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PUBLIC HEARING

before

SENATE HACKENSACK MEADOWLANDS DEVELOPMENT TASK FORCE

The responsibility of the Hackensack Meadowlands
Development Commission for solid waste disposal and how
that responsibility has changed with the closing of
landfills within the district

May 31, 1988
Lyndhurst Township Municipal Building
Lyndhurst, New Jersey

MEMBERS OF TASK FORCE PRESENT:

Senator Gabriel M. Ambrosio, Chairman
Senator Paul Contillo
Senator Thomas F. Cowan

ALSO PRESENT:

Amy E. Melick
Office of Legislative Services
Aide, Senate Hackensack Meadowlands
Development Task Force

* * * * *

Hearing Recorded and Transcribed by
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Trenton, New Jersey 08625

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PUBLIC HEARING

Before

SENATE HARBOR AND DEVELOPMENT TASK FORCE

The responsibility of the Harbor and Development Task Force for solid waste disposal and now that responsibility has been assigned to the office of the Harbor and Development Task Force.

May 31, 1988
Hudson County Municipal Building
Hudson County, New Jersey

MEMBERS OF TASK FORCE PRESENT:

Senator Gabriel M. Farnsworth, Chairman
Senator Paul Coniglio
Senator Thomas E. Cowan

ALSO PRESENT:

Atty. Gen. Mellick
Office of Legislative Services
Aide, Senate Harbor and Development Task Force

Hearing recorded and transcribed by
Office of Legislative Services
Public Information Office
Hudson County
State House Annex
CN 088
Trenton, New Jersey 08646



**New Jersey State Legislature
SENATE HACKENSACK MEADOWLANDS
DEVELOPMENT TASK FORCE**

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Chairman
R. CONTILLO
THOMAS F. COWAN
PAUL CARDINALE
JOSEPH P. MCNAMARA

May 19, 1988

NOTICE OF A PUBLIC HEARING

Senator Gabriel Ambrosio, Chairman of the Hackensack Meadowlands Development Task Force, created by the New Jersey Senate, announced today that the Task Force will hold a public hearing on Tuesday, May 31, 1988, beginning at 7:00 p.m., at the Lyndhurst Township Municipal Building, 367 Valley Brook Road, Lyndhurst.

This hearing will be a continuation of the hearing held May 17, 1988 and will focus on the responsibility of the Hackensack Meadowlands Development Commission (HMDC) for solid waste disposal and how that responsibility has changed with the closing of landfills within the district. Topics of discussion will include the relationship between the HMDC and constituent municipalities, the relationship between the HMDC and the solid waste industry, the enforcement of the "Solid Waste Management Act," resource recovery facilities, transfer stations and host community fees, and implementation of the "New Jersey Statewide Mandatory Source Separation and Recycling Act."

Testimony by local public officials and members of the general public is invited. Witnesses who signed up to speak at the May 17th meeting will be the first to testify. Due to time constraints, oral testimony may be limited to a five or ten minute period. Written testimony, which will be incorporated in the transcript of the hearing, is welcome.

Persons wishing to testify or wishing further information on the public hearing or the task force should contact Amy E. Melick at (609) 984-7381.

Persons wishing to contact the Chairman or his office should call Joan Scerbo at (201) 933-0808.

Directions: From Route 3 West take the Ridge Road exit. Make a left at the Stop sign. At fourth traffic light turn right onto Valley Brook Road. The municipal building is on the right (past the Shop Rite) at 367 Valley Brook.

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SENATOR GABRIEL M. AMBROSIO (Chairman): Ladies and gentlemen, can we call this hearing to order? We have several Senators who are still in transit. I know Senator Contillo will be here, and Senator McNamara probably will be here. Senator Cardinale we believe is out-of-state. I don't want to keep you here any longer than you have to be, but we want to complete the testimony. This is a continuation of the hearing we held two weeks ago, where we had a very full agenda, and were not able to accommodate everyone who wished to speak. So, our program tonight is to-- We have approximately eight to ten people who have indicated they would like to make a statement, and I am sure there will be some questioning from the members of the Task Force.

Our hope is not to go as long as we did two weeks ago, so we can be out of here at a reasonable hour. I would like to encourage anyone who has not signed up to speak, but who wishes to speak at tonight's hearing, to sign up. There are forms up here for those who wish to speak so they can sign up, and we will see to it that your positions are heard.

This is a hearing before the Senate Hackensack Meadowlands Development Task Force, a Committee which has been established by a resolution of the New Jersey State Senate. It calls for a reexamination of the legislation that created the Hackensack Meadowlands Development Commission. The object of the hearings is to eventually forward a report and recommendation to the Legislature with regard to any changes in the scope, direction, and authority of the Hackensack Meadowlands Development Commission.

This particular hearing is the second hearing dealing strictly with the subject of solid waste. Before we get into the hearing itself, I would like to make a brief statement for the record because, while we have had a full hearing on solid waste, we have seen and analyzed literally dozens of documents and have had access to testimony and reports from other

committees and experts in the field. I think it is incumbent upon me at this time to make the following statement:

While this Committee's work deals strictly with the jurisdiction of the Hackensack Meadowlands Development Commission and its role in the solid waste problem, it is impossible to analyze that role without looking into the solid waste problem of the State and the area in general. As a necessity to our hearing, we have gone beyond the specific role of the Hackensack Meadowlands Development Commission, and are looking at the whole question of solid waste and our handling of solid waste in this State.

