROONEY: Yes, Ocean County Freeholders is next. The landfill is after that -- Middlesex. Let me just read who's on the agenda. John Carlton is coming up now. Alan Avery, Ocean County Freeholders. Ted Schwartz, Ocean County Landfill. If Ocean County wants to come up together, fine. David Smith, Middlesex County Utilities, and David Pringle, New Jersey Environmental Federation. And I don't know if the SWMA wants to wrap up.

Or if anyone else needs to sign up, please. These are the only ones I have signed up so far.

John, thanks.

**JOHN G. CARLTON:** Thank you.

Mr. Chairman, members of the Committee, my name is John Carlton. I'm the Executive Director for the Warren County Pollution Control Financing Authority.

The Authority is pleased with the opportunity to submit testimony to the Assembly Solid and Hazardous Waste Committee. The Authority appreciates the efforts of you, Chairman, and the Committee in preparing a State response to the stranded solid waste facility debt in New Jersey.

The Authority has strongly supported a State solution to the stranded debt created by the loss of solid waste flow control. It was through State guidance and pressure that Warren County constructed the state's first

solid waste resource recovery facility and ash landfill. The system currently provides a regional environmentally sound waste disposal service to the counties of Hunterdon, Somerset, and Warren County.

As a result of the *Atlantic Coast* decision, the Authority was forced to lower the disposal fee at the resource recovery facility from \$99.43 per ton to \$48.00 per ton. The system revenues are now approximately \$1 million per month lower than our expenses. We project that by July of 1998, we will have exhausted our resource recovery operating reserves.

To clarify an item in the testimony by the Division of Local Government Services, the Authority's 1998 debt service is over \$10 million, as opposed to the \$4 million that was presented. My discussion with Beth Gates was that she was presenting our landfill debt service, but I think that number is actually a little off as well, and we can provide that if that's needed.

The Authority has taken proactive measures to restructure our operations in order to compete in a deregulated environment. We have eliminated functions, reduced staff, entered into negotiations with our facility operator and host communities, and participated in the State Solid Waste Partnership Agreement Program. We are working with our facility operator and bond insurer to restructure our debt. Nevertheless, this drain on our financial resources continues.

The Authority supports the general intent of bills A-515 through A-519, in that they provide a comprehensive, broad-based funding mechanism for stranded solid waste facility debt. I had some specific comments, but I understand that, as of the most recent bill, the comments have been addressed.

The Authority, therefore, once again appreciates your efforts in sponsoring a legislative solution to the state's solid waste stranded debt problem. We look forward to working with you, as an Authority, in moving these bills forward.

ASSEMBLYMAN ROONEY: Thank you very much.

Do we have a question for--

Vice-Chairman Biondi.

ASSEMBLYMAN BIONDI: Yes, through the Chair. You mentioned restructuring debt. Has Warren restructured the debt previously? Your bonds, have they been refinanced?

MR. CARLTON: Yes, they have.

ASSEMBLYMAN BIONDI: How many times? Once or twice or three times.

MR. CARLTON: I do not know specifically. We have at least once restructured our resource recovery bonds.

ASSEMBLYMAN BIONDI: And do you know what the previous rate was -- the interest rate as compared to what you refinanced?

MR. CARLTON: I don't have these figures at hand right now. We are looking at refinancing some debt right now that's currently out at 9 percent. We're hoping to get a better deal. The problem we're having is it's part of the overall negotiations with our operator and extending debt into the future, which would extend our service agreement. And until we have some type of way to bring closure to the deal and find a solution to the stranded debt, we haven't been able to come to an agreement as to how to refinance that piece of debt.

ASSEMBLYMAN ROONEY: Does anyone else have any questions? Anyone? (no response)

MR. CARLTON: I thank you very much.

ASSEMBLYMAN ROONEY: Thank you.

Next is Alan Avery, Ocean County Freeholders.

**A L A N W. A V E R Y J R.:** I have copies of my statement for the Committee.

ASSEMBLYMAN ROONEY: Thank you.

MR. AVERY: Good afternoon, members of the Committee. My name is Alan Avery. I'm the Director of the Ocean County Department of Solid Waste Management. I'm here to offer comments on behalf of the Ocean County Board of Chosen Freeholders regarding a series of Assembly bills under consideration that are intended to respond to the recent Federal court decisions invalidating New Jersey State waste flow regulations.

Ocean County has been an active participant in solid waste management issues since the adoption in the 1970s of the New Jersey Solid Waste Management Act. In fact, there are few issues that have taken more of the Board's time during this period than solid waste. I am sure this is true in most counties in New Jersey. Like many counties, Ocean County pursued, initially, a strategy of resource recovery, which was the subject of vigorous debate. The Board, however, made a decision not to pursue resource recovery as a disposal technology. Instead, we developed a unique public and private partnership that has served the ratepayers and the county well.

We have a privately owned and operated sanitary landfill, the Ocean County Landfill, Inc., which is also a regulated utility, which provides



an environmentally secure disposal capacity for solid waste generated in Ocean County. We structured this arrangement so that municipalities and all that use the landfill are secure in the knowledge that they had a facility that met all of the stringent environmental regulations imposed by the State at a stable cost. The rate structure developed with the landfill operator and the various State agencies ensured that the necessary capital investments were constructed with no debt. This landfill has collected significant funds for closure and postclosure costs, which are held in a N.J. DEP escrow account. The county, through a cooperative measure with its municipalities, has also developed a recycling program and household hazardous waste management system, again without significant debt to the taxpayers of Ocean County.

The underlying philosophy that we have followed in implementing our solid waste management program was to ensure in-county disposal capacity. The county did not want to burden anyone else with this responsibility and similarly did not want to bear the burden of disposing of out-of-county waste. Our partnership with the Ocean County Landfill has achieved these goals and served us well.

The Board has followed closely the various legislative initiatives that have followed the court decision in *Carbone*. It has formally taken a position that taxpayers in Ocean County should not pay financial costs for waste management decisions that were made in other districts. Assembly Bill No. 519, which would impose what is basically a surcharge on municipal and private collectors of solid waste, would substantially increase the waste disposal costs to Ocean County residents and businesses without benefit to them. The Board of Chosen Freeholders is adamantly opposed to paying additional costs

for waste disposal to solve the debt problems to other jurisdictions. For that reason, we are very much opposed to Assembly Bill No. 519.

The county also has concerns with Assembly Bill No. 518 because it removes the public utility aspects of the Ocean County Landfill. Over the past several years, we have benefitted in reductions of the rate at the county landfill because of the rate structure that was adopted in the mid-1980s, and we are all about to see further reductions in that rate, as a result of the investments by the county ratepayers at that facility.