I might say that at our May 17 hearing, we had testimony from representatives of the Department of Environmental Protection and from the Board of Public Utilities. I was less than happy with the testimony that those two agencies submitted to this Committee. I guess those of us who are in Trenton don't see as much as the local officials, but we see a burgeoning solid waste crisis that is threatening to cause economic disaster to our communities. What is so insidious about this problem is that the average person out there -- the homeowner, the taxpayer -- is really not aware, because it affects them secondarily. They put their garbage out in the morning, and it is collected. They do not necessarily relate the increase in taxes they receive each year to the increased solid waste costs. I know the municipal officials are frustrated by the fact that they must pass those increased costs on to the taxpayers, and they have literally no control over those costs.

To give you just a few statistics as to why this is such a tremendous problem today, in Bergen County alone, it is estimated that the cost of garbage collection this year will be somewhere in the \$90 million to \$100 million range. That is probably three to four times what it was last year.

Now, we in Trenton are looking at various tax reform proposals and aid to municipalities and cities. When the solid waste problem alone statewide is between a half a billion and a billion dollars, we are literally dribbling pennies to the municipalities in aid, to help them to deal with this problem. So, we are faced with a crisis, and the cause for the crisis is everybody's fault. It starts with the Governor. It starts with the lack of leadership from the State officials, from the Governor, from the Department of Environmental Protection, from the Board of Public Utilities, and from all of the State agencies that have simply left this problem fester and flounder for some 10 to 20 years.

What is more frustrating about the problem, in addition to the fact that it isn't going away and it is going to get more costly, is that the answers are clear to all of us. While we may have shades of opinion as to where the answers lie, our Committee's work and the work of other committees and other experts in the field, has literally come to an evaluation as to where we should go and how we should solve this garbage problem.

It boils down into two areas. One is, we have to make a concerted effort to reduce the waste flow, and to reduce that waste flow by a solid commitment to recycling and to regulation of the packaging industry. Until we really do that, and until we take recycling out of the wagon mentality, where you go door to door collecting newspapers, until we make recycling a part of government, a part of our lives, and until we make a true commitment to reduce the waste flow, we are not going to get an handle on the problem.

The second aspect of the solid waste problem is how we deal with the rest that is left after we reduce the waste flow. In that problem, the State has a tremendously sorry record on what it has done. What it has done for the past 20 years, is put every possible regulation and overregulation on

the solid waste industry, as a way of trying to reduce costs and to control the burgeoning solid waste problem. What they have accomplished by that is to make the problem more confounded than it has ever been.

We have put the BPU -- the Board of Public Utilities -- in charge of regulating the rates that the solid waste collectors can charge. Before we did that, the rates were practically dollars a yard, nominal, meaningless. In the 18 or so odd years that the Board of Public Utilities has regulated the rates, rates have gone through the roof. So, rate regulation has not only not worked, but has confounded the problem.

In addition, before the Board of Public Utilities took over regulating the solid waste industry, there were some 2700 or 2800 collectors. We are now down to 800 collectors. So what the Board of Public Utilities rate regulation has done, is cause rates to go skyrocketing and eliminating competition -- the two things it was charged not to do. The only conclusion you can make from that, is that the Board of Public Utilities should not be involved in rate regulating the rates that collectors charge.

Having said that, the next part of what has to be done is a full commitment to the funding, so that we can license solid waste haulers. The Legislature passed a bill some five or six years ago calling for the licensing of solid waste haulers. Every solid waste hauler was called upon to fill out a very lengthy questionnaire, many, many pages, some of them as thick as two to three inches, giving their background as far as three or four generations ago. All of those applications are sitting in the Attorney General's office, not having been acted upon. The Attorney General's complaint is that he doesn't have the funds necessary to act on those applications.

So, what we have to do is see to it that that licensing bill gets implemented, so that we can license those

who collect the garbage, and leave them free to compete in such a way that we can get the best costs -- the lowest costs for our garbage removal.

I will give you one example of how ludicrous the problem has become in terms of where our State is going. Ten years ago, our problem was keeping out-of-state garbage from coming into New Jersey. We had State Police and other inspectors at the tunnels and bridges intercepting New York vehicles to try to prevent them from dumping in New Jersey. Ten years later, we are doing the exact opposite. We are now trying to prevent the solid waste industry from taking its garbage out of New Jersey into other states. Now, if that isn't an example of how twisted and how messed up the entire regulatory process has been, consider this: We have a drug problem to beat the band. The local prosecutor of Bergen County has directed his office, the State Police, the county police, and the local police to start following garbage trucks to see to it that they don't take their garbage out-of-state. I suggest to you that a State that is doing that has lost focus and has lost control over the problem.

In addition, we have set up by legislation a procedure where we have divided our State into 22 solid waste districts. Now what we have said, is that those 21 counties and the Hackensack Meadowlands District have been instructed to go out and find solutions to the garbage problems in their individual districts. What has happened is, each county is fending for itself, or not fending for itself, depending upon how aggressively it is solving the problem. What's happening is, 22 different jurisdictions are going in 22 separate directions, and are all coming up with different rates they are charging their municipalities for the disposal of solid waste.

So now we have 22 jurisdictions competing with each other because the solid waste collectors have to channel their garbage based upon a set of regulations that are arbitrary,

unreasonable, and unenforceable. As a consequence, we are in crisis, and there is literally no leadership from the top on how to solve it. The answer is really to cut the waste flow by a concerted effort to recycling, and secondly, regulate the garbage industry while implementing strict licensing procedures.

Everybody knows that is the answer, but no one is willing to cut the bureaucratic red tape necessary to implement it. It is hoped that this Committee will come up with recommendations that are going to do that.

I want to make it clear that while I have discussed this problem with other members of the Committee, and I believe all of what I have said is supported by my entire Committee, I am not speaking for the entire Committee. I am speaking for myself, as Chairman, and I would invite Senator Cowan, or other members when they arrive here, to give their own views.

Senator Cowan, if you would like to add anything to that--

SENATOR COWAN: Nothing right now.

SENATOR AMBROSIO: Fine. We are going to try to proceed with the hearing tonight to gather more facts and hopefully we can come up with an interim report dealing with the solid waste problem, and get the Legislature, at least, to try to untangle this mess.

Before we call on the Passaic County Utilities Authority officials -- and I know they are here-- I know the Hackensack Meadowlands Development Commission made a rather lengthy statement last time. There are two sentences they want to add tonight, and I promised to let them do that. I know they want to speak upon a topic that I feel very strongly about, and that is the question of whether or not there should be rate averaging implemented from the various counties, at least to some degree, on a regional basis. Is it Bob Ceberio who is going to make the statement? (affirmative response from audience) Mr. Ceberio wishes to make some statement on that subject on behalf of the HMDC.

R O B E R T R . C E B E R I O: Mr. Chairman, Senator: as our Executive Director, Mr. Anthony Scardino, indicated at the last hearing, the HMDC was in the process of preparing a report for this Committee on rate averaging. As you know, in 1981, the HMDC decided that rate averaging was a necessity because we had four landfills all within a half a mile of one another, all with different rates. The HMDC opened its baler facility in 1980, and much to our dismay, because it was a higher costing facility, we were running that facility at a deficit. In order to make the Solid Waste Management Plan work, and in order to make the HMDC baler work, the rate averaging system was implemented in July of that year. It worked incredibly well for seven years.

Unfortunately, we see ourselves today in a situation, as we did in 1981, where here just in the district alone, two facilities no more than 400 yards from one another, have almost a \$70 a ton differential. Those numbers which have been coming up at our facility -- the HMDC baler -- obviously are 40% to 50% higher than what we had received at one time, and the waste flow at Bergen has dropped down quite a bit, between 30% and 40%.

To this end, the HMDC, last week, petitioned the Board of Public Utilities for a two-county rate averaging system. We felt it was a necessity in order to protect the landfill space for Hudson County. There have been other proposals before the BPU. One is the four-county rate averaging system, which is now before the OAL process. Presently, there is a bill sponsored by Assemblyman McEnroe -- A-2086 -- which had a Committee Substitute to it, which would allow an eight-county rate averaging system. What we have done for this Committee is outline each of those proposals. There are five proposals presently before various boards and/or the Legislature, and we would like you to take a look at this, and address any questions you might have-- It is a lengthy document, so we

will avail ourselves down the road to answer any questions you might have. Please feel free to call us with any of those questions.

SENATOR AMBROSIO: Mr. Ceberio, do you have the report you are going to submit to the Committee?

MR. CEBERIO: Yes.

SENATOR AMBROSIO: Okay, thank you. The report will be made part of the record.

At this time, I would like to call on Nick DiDonna, County Administrator, Passaic County. I understand that Bob DeCotiis, Counsel for the Passaic County Utilities Authority, is here in his place.

R O B E R T M. D e C O T I I S, E S Q.: With your approval, I would like to usurp Mr. DiDonna's time, Senator.

SENATOR AMBROSIO: If I might, Mr. DeCotiis, would you please make sure you speak into the microphone?

MR. DeCOTIIS: Senator, on behalf of the Passaic County Board of Chosen Freeholders and the Passaic County Utilities Authority, I would like to enter my appearance and state our opposition to any involuntary rate averaging with any of the counties.

Just to relate some history -- and I know you alluded to it -- back in 1975, your cries of garbage crisis were heard -- even back then. The then Legislature -- I know you weren't in it at the time -- and the then administration, recognized that landfills throughout New Jersey were closing rapidly. They showed no confidence that the local municipalities could, in fact, address the problem. They recognized a statewide problem, but had no confidence that the local municipalities could solve it.

So, rather than approach it, once again, on a statewide basis -- and I was glad to hear you say that -- they punted, and in 1975, the then Legislature created the Solid Waste Management Act, with 22 districts, little Passaic County

being one of them. That bill mandated that each of the districts plan, site, finance, dispose, enforce -- for the disposal of all of the waste generated within that district.

Well, all of us did it. Unfortunately, Senator, we all did it differently. I was very happy to hear the representative from the HMDC indicate that rate averaging worked very well for eight years. I must bring to your attention that those four counties were in it voluntarily, not involuntarily.

SENATOR AMBROSIO: Voluntarily did you say?

MR. DeCOTIIS: Yes, it was voluntary rate averaging.

SENATOR AMBROSIO: I tend to disagree with you.