The Ocean County Landfill has a franchise for waste disposal in Ocean County, which has assisted that facility in structuring its operating tariff and its capital investments in a manner that ensures adequate disposal capacity to the year 2016 for all of the waste generated in Ocean County. In the absence of a franchise, the Ocean County Landfill could find it is in a position that the loss of waste from Ocean County could result in an increase in the rates paid by county towns and haulers that continue to use that facility or a need to import out-of-county trash to generate sufficient operating monies. This is inconsistent with the basic underpinnings of our management strategy.

In addition, the loss of operating revenues could force the landfill operator to reduce the measures currently undertaken to be a good neighbor to the communities that surround it. This is a very serious concern since we all know that any kind of waste facility can have a negative impact if it is not properly managed.

With regard to Assembly Bill No. 516, it seems to Ocean County that it imposes an additional mandate to municipalities by requiring them to contract for disposal services, if they do not already do so, but I understand

there may be an amendment that addresses that provision. I want to add, though, that because -- if A-518 were to go out of this Committee and be adopted, removing BPU regulation, or utility regulation, from the landfill would be considered a private facility and would have to contract and bid for all the garbage with all our towns. We would not find that acceptable. We feel it would put us in a noncompetitive position.

While we understand that the Federal court decision requires a competitive procedure for out-of-state disposal, in our opinion, it is much less certain that the same test needs to be applied to in-state disposal facilities. It has been the county's intent to respond in its district plan to provide a mechanism for those municipalities that might desire, for whatever reason, to pursue an out-of-state disposal option. However, given the circumstances that Ocean County currently has, it is our belief that they are unlikely to do so. Given the current rates and the potential for further rate reduction and the added costs of transportation, operation of transfer facilities, and uncertainty in disposal capacity at out-of-state facilities will, in our opinion, be noncompetitive with continuing the county's existing system. However, should a municipality desire to go out of state, they would have that option.

Should Assembly Bill No. 516 pass the Legislature and be signed into law, it is unclear to us what direct role county government should continue to play in solid waste management issues. If municipalities are to have the primary responsibilities for collection and disposal of municipal solid waste, it is our belief that they should have sole responsibility for the siting of facilities necessary to accomplish their plans. The county could continue and

should continue to have a role in recycling and managing the proper disposal of household hazardous waste but should be removed from any further role in solid waste disposal.

In conclusion, the Board appreciates that the issue of debt and serving that debt in some counties is a serious financial matter. However, each situation is undoubtedly unique. The State has already initiated a process to address that issue through audits and an allocation of \$20 million from the State General Fund. This process, when completed, has the potential to force reductions in unnecessary costs. There are also potential savings to be achieved by reallocating costs, renegotiating contracts, refinancing debt, and other financial methods that are unique to each jurisdiction. And I think the Committee and the audience has heard some of those unique responses to this problem today from several of the counties. A-519 essentially removes those incentives by injecting revenues from other sources that will meet all service payments statewide. I believe that will stop current attempts to reduce disposal costs and simply continue to subsidize inefficient systems at a much higher cost statewide than if more options were provided to local jurisdictions to meet their individual responsibilities.

Thank you. Those are my comments.

ASSEMBLYMAN ROONEY: Thank you very much, Mr. Avery.

Just looking at Ocean County's rates. Let's see-- Pre-waste flow, you're at \$63.17 a ton for your garbage disposal in Ocean County. Correct?

MR. AVERY: Yes, sir.

ASSEMBLYMAN ROONEY: And currently, you have, according to my figures -- this is what Beth Gates gave us -- is an outstanding debt of about 2,160,000 with an annual debt service of \$858,240.

MR. AVERY: That's for our recycling facility. That's correct, and we have a reserve account through which we draw those funds that is nontaxpayer generated to pay that debt on an annual basis.

ASSEMBLYMAN ROONEY: What I had hoped -- it could bring people to the table that might not have a direct benefit -- was either look at landfill closures or some debt such as this to be eligible for that pay down through this particular process because right now -- you went from 63.17 -- I believe you're down \$55 a ton.

MR. AVERY: Fifty-five dollars for type 10; 63.17 for the bulky material and other.

ASSEMBLYMAN ROONEY: Right. I've spoken to somebody from Brick who had talked to me about the situation there, and what we're looking at is basically a 6 percent tax on whatever that rate is. Six percent of \$55 is roughly \$3.30. Going from 55 to 58.30 a ton and being able to get your debt service paid for, is that not worth it? Or to be included in this to be able to come into the system and to also assist and not have a parochial attitude of one county where we have--

We have 21 counties, and this is what we have to deal with in this Committee. The present system is a problem, it's broken, can't be fixed, and we have to come up with an alternative. This was an alternative. I tried to include as many counties as I could by offering landfill closures or this recycling arrangement or something like that for 6 percent of the total of your

fee. I find it difficult to have you come up and oppose it. One county, basically, coming against 21 counties' needs.

MR. AVERY: Well, Assemblyman, I'm not sure that I'm alone here in my concern about this bill, but--

ASSEMBLYMAN ROONEY: I can only take one county at a time.

MR. AVERY: I understand. Our rate reduction-- Our rates have been-- The trend is for reductions. We estimate that in another five to six years, as the final capital improvements are paid for out of environmental escrow account, that we'll be down somewhere around \$50 a ton. The 6 percent increase that you talk about, the surcharge, however that's paid, actually wipes out the reduction in rates to a large extent that we just benefited from on January 1 of this year. I understand your concern.

The other part of it, and I don't know the numbers because I don't know the closure costs of all the landfills, but I'm not sure we wouldn't be better off funding landfill closures ourselves rather than paying a surcharge on our garbage. I think the numbers might be skewed there, but I don't know that without looking, specifically, at some of those costs.

ASSEMBLYMAN ROONEY: The other thing is, do you really believe that you would have seen that rate reduction if *Carbone* had not been upheld?

MR. AVERY: Yes.

ASSEMBLYMAN ROONEY: You think you would?

MR. AVERY: That rate reduction is right on target with a rate reduction that was announced in 1995. We have an unique partnership in

Ocean County, we're the privately owned landfill. When we received the necessary expansion permit, the last expansion permit from the DEP for that facility, those projections of rate relief are right in line with what we experienced then. I think perhaps it came a little quicker and with an understanding that we had to be competitive with our region, but I don't think that it is out of line. It just might have come down in steps, as opposed to--

ASSEMBLYMAN ROONEY: Mr. Avery, I'm not arguing with you. I envy anybody that had a low-cost discovery -- disposal fee for these last 10 years. That's when it happened--

MR. AVERY: I think you can understand the county--

ASSEMBLYMAN ROONEY: --1988, when many of us went through the roof with our garbage disposal costs. And some of us didn't, and that was unfair. I sat here through some debates that it looked for rate averaging, through the State, because it was unfair that some counties had to jump up and others didn't.