MR. DeCOTIIS: I'm not saying there wasn't some litigation, but the counties voluntarily entered into rate averaging.

SENATOR AMBROSIO: That was the HMDC's mandate. They directed the rate averaging. My understanding is that they got BPU approval to do that.

MR. DeCOTIIS: And the parties entered into consent orders.

SENATOR AMBROSIO: What they didn't do was challenge the HMDC's jurisdiction to implement that.

MR. DeCOTIIS: Because in reality it made sense under that set of circumstances, but there were consent orders.

Let me tell you a little bit about Passaic County's efforts to implement the Solid Waste Management Act. After some false starts, we began a systemized process. In fact, the first thing we did was go to the HMDC and say, "We have a problem. We want to use the baler or some other land in the Meadowlands." We were told, "Absolutely not. You cannot use the baler. We will not provide space for you in the Meadowlands. We will not even give you one day's extension."

We were faced with an estimate of about \$100 a ton from DEP. So, Passaic County, in order to avoid rate shock,

went out and, through hard negotiation and bargaining and creative financing, we purchased air rights in western Pennsylvania for the next 15 years. We used the county guarantee, and the county borrowed the dollars -- \$58 million -- last September, to purchase air rights for solid waste, and 10 years thereafter for ash.

In addition, we loaned our vendor \$15,600,000 last year, at favorable rates, to try to keep his rate down -- his borrowing down. We have cooperated with that vendor to obtain EDA financing for \$30 million to complete that system. We are in this with both feet. We chose -- as some of the counties have done -- not to pay as you go, but we got more than that. We have 15 years' space.

The numbers I have seen that HMDC has propounded, would mean that the residents in the County of Passaic, including one of the cities you represent, would pay an additional \$10 million, and not receive one additional iota of service.

SENATOR AMBROSIO: Mr. DeCotiis, if you don't mind, I would like to ask you questions as you go along.

MR. DeCOTIIS: Certainly.

SENATOR AMBROSIO: As I understand it, Passaic County borrowed \$58 million by floating a bond issue. Is that right?

MR. DeCOTIIS: That is one of the issues. We have \$15 million plus \$58 million.

SENATOR AMBROSIO: Well, let's just talk about the \$58 million. They purchased dump space in Pennsylvania.

MR. DeCOTIIS: That is correct.

SENATOR AMBROSIO: And that dump space is good for how many years?

MR. DeCOTIIS: We have a reservation for 15 years. We have a reservation of air space for 15 years.

SENATOR AMBROSIO: And when do you expect to have your resource recovery plant built?

MR. DeCOTIIS: We hope to get our approvals in December or January -- 33 months from that date, hopefully 1991.

SENATOR AMBROSIO: So, you purchased 15 years' worth of dump space--

MR. DeCOTIIS: That is correct.

SENATOR AMBROSIO: --and your resource recovery facility will be built in three to four years, and you will have about 11 years more dump space than you need.

MR. DeCOTIIS: For the residual and the by-pass.

SENATOR AMBROSIO: It sounds to me like what you did was-- You took a long-term loan out for some short-term needs.

MR. DeCOTIIS: Senator--

SENATOR AMBROSIO: It sounds to me like what you're doing is borrowing for current expenses.

MR. DeCOTIIS: Well, I understand your point. However, what we have purchased are fixed and firm rates for 15 years. I don't know anyone in this room, or any county in this State, in our position, who could tell us what their rates for the disposal of ash will be four years from now. We have fixed and firm rates by that reservation and the payment of those dollars for 15 years. Now, we certainly purchased--

SENATOR AMBROSIO: But you don't need them for 15 years.

MR. DeCOTIIS: Well, we can't break ground unless I can show DEP that we have 10 years of ash space available. I cannot break escrow; I cannot start the construction of my plant.

SENATOR AMBROSIO: The point I am getting at, Mr. DeCotiis, is that by doing that, in my judgment-- What is your tipping fee now for your transfer station?

MR. DeCOTIIS: The tipping fee for the municipal portion is \$65.

SENATOR AMBROSIO: Without that 15-year borrowing, my judgment is that tipping fee would probably be close to Bergen's, if not higher.

MR. DeCOTIIS: Do you know what the point is? You are comparing apples and pears. There is no county, at least in this envisioned rate averaging, that has the same debt service, the same host community benefit, the same contracts. I have a long-term contract. Some have short; some have none. Some have two transfer stations. Bergen is anticipating eight. You cannot compare the various systems, because they are different. In '75, you mandated that we go out and plan it. We did it; we did it our way. You don't think it's good. You told us to go out and do it, and now you are changing the rules in midstream. That's unfair.

SENATOR AMBROSIO: Well, when you say "you," I don't know who you are talking about.

MR. DeCOTIIS: The Legislature. I said you weren't there.

SENATOR AMBROSIO: The Legislature didn't do that as much as DEP did it.

MR. DeCOTIIS: Somehow the Solid Waste Management Act came into being. I wasn't there myself, so I don't know. But we have been following those dictates. I have two transfer stations, maybe a third. Bergen, I am told, is anticipating eight. I am told -- and I can't swear to this -- that Essex continues to dump on the ground. You can't compare the systems. You can't say that because Bergen is paying \$91, they shouldn't. Maybe if they did what we did, whether you agree with it or not -- and I might say the BPU approved it, the DEP approved it, the DOT approved it, and local government finance approved it, as well as the Board of Chosen Freeholders approved it-- I mean, it has been through so many layers of bureaucracy, that we were only doing what we were told. We were looking for cooperation. Senator. (witness greets Senator Contillo upon his arrival)

SENATOR CONTILLO: How are you?

MR. DeCOTIIS: We were looking for cooperation, but we didn't receive it.

SENATOR AMBROSIO: Bob, the problem I have with the approach that Passaic is taking, in addition to the fact that in my judgment you're financing a short-term problem with a long-term debt, is, we will have to face the problem that if Bergen, Passaic, Essex, Hudson, and all the northern counties in particular, deal with the problem differently, they are all going to have different rates, and that will create chaos.

I would like you to address that problem. How do we police the industry, because these are businessmen who are going to be looking to cut costs? How do we possibly tell someone, "You should dump a half a mile away and go from paying \$27 a ton to paying \$100 a ton" -- a half a mile away?

MR. DeCOTIIS: Two things: In my opinion, rate averaging is not a solution. It just contributes to the problem.

SENATOR AMBROSIO: In what way does it contribute to the problem?

MR. DeCOTIIS: Because you have an inequity. We have gone out and borrowed taxpayers' dollars -- \$60 million -- and are going to go for another \$30 million. Now, because Essex County refused, or did not, or some other county did not do what we did -- and we are very comfortable with what we did -- you're telling me that I have to subsidize them. Could I have paid up-front for everything? Yes, but there are many things in my formula that have a long-term lasting effect.

From what I read in the HMDC's report, they want to enforce their waste flow orders. Passaic County has gone out and hired 13 full-time, trained, uniform inspectors. If you check the records that are propounded by DEP, reviewed by the HMDC around the State, our waste flow is about 100% -- not 50%, not 120%, about 100% -- of our expected flow, because we have spent those dollars. We have the county police protecting our borders. We have the City of Paterson checking truck routes. We are computerized. It's an enforcement problem.

SENATOR AMBROSIO: What do those county police do, by the way?

MR. DeCOTIIS: They have stopped vehicles after observing them coming in at various hours in the morning. Leaving the county, they have stopped them. Summonses have been issued.

SENATOR AMBROSIO: Summonses for what?

MR. DeCOTIIS: I would prefer to submit that in a written report.

SENATOR AMBROSIO: I am very curious as to what the county police and the State Police have to do with this problem. We are talking about violating inter-district waste flow orders, which are administrative regulations, and I don't know where we are getting involved with police work in this area.

MR. DeCOTIIS: We are doing everything we can do. We're not saying that the local police have any authority except as a deterrent. We're not saying when we have our 13 inspectors deputized as county health inspectors to help enforce solid waste, that it is the answer. It is a combination. If the Legislature is envisioning doing something, I say, spend more dollars for enforcement, for training, and for some aid to these northern counties.

SENATOR AMBROSIO: Enforcement and training for what? I am still trying to understand what the State's--

SENATOR CONTILLO: For the flow? To control the flow, Bob?

MR. DeCOTIIS: What?

SENATOR CONTILLO: Is this to control the flow?

MR. DeCOTIIS: That, I understand, is the object of rate averaging, so that Essex County, or Bergen County, or other counties that want to get involved in it, can have a--

SENATOR CONTILLO: What we are trying to find out-- I apologize for coming in late. But, I was somewhat surprised

when you said the county police are enforcing this. Did they hire additional police, or did they take them off other duties?

MR. DeCOTIIS: The county police, to my knowledge, did not hire additional people. We have hired 13 and have had them deputized.

SENATOR CONTILLO: That would be okay, but I don't--

MR. DeCOTIIS: Let me say this: At our gates -- and we're at the gates -- when they dump a load on the ground, there are pickers that go through it. If the waste did not come from Passaic County, it is put back on that vehicle and sent home.

SENATOR CONTILLO: And you approve of this?

MR. DeCOTIIS: Absolutely.

SENATOR CONTILLO: You don't see the spinning of wheels, one bureaucratic group fighting another bureaucratic group, and the taxpayers paying for it?

MR. DeCOTIIS: Not in Passaic County. But, quite frankly, if we took the Senator's conclusion to its logical end, then you ought to bring the State of Alabama into rate averaging. Very recently--

SENATOR AMBROSIO: Maybe that might be the solution, Mr. DeCotiis, but, unfortunately, I don't represent the State of Alabama. We can only deal with our borders.

MR. DeCOTIIS: Okay, but the point is, Passaic had a cheaper rate. Hudson had a cheaper rate at the baler. Essex was higher, and Bergen was higher. Where do we find Bergen's waste? In Alabama, because the hauler, by human nature, is going to try to find a location that is cheaper for him.

SENATOR AMBROSIO: And what's wrong with that?

MR. DeCOTIIS: Well, when I have bonds to pay, when I have \$58 million or \$60 million to pay, I have to protect the integrity of that system. That is what is wrong with that. If I don't have my waste flow, I can't pay my bonds.

SENATOR CONTILLO: Yes.

MR. DeCOTIIS: And I have an AA in my county.

SENATOR CONTILLO: We agree with you, that is the problem. We really agree with you, Bob. That is the problem. The whole scenario is now being bent out of shape; that instead of the taxpayer expecting some rational conclusion to this, his garbage now is a valuable commodity. It can't even be reduced in volume, because that would not allow you to pay off your bondholders.