I agree with -- only partially with County Executive Prunetti. We were mandated to do this. We didn't close our landfills, the State closed our landfills. When we submitted a plan, we were told, "The only plan that's going to be approved here for your garbage disposal is an incinerator." Thank God. And it was like 21 incinerators-- And Bob Hughey went around the State telling everybody, we're going to have 21 incinerators. And they made sure that they were going to get that by closing our landfills. That's the problem here. Some of us did it, and some of us didn't.

We contracted -- there were a lot of contracts out there, not only Mercer's, ours was shot down in Bergen. We had a great contract. The only

problem was they stuck us -- we picked one site that was a-- They welcomed us. They went out for a referendum and said, "Come here, give us the incinerator here in Lyndhurst." Clean, no problems at all. We submitted it to the State. The State turned around and says, "No, no, you can't go there. You've got to go to Ridgefield." They put us in wetlands. They put us in a hostile community. We wound up for -- I guess, it was about six years in litigation. Why did they put us in Ridgefield? Because Lyndhurst was the site where they were going to put the baseball stadium, which never went. But these are the kind of things that the State had done to us in Bergen County and some of the other counties.

We're trying-- I'm trying to help, now, 21 counties. I'm trying to get-- Well, let's say 15 or 16 of them. There are 4 that don't have a problem, and I can see that, but I would have rather seen people come and say, "Hey, look, we can help." Six percent on--

MR. AVERY: Assemblyman, I understand that. We all had those choices to make, and we pursued a resource recovery technology that we abandoned when we listened to our public. But the decisions that we made-- I mean, we bore increased costs in the early '80s. Our landfill rate was up around \$77 a ton, as we made the improvements that were necessary to protect our environment, and that's my point. Over the past 10 or 12 years, those rates have seen continued reductions. We're making a return on the investment that the ratepayers made in that facility back in the late '70s, early '80s. To ask us now, after paying those increased costs, seeing the reduction, promising our taxpayers further reductions, to pay 6 percent or 7 percent or whatever the numbers finally are to bail out debt in other areas I think is



unfair. We would not be representative of our taxpayers if we didn't come here and say so to the Committee.

ASSEMBLYMAN ROONEY: All right. Thank you.

Anyone else have any questions? (no response)

Mel?

ASSEMBLYMAN COTTRELL: No.

ASSEMBLYMAN ROONEY: Ted Schwartz, from Ocean County Landfill.

I'd like to slip Mr. Pringle in next. He has to leave. He has to pick up his daughter. So I'm going to ask him to come next.

Okay. Dave Pringle, from the Environmental Federation.

**DAVID PRINGLE:** Thank you, Mr. Chair. I'm still gaining the rigors of a one-and-a-half-year-old and switching with work with my wife and have day care responsibilities tonight.

I will be very brief. Just a couple more thoughts from the last time I testified. First, I want to make something very clear. The New Jersey Environmental Federation does not support a default on this debt. I misspoke when I debated the Chair on the record, and in another instance, I was misquoted on a couple of occasions by some reporters. What we do support is an investigation of the pros and cons, the costs and benefits, both short-term and long-term of a default on the debt and comparing that to alternative ways to handle this debt. Rather than--

Investigating the alternatives to this debt is just one example of why, I think, it's premature for the Legislature and this Committee to act. It is still unclear how much debt is outstanding, who is liable for what portion of

that debt. The Legislature cannot devise a solution, and this Committee is charged with devising a solution to this problem without the problem being well defined. Rather than taxing first and asking questions later, we've respectfully suggest that we get to the bottom line first and urge the Committee to hold the bill.

We got into this mess in the first place because incineration is not competitive on its own and needed monopolies to be competitive both financially-- And we're paying for that now financially, as well as environmentally. And I do have a handout that I will be distributing to give you a little more information about incineration. Because we got into this mess because of incineration not being competitive, we feel you cannot delink the finances of incineration and solid waste, in general, from the management of solid waste.

We are in the process of completing a report -- I had hoped to have it ready today, unfortunately, it's not -- that will deal with some economic analysis of some of the costs and benefits to defaulting. And we will share that with the Committee as soon as it's ready. I'd also suggest that we have the free market before the Legislature take a crack at this debt. Instead of putting across-the-board 6 percent tax, I think it would be fairer to have the debt that's outstanding be attributed to the facilities that are outstanding. If it's a case of a landfill was built and money was borrowed for that purpose, then that should be reflected on the cost of disposing on that landfill or incinerator. If that cost is not competitive, then that entity should shut down, and then that is what is truly stranded debt -- and that's when the State should take a look at what role they should be playing.

There are only two instances, I see, where there's an exception to that, and that being Mercer and Passaic, where they don't have a facility to show for that debt. And that is where the State should take a look at taking some of the responsibility.

I will leave my thoughts at that and just urge again the Committee to hold this bill until -- as you can see, this bill-- This is a very contentious issue. I don't think anyone has gotten all the answers or all the questions offered yet.

I thank the Committee for their time and look forward to working with the Committee to come up with a better solution.

ASSEMBLYMAN ROONEY: Okay. Does anyone have any questions for Mr. Pringle? (no response)

Thank you, Dave.

We'll go next to Ted Schwartz.

Thank you for allowing Mr. Pringle to respond.

**T H E O D O R E   A .   S C H W A R T Z ,   E S Q . :** Good afternoon, Mr. Chairman and members of the Committee. My name is Theodore A. Schwartz. I am a counsel to the Ocean County Landfill.

In listening to Mr. Avery's remarks, I will try to abbreviate my comments, in that the opening part of my discussion had to do with a private-public partnership that exists between Ocean County and the Ocean County Landfill. We are the only private landfill facility in the entire State of New Jersey. We are the only private landfill facility that has a franchise that was issued by the Board of Public Utilities. This franchise was issued as a result of a full-statutory proceeding, as if we were Public Service Electric and

Gas or New Jersey Natural Gas. We had to demonstrate the reasons why we're entitled to a franchise, and we met all of the public utility requirements, and that process took a long time. The rights we obtained in that process, in our opinion, are sacrosanct.

This bill and a series of bills totally dismantles the system that has been created in this county. We are not only proud that we do not have any debt, as the other counties do -- and I believe, Mr. Chairman, you asked a question of Mr. Avery relative to closure and postclosure and whether or not 6 percent tax would be beneficial -- I'm also proud to say that the Ocean County Landfill's closure and postclosure accounts are fully funded -- unheard of in this state. This comes about as a result of smart management, use of talented people, and working with a government agency that clearly understood the issues and recognized the important role that the private sector could play.