MR. DeCOTIIS: I am told, Senator, that the bills--

SENATOR CONTILLO: That's scary.

MR. DeCOTIIS: --presently before the Legislature -- that are being considered, at least in committee, envision that this rate averaging is miraculously over when resource recovery comes on-line, probably at a time when you really have to preserve the waste flow. Let's assume--

SENATOR CONTILLO: Okay, that is the real frightening part of it. If we are having trouble now, when it is relatively inexpensive to deal with these different problems, and we're only talking about \$10 million or \$40 million, once we embark on the science fiction half-a-billion-dollar programs, the taxpayers -- the garbage producers of this State -- are stuck. They must continue to send that same volume of solid waste to keep that resource recovery unit alive, so it can pay off the bondholders.

MR. DeCOTIIS: Absolutely.

SENATOR CONTILLO: To hell with the bondholders. They are not the number one priority in this State. The taxpayers ought to be. If we could step back a minute and look at this, rate averaging looks unfair to you right now, and it may look unfair to me at another time. I think if we really fairly rate average, we will put all of Passaic County's costs into the rate averaging. In other words, you've got a lot of debt up-front costs. The bonds you dropped on there, that was \$50 million to bring your rate average down. You should get full credit for that.

MR. DeCOTIIS: Senator, suppose I decide to prepay. What is your answer to that, if I decide to prepay five years?

SENATOR CONTILLO: Why would you?

MR. DeCOTIIS: Why would I? Because I decide to do that. You've given me that authority. You have mandated me to do this. Now you're telling me midstream--

SENATOR CONTILLO: Wait, don't-- I have the right to brush you aside -- okay? -- and I am going to do that right now.

MR. DeCOTIIS: I'm sorry.

SENATOR CONTILLO: What I'm saying is--

MR. DeCOTIIS: You're making me bleed.

SENATOR CONTILLO: I thought someone else caught up with you before I got to the hearing. I didn't know what was going on here. (laughter)

MR. DeCOTIIS: Boy, this is a tough group.

SENATOR CONTILLO: That's what I meant when I said someone caught up with you already.

If your county were to truly put in its true costs, I think your rate average would be pretty much the same as everyone else's. The unfair part of it is, your county has brought down its costs, and it is unfair for someone else to come in and take advantage of it. That should be taken into consideration. Currently, Senator Cowan is involved with it. He happens to be lower than it will be, for a few months. When that is over, he has to go out cold. Maybe he is going to pay \$200 a ton.

But, the costs to all of us to keep track of this are getting out of hand. It is making non-business decisions, and I think the taxpayer is starting to hurt from it. And one of the ways we could stop this would be to stop arresting what are really businessmen trying to make a living and help their customers. We are calling them criminals because they are not following -- and I grant you it is the law -- waste flow orders. That is their crime -- not following waste flow

orders. This is so we can make sure we pay off the bondholders. And I want to tell you something: We can't have a contrived situation this way. You've got to reevaluate it. Rate averaging is only one of the issues; maybe one of the minor issues, because I see it changing as time goes down the road.

MR. DeCOTIIS: Senator, I would like to make two comments, and I am sorry to take so much time. First, I would hope that if you do envision rate averaging, it will be on a statewide basis so that everybody can share in the burdens and/or the benefits. I think it is very parochial to say, "These four counties should rate average," when there is nothing similar about the system.

Had the HMDC permitted us to use the baler, they may have had an argument that we were at least using something similar. Even the landfills-- Ours happen to be in four states. I don't know where Bergen's are, or Essex's, or where they will be next year. I know where ours will be.

I am sorry that I took so much time, but on behalf of the Authority and the Board of Freeholders and the City of Passaic, which you represent, we are opposed to rate averaging -- involuntary rate averaging.

SENATOR AMBROSIO: Thank you, Mr. DeCotiis. Is Nick DiDonna here? (no response) Then next we will have Mayor Stewart Veale of the Borough of Ridgefield.

MAYOR STEWART V. VEALE: Senator, thank you very much for the opportunity to be here this evening, and to meet with Senator Contillo and Senator Cowan.

A common bond ties together today's elected and appointed officials, from the Governor to the members of the State Senate and Assembly, to the county boards of freeholders, to the county utilities authorities, to the New Jersey Department of Environmental Protection, to the HMDC itself, and then on down to the local governing bodies. That bond is that

those of us who hold public office today, generally are not responsible for the garbage crisis in the State of New Jersey, but most certainly we are being blamed for it. As is usually the case, the local taxpayer tends to blame most the officials directly responsible for raising his taxes, and that is the municipal governing body, even though that body has the least impact of any elected or appointed body on the ultimate placement of the waste and garbage stream.

Now, Hudson County and Bergen County face a crisis today partly because of legislation that was passed almost 20 years ago, that not only created the Hackensack Meadowlands District, but also decreed that valuable landfill space in those two counties absorb waste from Essex and Passaic Counties, rather than requiring Essex and Passaic Counties at that time to solve their own waste flow problems.

As a Mayor of a Bergen County community, I supported Senator Contillo's compulsory recycling legislation and the efforts of the Hackensack Meadowlands Development Commission, the Bergen County Utilities Authority, the Bergen County Executive, and the Bergen County Board of Freeholders, to implement the recycling legislation. I am very happy to tell you -- especially you, Senator Contillo -- that in our community, the early results look promising.