Diverting just for a moment, I was, frankly, jumping at the bit or champing at the bit sitting in the room listening to some of the questions and some of the answers and, frankly, getting very upset with the amount of misinformation that permeates the air, and even from the Chairman, relative to things that are going on in this state. And I say that with all due respect, because I think it underscores some of the statements that have been made by the other members of the Committee on both sides of the aisle as to the fact that this legislation has to be looked at very carefully. It's something that has to be studied.

I support Mr. Prunetti's position relative to further study, further thought, and further input because I believe we have to clear the air on a lot

of information that is outstanding. You asked a question of one of the speakers, "Well, don't we have to move fast because Passaic County Utilities Authority has a debt payment due on March 1?" Well, I'm going to tell you the answer is no, and I'm going to tell you that's a lot of baloney. Because I represent the City of Paterson. I'm not here speaking for them today, but we have an action against the Passaic County Utilities Authority that concerns bonded indebtedness -- the difference between the secured bonds, the unsecured bonds, and the EIC charges. And the judge in that case asked a specific question last week -- it was last Friday -- that said, "Is there any rush here with the debt?" And after pushing the issue, they finally confessed, "Oh, it may be some time in August that we have to worry about a problem." So we're past the March 1st deadline. If you're worried about that, don't worry about it. The important thing is we have to sit down and work together and do business and make something happen that solves the problems in this state and to cut out the conflicts that we're having because we do have a serious problem.

But on the other hand, we have a situation in Ocean County that is very, very unique. Whether that's fortunate or unfortunate, I don't know, in the legislative scheme of things. But the way we've structured our operation is to try and to plan in advance for the capital needs of the facility for the environmental infrastructure. And if you ever take the time-- If you ever want, I'll give it to you. I produced a video -- it's about 12 minutes long -- as to how to build a landfill, and how this landfill is structured with all the environmental improvements, which we use for educational purposes in Ocean County. We have spent the time and the effort to educate people as to what

landfilling is all about -- that it's not what you see in the Fresh Kills Landfill. It's not the pictures of all the seagulls and all the junk taking place. It's a clean, well-controlled operation. And that public information effort has been very, very helpful to us and the county in explaining to people exactly what we do.

With the infrastructure costs, every couple of years-- As Alan pointed out, we recently had our permit extended to cover additional, you know, life at the landfill. And what we do at the DEP is we sit down and we figure out what the capital cost needs are going to be over a period of time, and we develop a schedule as to how we're going to pay for them, which is called our Environmental Escrow Fund. Our Environmental Escrow Fund are monies that are taken from our tipping fee that is deposited directly in the account that is controlled by the DEP. All the money that goes in there is accounted for. All the withdrawals are certified by two engineers. We have the most elaborate control system in the State of New Jersey for dispersing money, and Gary Sondermeyer is sitting here -- will verify that, if it's necessary.

Now, in light of the program that we have, OCLF and the county it serves have a unique stake in an important perspective on the Legislature's response to the decision in *Atlantic Coast*, which declared the New Jersey system of waste flow control unconstitutional. The decision of *Atlantic Coast* did not implicate the planning or other regulatory requirements contained in the Solid Waste Management and Public Utility Control Acts. The decision affects only the flow control components of the various district solid waste management plans that discriminated against interstate commerce. Complying with *Atlantic Coast* does not, therefore, require dismantling the positive

mandates of New Jersey's laws, which provide clear environmental and public benefits.

In a recent Appellate Division case, involving *A. Fiore and Sons*, the Appellate Division distinguished regulation which directs where waste must be disposed in-state from regulation which prohibits waste from being disposed of out of state -- very, very important. The court stated: "*Atlantic Coast* did not vacate or void the New Jersey intrastate system of solid waste disposition." In another case involved in the 3rd Circuit, which was *Harvey and Harvey vs. The County of Chester*, the court held that the designation of the in-state site does not establish discrimination against interstate commerce. The only franchise right implicated by the current Federal case law is OCLF's right to prevent waste from being disposed of at out-of-state facilities.

There is a case now pending in Gloucester County which involves the solid waste disposal franchise issue, and that involves the County of Gloucester and SES Gloucester Company. It's a very important case. The franchise affords OCLF an exclusive right to engage in solid waste disposal within Ocean County through the year 2015, so it's a fixed franchise. This franchise is a lawful means to assure a waste flow and, therefore, assure necessary revenues. A solid waste utility franchise provides the following property rights:

1. The right to be the only disposal facility located within a franchise district.
2. The right to dispose of all wastes generated within a franchise district if disposed of in the State of New Jersey.

3. At least prior to *Atlantic Coast*, the unconditional right to prevent waste generated within the franchise district from going out of state.

It is OCLF's position that the first of the two rights enumerated above are not affected by *Atlantic Coast*. However, the third is potentially affected but can survive if the selection process used does not discriminate against interstate commerce.

The Legislature's response to *Atlantic Coast* decision should be as focused as the decision itself. The Federal courts have recognized that New Jersey's comprehensive solid waste management system serves many vital public interests. However, the decision affects only one aspect, namely, waste flow control that discriminates against interstate commerce. The legislative response to this decision can, and should be, similarly limited.

Nothing in *Atlantic Coast* affects the franchise held by OCLF pursuant to the order of the DEP dated August 31, 1994. I say that with all due deference to the gentlemen sitting to the right of the Chairman (referring to OLS Committee Aides), who I think have a distorted view of what the court case was all about. The franchise was not affected at all in the *Atlantic Coast* case because there's now another case that's pending in the 3rd Circuit Court of Appeals, which involves the franchise and the circumstances in Gloucester County. And the court -- the 3rd Circuit Court, in interpreting the *Atlantic Coast* decision said that since Gloucester County did not participate in that decision, they're not affected by it, and therefore, their system can be subject to a full trial and a procedure as to its validity and compliance with the commerce clause of the constitution.



So I take due deference with OALS's (*sic*) position relative to the validity of the franchise, as they're still valid, and they're still valid in Ocean County. In search for alternatives, the Legislature must maximize the use of, and protect, financial viability of existing solid waste facilities operating in the state. Special care must be taken to ensure that the answer to the debt problems in other New Jersey counties does not adversely affect the financial well-being of privately owned facilities such as Ocean County Landfill. We all support lowering costs, but there should be no mistaking the fact that cost shifting is not lowering costs, but merely redistributing them.

Mr. Chairman, with all due respect on your 6 percent tax -- which I think you could have made a clearer statement on it -- is the fact that with a solid waste disposal facility according to the bill that I've read -- they keep changing every day -- the 6 percent is on the gross receipts of a solid waste disposal facility. So as you aptly pointed out, that may be three dollars and change at the Ocean County Landfill rate. That does not count the 6 percent as being charged by the collector to the generator of the waste. So you not only have the tax on the generator that the collector was paying, but that same waste is again subject to taxation when it comes to the landfill. So it's not 6 percent, and I'm not going to sit here and calculate it out for you, but we should be very clear that what you're talking about is a substantial difference than what's in the bill.