Also, although I feel great empathy for all Hudson County communities who will have to pay higher costs if rate averaging is enacted, I support the HMDC's efforts to implement such a procedure, with the caveat that it is a shame that any Hudson County, or Bergen County community, should have to endure these high disposal costs at this time, because both counties had the means to absorb their own flow before they were compelled to accept the waste flow of others.

Our time tonight is limited, and I want to close with just one additional thought: Within the district, the HMDC still has an opportunity to correct what I consider to be an

illogical action on its part. The HMDC has designated Ridgefield as the site of the district's resource recovery plant, despite a detailed study by the Bergen County Utilities Authority that concluded that Lyndhurst would be a much better site. Ridgefield does not want to be this site, and over 70 acres of valuable wetlands must be appropriated if it is finally decided that Ridgefield is to become the site.

Lyndhurst, on the other hand, wants to be the site, and the HMDC refuses to rezone the area to allow Lyndhurst to do so. It is illogical to force a resource recovery plant on a community that doesn't want it, and deny it to a community which does. I hope the HMDC will reverse its decision, and at this time I would like to turn over my remaining allotted time to Stefanie Brand, of the law firm of Gordon and Gordon, which represents the Borough of Ridgefield.

Thank you very much.

S T E F A N I E B R A N D, E S Q.: Hello. My name is Stefanie Brand. I am from the law firm of Gordon and Gordon. I would like to pick up on a few things that Mayor Veale just said about the Bergen County resource recovery facility.

I think the history of this project shows that the greatest obstacle to a solution to this State's garbage problem is not legitimate opposition to particular projects, but the lack of planning and responsiveness on the part of the agencies charged with effectuating the solution. As Mayor Veale mentioned, Ridgefield was not the first choice of the BCUA. Initially, they sought to use a site here in Lyndhurst, where the project would have community support. However, HMDC refused to rezone the site on the grounds that it was somehow parkland. So the BCUA chose Ridgefield, which requires the filling of wetlands and an Army Corps permit.

Now, in order to get a permit from the Army Corps, the applicant has to show that there are no feasible alternatives that would not require using wetlands. This is extremely

difficult to do, since the Lyndhurst site does exist. In fact, three Federal agencies, including the Fish and Wildlife Service of the Department of the Interior, the Environmental Protection Agency, and the National Marine and Fishery Service have recommended denying the Army Corps permit, due to the existence of the Lyndhurst alternative.

Now, more than three years after the application for an Army Corps permit was filed, no one has heard from the Army Corps. The State permitting process has proceeded, and vast amounts of resources have been spent, and possibly wasted. With greater planning and coordination, and responsiveness to community and environmental concerns, this waste may have been avoided.

Another factor that threatens to delay, if not preclude construction of the Bergen facility as proposed, is the choice of a vendor. As you know, before a company can obtain a solid waste license in New Jersey, it must receive A-901 approval. Although there have been problems with the enforcement of this statute to date, we are hopeful -- and I know many members of this Committee are hopeful -- that vigorous enforcement will begin soon. When it does, and it must before the Bergen facility can operate, there are going to be some serious problems. The applicant in this case, American Refuel, is half owned by Browning-Ferris Industries. BFI is a giant in the solid waste industry, and has repeatedly been accused of anti-competitive practices and environmental abuses. As recently as October, 1987, a wholly owned subsidiary of BFI pled guilty to violations of law that would preclude the issuance of a license under A-901. When this statute is properly enforced, as it should and must be, Refuel may well be excluded.

So when you hear that opposition has held up the plan, I suggest you take a closer look, because often, as with the Bergen facility, those charged with building the plant, who are

those complaining about the opposition, are the ones who are at fault.

Thank you.

SENATOR AMBROSIO: Thank you, Stefanie.

I jumped the gun a while back, because when the Passaic County Utilities Authority was here, I thought Bob DeCotiis was the only speaker. But I understand Nick DiDonna is here. Is that right -- the County Administrator? (indiscernible response from audience) Okay, would you please put that on the record? Our microphone couldn't pick up what you just said.

N I C O L A R. D i D O N N A: Senator, my name is Nick DiDonna. I am the Passaic County Administrator. I was asked to be on the agenda, but Mr. DeCotiis, who is serving as special counsel to the county, as well as general counsel to the Passaic County Utilities Authority, has already spoken. We will remain here to answer any questions, if there are any for us later on in this hearing.

SENATOR AMBROSIO: I don't know whether this is a question for you or for Mr. DeCotiis, and if it is properly directed to him, that's fine. But, the landfill you have acquired in -- was it Pennsylvania?

MR. DiDONNA: Yes.

SENATOR AMBROSIO: That 15-year life-- Is that a 15-year life of landfill, or is that a five-year life of landfill and a 10-year life of ash fill?

MR. DeCOTIIS: Well, it's still a landfill. We have the right to deposit solid waste for the whole 15 years.

SENATOR AMBROSIO: I guess my question really is, is it a year or is it a quantity contract?