The Ocean County Landfill has four specific concerns about this legislation, and I preface all of them, and I take you up on your charge that what you want to do in this legislation is create a level playing field. There is no level playing field for Ocean County. We're not a public agency. Every

county in this state has a public entity that is handling solid waste. So we have to compete against 20 other counties, which is very, very difficult the way your bill is structured.

The change that you made today on the public bidding issue -- a previous point in time, and this came up when Assemblyman Gibson had his bill-- Your original bill provided for public bidding for all contracts for disposal, whether they be with public agencies or private entities. Now the bill changes today, and the public-to-public exception is back into play, which means the public entity can negotiate with another public entity. That's unfair to Ocean County because we have to compete with all the other counties in the state.

What should be done here, and the theme of my message, is to try and preserve the franchise system that we have and the public utility nature of the Ocean County system and enable us to also be able to negotiate with a municipality for disposal. Because as a public utility, our rates are regulated and controlled, and therefore, everybody knows what they are, and the municipalities can negotiate with the landfill for disposal.

The next item is the fact that the bill unnecessarily binds counties. Some counties have developed good solid waste programs that cost effectively meet the needs of their constituent municipalities. Any proposed legislation should contain appropriate statutory provisions allowing those counties the flexibility to continue in the role if they so choose. Counties should be allowed to set up and maintain solid waste disposal programs, just like you propose a municipality. In fact, what you've done in your legislation is set up a municipality so that it almost has a franchise. It controls franchise rights and

controls waste flow, and all you've done is shifted from the county to the municipality. You've given the municipality the same basic powers that a county had before relative to flow control. And so I have a problem with that.

As intrastate waste flow is not affected by *Atlantic Coast*, counties at their discretion should be empowered to establish solid waste service fees to provide for the disposal of solid waste generated by municipalities located within the county. What I'm stressing here is put the Ocean County Landfill, due to the uniqueness of this situation, which is undisputed, in the same basic realm as a public entity so that we can compete. Otherwise, we're not on a level playing field. We can't compete with Monmouth County that a number of months ago indicated that they were going to put in a 2 percent adjustment on the county tax rate in order to pay for the difference of their disposal fees to lower them down to \$55. We can't do that. So we can't compete with Burlington County, which is a county landfill. So we have-- And Middlesex County. They all have county and public agency powers which we don't have. If we keep the franchise and we keep the public utility aspects, we can be on a level playing field.

The legislation does not give sufficient credit to Ocean County ratepayers who have already, through their rates, funded the infrastructure necessary to operate the Ocean County Landfill. As part of the established tip fee, users of the landfill have provided monies above and beyond the actual operating costs in order to meet the considerable and environmental improvement costs that landfilling requires. Now they are being asked to provide not only for OCLF's capital and operating costs, but for the costs of fulfilling the desires of speculating bondholders in other counties.

Which gets me to another issue. You referred to the chart that Beth Gates gives you. I want you to ask her to separate out the debt that is secured and unsecured. There is a huge amount of unsecured debt going on in this state. And there's a public policy issue that people have to address. Is the State government going to stand up and say that unsecured debt should be paid? Should bondholders who are getting 7.5 percent when they took the risk when they bought the bonds now be made whole on refinancing on unsecured debt? I don't think so. And I think that's a serious policy issue, and it would probably take the numbers that you have and cut them down dramatically along with the sale of assets. I'm a firm believer that's the right thing to do. There are a lot of assets sitting out there.

ASSEMBLYMAN ROONEY: We agree on something.

MR. SCHWARTZ: There are a lot-- In Passaic County, you got \$4.9 million in property sitting in Passaic County just grows grass. Well, sell the darn thing. Without clear language, which both addresses the aforementioned concerns and protects the existing franchise held by OCLF, we are unable to support all of these bills.

We take the Chairman at his word that he is looking to craft a statewide solution. However, this must not jeopardize what is working in an effort to hopefully solve what is not. I urge this Committee to amend this proposed legislation to address the unique operational conditions of Ocean County's designated disposal system. The taxpayers of Ocean County must not be unfairly burdened, and the legislation should allow Ocean County to continue its Solid Waste Management Plan and OCLF's franchise to maximize its legality. After all, this plan has worked effectively for the past decade. In

short, the partnership between Ocean County and OCLF is a model of success. Dismantling it does not solve problems. It creates them.

I thank you. That concludes my testimony.

ASSEMBLYMAN ROONEY: I found only one item that you agreed with me on. That was interesting. And I totally disagree with a lot things you said. I believe that the system is broken and it can't be fixed. What we have now is yourself out there defending Paterson, defending other -- or actually being the--

MR. SCHWARTZ: Not defending.

ASSEMBLYMAN ROONEY: Okay, being the plaintiff in particular cases, and that's what I want to eliminate. I want to eliminate your job to be honest with you, Mr. Schwartz.

MR. SCHWARTZ: Well--

ASSEMBLYMAN ROONEY: I'm not personally, but I just-- I don't want any more lawsuits. I don't need lawyers to go into court to fight the system. The system is wrong. That you can continually find reasons to say, "Hey, you know, you can't do that because this, this, and this." You can argue one point as a plaintiff, another point as defendant on the same issue -- on the exact same issue.

MR. SCHWARTZ: I think the point I'm making to you is the fact that we have a system that's been created in Ocean County. My remarks are directed to that. Relative to--

ASSEMBLYMAN ROONEY: Well, they really weren't. They were directly at me, personally, at the staff, personally. It's not the staff. They

write the bills. I'm the one that gives them the ideas and gives them the -- basically, the direction on whereto. I'll take full blame for that.

MR. SCHWARTZ: You're destroying a franchise that we have.

ASSEMBLYMAN ROONEY: The franchise-- If you had a problem with the franchise before, I have offered to your representative from Ocean County the opportunity to come in at any time. I've said, if there's a problem with this that affects a county adversely, or whatever-- We're trying to bring everybody to the table. I'm trying to get a consensus. I'm trying to be inclusive. I'm trying to get to a point where Ocean County legislators, Burlington County legislators, Somerset County legislators, Essex County legislators, Passaic County legislators can support this concept. What I'm trying to do is get a solution that gets us beyond *Carbone*.

MR. SCHWARTZ: Yes, but the problem is--

ASSEMBLYMAN ROONEY: *Carbone* is -- you know, you said that the court doesn't mandate this. If the court took a very narrowly defined position, very narrowly defined, if they had expanded it, the flow control would have been gone totally, as we know it. Because it's an unconstitutional system and we know it. If we wanted to go and do another round of constitutional questions, we can get rid of it all -- take the whole system because that's where it's going. Seventeen lawsuits I understand right now against this. My own county, right here, Bergen County, was sued and sent to the State judge -- Bergen and Union.

MR. SCHWARTZ: Your legislation is not going to solve that problem.

ASSEMBLYMAN ROONEY: Yes, it will.

MR. SCHWARTZ: I don't think so because I think--

ASSEMBLYMAN ROONEY: Well, I do. I don't think this is a debate format here. I've let you speak. You know, I've come back with my opinions.

MR. SCHWARTZ: Right.

ASSEMBLYMAN ROONEY: You gave your opinion. I gave mine. A year ago, two years ago before *Carbone*, I couldn't go to Ocean County with Bergen County's garbage.

MR. SCHWARTZ: That's correct.

ASSEMBLYMAN ROONEY: That's correct. You had a great situation. You've got \$12 million of revenues there. In fact, you talk about the great landfill. The only reason you have a great landfill is because that gentleman there (referring to Assemblyman Cottrell) and his predecessors mandated that you have a great landfill. They wouldn't allow a landfill in this state that didn't meet state of the art, that didn't have leachate controls, not because you such a -- you represent such a beneficent company. It's because that was the State of New Jersey telling you how to build it.

MR. SCHWARTZ: Well, obviously--

ASSEMBLYMAN ROONEY: Don't tell me that you did this--

MR. SCHWARTZ: Obviously, you don't know what goes on down there. You wouldn't make a statement like that.

ASSEMBLYMAN ROONEY: Well, I'm sorry.

Mel, go ahead.

ASSEMBLYMAN COTTRELL: Mr. Chairman, I want to tell you something. You said that legislator from Ocean County didn't do something.

I work with Jack-- (indiscernible) This is a bill that is being pushed through too quick, too hurried, and it is going to create a lot of harm. Don't say that the representative didn't recognize it.

ASSEMBLYMAN ROONEY: I didn't say that.

ASSEMBLYMAN COTTRELL: Yes, you did.

ASSEMBLYMAN ROONEY: I'm saying that he's expressing an opinion today that I haven't heard from your legislators.

Now, have you gone to Mel?

MR. SCHWARTZ: Mr. Chairman, with all due respect, you attended about three hearings that I testified on the Gibson bill when I went through this, and I gave you copies of my testimony, which is not much different than what I have here today. So you know exactly what we did there.

ASSEMBLYMAN ROONEY: I'm sorry. I didn't have copies of your testimony because I wasn't a member of the Committee. I never got a copy of your testimony.

MR. SCHWARTZ: You attended the meetings, and there were about three or four, and I spoke at each one of them. Assemblyman Gibson is not here now. I went through this whole business. And what happens is I go through it, you're aware of the situation, and all I'm asking you to do is to recognize the franchise rights in this legislation to provide a system that enables us to compete on a level playing field. I'm just taking you up on your words. If we look at this bill the way it is, we're not on a level playing field.

ASSEMBLYMAN ROONEY: Mr. Schwartz--

MR. SCHWARTZ: I accept your invitation--

ASSEMBLYMAN ROONEY: Mr. Schwartz--



MR. SCHWARTZ: --to try and work this out.

ASSEMBLYMAN ROONEY: Mr. Schwartz, all I'm asking you to do and all I've asked anyone to do -- show me how we can get you into process. If you would have come up with-- Instead of just saying, "We're opposed to all the bills," come up and tell me how you can support the bills. How you can come into the process and say, "If you change--"

MR. SCHWARTZ: I just told you.

ASSEMBLYMAN ROONEY: Hold on. "If you change these words and allow us to continue that franchise and if you did this and you did that, we can come to the table and support the bills." Well, tell me how to do it.

MR. SCHWARTZ: Well, that's exactly the purpose of my testimony.

ASSEMBLYMAN ROONEY: Your testimony doesn't do that. It just knocks the whole system. It says we don't support any of your bills. Tell me how to help you.

MR. SCHWARTZ: Why? Why don't I support them? So if you see in there it says why, then let's fix them the way he asked you to fix them.

ASSEMBLYMAN ROONEY: But, Mr. Schwartz, you haven't come in a positive manner here. You've come and said, "We're not going to support your bills. The hell with you."

MR. SCHWARTZ: The way they are.

ASSEMBLYMAN ROONEY: All I'm saying to you is, if you want to come to the table, tell me how you can get included. If you say to me,

“John, I can support these bills by you doing this, this, and this,” then we’re on the same page.

MR. SCHWARTZ: Well, first we have to--

ASSEMBLYMAN ROONEY: Everybody that has come to the table and contacted me, I have included in the process. I’ve sat down with staff and I’ve said, “How do we get this person’s concerns into the bills?” These people hate me, absolutely hate me--

MR. SCHWARTZ: John, I--

ASSEMBLYMAN ROONEY: --because they have been working their tails off for the last month on all of these bills and all the changes that I’ve given them. I’ve spent a lot of time on that. If you want to come to me in the future, tomorrow, next day, whenever it happens to be and say, “Here’s how we can support your bill,” you’re welcome.

MR. SCHWARTZ: Mr. Chairman--

ASSEMBLYMAN ROONEY: I’ll give you my home number -- everything.

MR. SCHWARTZ: Mr. Chairman, the gentlemen sitting to your right -- and I’m not picking on them, I have no personal grudge with them-- We’ve been through it with them. And the question is, how many times do you go through it, and when does it sink in?

ASSEMBLYMAN ROONEY: Mr. Schwartz, Mr. Schwartz--

MR. SCHWARTZ: So that’s why I have to sit here.

ASSEMBLYMAN ROONEY: He is not the Chairman of the Committee.

MR. SCHWARTZ: I understand that.

ASSEMBLYMAN ROONEY: I am the Chairman. He will do anything that I ask him to do. It is not up to him to remind me, by the way, because he has had probably 60 or 70 people recently -- gave him suggestions or whatever. I'm telling you, come to me, and we will sit down, and we will go over the process. If you want to be positive--

MR. SCHWARTZ: Oh, no, I--

ASSEMBLYMAN ROONEY: --and help the process and get this thing resolved, come.

MR. SCHWARTZ: I want to do the right thing.

ASSEMBLYMAN ROONEY: So do I.

MR. SCHWARTZ: We've made our point -- God knows how many times -- and the two gentlemen are familiar with it. We've testified at so many hearings and blue in the face.

ASSEMBLYMAN ROONEY: I have to be familiar with it. Not them, no, please, Mr. Schwartz.

MR. SCHWARTZ: I'm not picking on them.

ASSEMBLYMAN ROONEY: No. And believe me--

MR. SCHWARTZ: I know how the process worked. I used to work here.

ASSEMBLYMAN ROONEY: --I rely on them heavily, and they have done tremendous work to get the concerns of most of the people that are sitting here. We have resolved many, many issues.

MR. SCHWARTZ: Fine.

ASSEMBLYMAN ROONEY: A lot of people here are pushing for these bills.

MR. SCHWARTZ: Great.

ASSEMBLYMAN ROONEY: I'm trying to get everybody in the process.

MR. SCHWARTZ: I'm going to take you up on your offer and I'm going to take you up on your statement that you want to create a level playing field. If we can create a level playing field, you're not going to have a problem with me.

ASSEMBLYMAN ROONEY: Thank you.

MR. SCHWARTZ: Thank you very much.

David Smith?

Oh, I'm sorry, anybody else have any questions? Sorry.

ASSEMBLYMAN JONES: Can't we all just get along? (laughter)

ASSEMBLYMAN ROONEY: I'm trying, LeRoy. I'm trying. It's very difficult for a hard-headed Irish Italian.

ASSEMBLYMAN JONES: Mr. Chairman, I think it just goes to the point that perhaps we may be moving the process a bit too quickly. And I think everybody-- I think the consensus is that we are all impassioned about this legislation, and I think we're trying to look for common ground. And I think again witness after witness is demonstrating that fact that there needs to be certainly a lot more time placed into this process.

ASSEMBLYMAN ROONEY: That's coming. After we hear the rest of the testimony, we'll get to that point.

ASSEMBLYMAN JONES: Okay.

ASSEMBLYMAN ROONEY: Thank you. And you can bring it up again, or anybody can bring it up again.

ASSEMBLYMAN JONES: Thank you.

ASSEMBLYMAN ROONEY: Anyone else?

ASSEMBLYMAN JONES: Just take a deep breath, and we'll just get through this folks.

MR. SCHWARTZ: Thank you.

ASSEMBLYMAN ROONEY: Anyone? (no response)

David Smith, Middlesex County Utilities Authority.

**D A V I D   A .   S M I T H:** Thank you, Mr. Chairman, members of the Committee. I'd like to be very positive.

ASSEMBLYMAN ROONEY: A man after my own heart.

MR. SMITH: I'd like to be, but unfortunately-- (laughter)

We've passed out -- I represent the Middlesex County Utilities Authority -- a one-page sheet explaining our concerns with the legislation. We did get the committee substitutes as soon as we could and forwarded them to the MCUA. There should be a one-page sheet from Princeton Public Affairs Group--

ASSEMBLYMAN ROONEY: Okay.

MR. SMITH: --outlining that we appreciate what you're trying to do, Mr. Chairman, members. It's a very difficult situation. As I mentioned, I was on a panel last night that, as a lobbyist, I've yet to see a bill to have so many different sides and so much infighting within different groups. You have a very difficult task.

The MCUA is reviewing the committee substitute. I've forwarded it to them overnight, and they've received it this morning. They have no

official position on the bill. They do have, however, a couple of things, which I'll outline right now.

Number one, they're concerned with the statewide solution. As you have heard today, Middlesex has been referenced as a very positive role because of its active involvement and low tipping fee. Middlesex believes that counties should have the ability, because each situation is different, to come up with a situation to address the county debt within each county. They don't believe that for Middlesex County property taxpayers that a statewide solution is the answer. They will provide a specific testimony, whether it's in this Committee again. We appreciate that you've put the bills up, and I think as a lobbyist, when we see bills up and there's a little star saying "for discussion purposes only," we tend to sit in the back of the room and see what everyone else has to say. But by saying the bills will be considered, I think you forced a lot of us to really come up and tell you what our specific recommendations are.

I can commit to you that MCUA will attempt within A-515 through A-519 -- come up with some positive -- or some recommendations we think will be positive that could improve the bill. It may be contrary to the belief that the absolute decision is with the municipality or that you're not allowed to have EIC charges or management fees, but we will provide, in writing, recommendations to you.

We ask that today if you can hold the bill, so we can come back along with other members and groups in this room and specifically address ways to get this bill moving and address solid waste confusion in New Jersey.

ASSEMBLYMAN ROONEY: Mr. Smith, just looking at my handy-dandy chart, a combination of waste management, Beth Gates consolidation, you have a -- you had a peak rate prior to waste flow of 55.42. You're now down to \$51 a ton.

MR. SMITH: Actually, 48, if you've entered into a voluntary agreement for three years.

ASSEMBLYMAN ROONEY: Yes, 48. You have a debt -- considerable debt outstanding -- \$40,575,000 debt service, with 11,707,805. So you would have been able to come to the table and look for assistance on that debt -- that supposedly stranded debt. Are you saying you're not interested in having the State do that? You don't care that you would only pay 6 percent to get rid of 21 -- 6 percent of, let's say \$50, \$3 a ton, and your portion of the debt service is 21.72. So you're going to trade \$3 a ton for 21.72. You know, I don't think that's good economics. But you have your right to say whatever you want and come and present it. But I just want it understood that the \$3 a ton fee-- I'm sorry, the 6 percent fee is \$3 a ton on \$50, and you're at 48. And your portion of the debt is 41.72. Makes no good sense.

MR. SMITH: Well, just on that one position. You're looking at the \$3. Our feeling is that our debt is manageable. If you didn't have the *Atlantic Coast*, we would be debt free in a number of years. We'd begin to lower our tipping fee. Even lowering it now, we feel right now with the current system, the current rate we're charging with a-- You've heard different numbers on EICs and management fees and user fees. Our management fee is \$4.27 a ton for waste that's not delivered to the facility. We think-- We

know it's the lowest in the state. And our feeling is we're going to have the debt addressed, and Middlesex County will pay lower -- Middlesex County property taxpayers. That's our concern is that long after that debt is gone, our property taxpayers in Middlesex are going to be paying for the debt in other counties throughout the state.

ASSEMBLYMAN ROONEY: Not true because this bill has provisions in it to sunset it when the debt is paid, when we have all the debt service paid. Again, when we were looking at it -- and I disagree with Mr. Schwartz in one other area -- is that 6 percent is on-- Let's say you have a contractor -- residential contractor. He charges so much a month. He puts 6 percent on top of that. Then when he goes and pays out, he drops the disposal off, the 6 percent is carried on. It's still 6 percent of the total number, and that's carried on. He pays that at the facility. It's still 6 percent of the total, so that's all going away after -- and it's a sunset provision in the bills that says once the debt is taken care of, it's over.

MR. SMITH: The debt of each county or the total debt?

ASSEMBLYMAN ROONEY: The total debt. The total debt.  
But-- Okay, let's--

MR. SMITH: Thank you.

ASSEMBLYMAN ROONEY: All right.

Anyone else have any questions?

ASSEMBLYMAN CHATZIDAKIS: Mr. Chairman, in whose lifetime will that be sunset?



ASSEMBLYMAN ROONEY: The provisions in the bill are there, and-- Now, I can't prevent another Legislature from turning around and saying they're going to reenact it, but it is sunsetted after the debts are paid.

All right, thanks.

George Lohman, did you want to come up?

You see, I don't know if Beth Gates is gone. She was here. She was definitely here. I should have asked her earlier. We have asked if someone would relay to her -- we've still asked for real numbers on the stranded debt, as to what that number is.

ASSEMBLYMAN STEELE: And how they're arrived at?

ASSEMBLYMAN ROONEY: Yes. Because that's still a question that's out there, and I don't have any problem with that.

Actually, as far as if we don't have the votes, I'll ask that my bills be held for the present time. We'll continue over to another hearing. The next hearing I have promised that we will deal with the issue of the hazardous waste in Hoboken. The residents in Hoboken have been out of their property for three years now. It's been declared an EPA Superfund Site. There are several bills that were put in by myself and, also, Assemblyman Romano and Assemblyman Garcia on this particular issue.

So what I could do is -- that we could continue a hearing on these bills at that time. I will entertain any requests from the Committee to put additional bills on that. It is a hazardous waste -- more or less a hazardous waste committee. But that would be the agenda for that meeting and then continued discussion on these bills. Again, not asked to vote on them at that time because I don't think we're going to have time. It's only about two weeks

away -- 10 days away? On March 9 is the next hearing, and I did promise that those hazardous bills would come up.

I would like comments in writing and any suggestions that anyone has, and I know I can count on Connie. She has come through with flying colors.

I appreciate everything you've done.

Anybody out there? Mr. Schwartz, if you're still here. If he's not, somebody send a word to him that any comments in writing would be appreciated. And I think most of you out there know that I've already dealt with it. I have my unlisted number available to you. I will do that privately, individual by individual. But I want to get this package done. I want to send a message out to the State that, at least, we're working on the problem because-

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And I want DEP to come and talk to me about what your solutions are, but don't tell me status quo is because that's not acceptable. The status quo is not acceptable. You'd better come up with a better way to do it that gets us out of the problem of more litigation.

Anybody have any comments or questions, whatever?

ASSEMBLYMAN STEELE: Yes, Mr. Chairman?

ASSEMBLYMAN ROONEY: Yes.

ASSEMBLYMAN STEELE: I just didn't want us to leave thinking that Passaic County is doing all right. You know, that's not the case. I mean, we have to make a payment March 1 and then again in July. So, I mean, whatever we do, we need to move diligently, expeditiously, and make sure that we actually move everything forward. I don't think that it was a waste today.

I think we've listened to testimony. We certainly can bring those things together.

ASSEMBLYMAN ROONEY: It's this feeling in my heart of hearts I never believed that we'd get the bills out today, but I had to tell this (indiscernible) in order to get the hearing and to get people here to see that we're serious about the problem. Like the last speaker just said, you put them up for a vote, then they pay attention, and then they come and testify. If you put them on for discussion, we're going to have the same la-di-da for another six months, and the process is going to get worse. So I really want to say we got to get this solved. And again, please, be part of the process and be part of the solution and not part of the problem.

ASSEMBLYMAN JONES: So, Mr. Chairman, does that include discussion with respect to formulating a funding source that--

ASSEMBLYMAN ROONEY: Absolutely.

ASSEMBLYMAN COTTRELL: Mr. Chairman, clarifying one single word. I sat on this Committee for two years. And under Mr. Gibson we had an A-50 plan. Ocean County listed what we wanted in that plan when he had it. And I want this -- two reasons, and you never said neither one. I have to lead my people.

ASSEMBLYMAN ROONEY: Please, put his mike down.

I'm not seeing your face.

Put the mike down, Larry. Larry, put the mike down. Okay.

ASSEMBLYMAN COTTRELL: What I'm saying is I did react to the A-50 plan. Take the one out in the A-50 plan. You brought this plan in here in just a couple months -- hasn't been a month even -- and I met with the

people last week and tried to relate this plan. It's impossible to get everything to you in one or two days that you want. Don't make a comment saying that I didn't try to do the best I can, because Sue was there last year. She knows I complained about it last year -- about Ocean County. She went to the Ocean County Landfill to see the facility that we had. Don't say that we--

ASSEMBLYMAN ROONEY: Mel, all I'm saying to you is--

ASSEMBLYMAN COTTRELL: You made a statement here. I resent that.

ASSEMBLYMAN ROONEY: No. All I'm saying is that I've asked you to come forward with some amendments.

ASSEMBLYMAN COTTRELL: We can't do it in a day.

ASSEMBLYMAN ROONEY: No. Wait a minute. If you had-- Let me tell you. These bills are very similar with one exception. They're similar to every bill that was there to A-50-- In fact, the first four bills in this package are directly in A-50 to a copy from my bill, which was A-867, 8, and 9. There were copied into A-50. The only difference was A-90 -- was a \$10 a ton fee. That was the only difference. And you'll ask Algis right here.

ASSEMBLYMAN COTTRELL: I don't remember the first ones. I don't remember--

ASSEMBLYMAN ROONEY: The four bills were almost identical.

ASSEMBLYMAN COTTRELL: Almost.

ASSEMBLYMAN ROONEY: But what I'm saying is it came from my bills. My bills were up for discussion. As far as this, this is not different. The difference is how we're funding it. A-50 said the counties are on their

own. I'm saying, no, the counties are not on their own. The municipal effect is different.

ASSEMBLYMAN COTTRELL: Right.

ASSEMBLYMAN ROONEY: Having a municipality in charge. That's different, I grant it.

ASSEMBLYMAN COTTRELL: Right.

ASSEMBLYMAN ROONEY: But other than that, almost everything is the same.

ASSEMBLYMAN COTTRELL: All right.

ASSEMBLYMAN ROONEY: What I'm saying is all you have to do is tell me how I can accommodate Ocean County, and it's in there. I'm trying to get everybody to the table. I don't want to chase you away. I don't want to lose your vote. Just give me some way or give me a reason where you can vote for the bill to put an amendment in.

ASSEMBLYMAN COTTRELL: Okay.

ASSEMBLYMAN ROONEY: Please.

ASSEMBLYMAN CHATZIDAKIS: Mr. Chairman, I'm unclear. You're withdrawing the vote on the bills for now?

ASSEMBLYMAN ROONEY: There's no vote. I'm holding on to them. I'm holding on to them.

ASSEMBLYMAN BIONDI: Could I have a note for my wife. She'll never believe I was here this morning. (laughter)

ASSEMBLYMAN ROONEY: You got to be kidding. Come on. This is a-- We're going to do some work in this Committee.

**(MEETING CONCLUDED)**