MR. DeCOTIIS: Well, it's both. We have estimated, based on information given us by the HMDC, that if we didn't have resource recovery, we would be depositing approximately 450,000 to 500,000 tons of solid waste a year. Our contract --

which, again, has fixed terms and fixed prices -- provides that for the whole 15 years, assuming resource recovery was never on-line, we have a reservation of space. As a matter of fact, we do quarterly fly-overs with our engineers, to make sure that that space is not being used. It is ours for 15 years. If, in fact, resource recovery comes on-line before that -- which is anticipated -- we can then use that space for the by-pass -- that which cannot be burned -- and the ash, for the entire 15-year period of time.

SENATOR AMBROSIO: What happens if Senator Contillo's recycling bill really takes effect and works the way I know he anticipates it should work, and we reduce our volume in Passaic by some 35% to 40%? What do we do?

MR. DeCOTIIS: We have structured our deal in that very framework. We have bought less space for the last 10 years than we did for the first five. So we also envision-- Our calculations are a 25% or better reduction in municipal waste, so rather than buying space for 500,000 tons, we bought space for 250,000 tons for the balance of the term.

SENATOR AMBROSIO: This \$58 million bonding issue has already been raised. You have sold the bonds and you have spent it?

MR. DeCOTIIS: And we've spent it, yes.

SENATOR AMBROSIO: Okay.

MR. DeCOTIIS: There is one comment I would like to make to Senator Contillo, if I might. When you expressed the fact that we should not be so concerned about the bondholders-- In Passaic County, that debt is guaranteed by the county. If there is any deficiency, the taxpayers have to make it up. So, I use the term bondholders--

SENATOR CONTILLO: Okay, Bob, but what I meant was--

MR. DeCOTIIS: --but it is backed up by the county.

SENATOR CONTILLO: --let's think about the taxpayers before we start with the bondholders. Once you are stuck with

the bondholders, you are stuck with them. My thought was, let's give a full thought to the taxpayers before you get involved with the bondholders.

May I ask you a question? We threw it off, and we never really got down to it in specifics. What is the rate in Passaic County now?

MR. DeCOTIIS: The rate we are charging for municipal is \$65 -- \$64.99.

SENATOR CONTILLO: All right, \$65. I read in the press where under certain circumstances it runs up to \$95.

MR. DeCOTIIS: That is correct.

SENATOR CONTILLO: Okay.

MR. DeCOTIIS: There are certain types of waste that we did not purchase space for.

SENATOR CONTILLO: Okay. Now, let's go back to the \$65. Would you tell me what that is comprised of?

MR. DeCOTIIS: Yes. Of the \$64.99 -- and I may be off a few pennies -- \$50.75 is for transportation; \$9 is for debt service on the-- Between \$7.45 and \$9 is debt service; \$1.50, recycling tax; \$2, host community fee; 25 cents, host community fee in Pennsylvania -- which we have negotiated; and operation and maintenance, \$3.

SENATOR CONTILLO: Okay, that gives you \$65. The \$9 is the bond money. Is that the down payment you make? No, that is the rental for the land.

MR. DeCOTIIS: We have structured this debt over 15 years. The way it is structured, for every ton of waste that goes over those scales, part of the component of the tipping fee is used to reduce the debt. This year it is \$7 or \$8 a ton.

SENATOR CONTILLO: Your foresight is good, and you should not be punished for it. But was there a buy-down? Was there a single deposit? Was there a single amount put down to keep this--

MR. DeCOTIIS: Actually, it was \$52 million -- \$51,225,000 -- and the rest was cost of issuance.

SENATOR CONTILLO: Was that the bond money?

MR. DeCOTIIS: That's the bond money. We also have approximately a one-year reserve for debt service, about \$3 million or \$4 million.

SENATOR CONTILLO: So there was no additional amount put down other than the bond money?

MR. DeCOTIIS: Well, \$58 million, no.

SENATOR CONTILLO: That was the down payment?

MR. DeCOTIIS: No, that was the whole purchase price.

SENATOR CONTILLO: Fifty-eight million?

MR. DeCOTIIS: That is correct.

SENATOR CONTILLO: Okay. But you will pay this off over 15 years?

MR. DeCOTIIS: That is correct.

SENATOR CONTILLO: Hopefully when the resource recovery unit comes on-line, there will be that \$9 charge added on to that in five years.

MR. DeCOTIIS: There will still be a debt service charge on top of the resource recovery. That is one of the reasons we are opposed to the rate averaging for Passaic, because we can get hit twice.

SENATOR AMBROSIO: Well, it may very well be that rate averaging in the end is going to help Passaic, because if Bergen doesn't have to truck its ash to Pennsylvania and can dispose of it in the district, they are not going to have the cost that Passaic is going to have to pay these bonds back over 15 years. And assuming that their resource recovery facility is built for the same amount as Passaic's, Bergen's rate is going to be significantly lower, because you built the \$65 figure into your rate already.

MR. DeCOTIIS: Well, our rate escalates as everyone else's does, because transportation goes up every year. But

you are not even considering putting Bergen and Passaic and Essex on the same footing. We have a franchise. Our rates are subject to review by the BPU. Whether it's good or bad, ours are; Bergen's aren't.

SENATOR AMBROSIO: The point is, we are all playing Russian roulette with garbage, Mr. DeCotiis, and while the rate averaging may affect Passaic adversely today, tomorrow it may affect Bergen adversely. But what we will do, by not implementing rate averaging-- We will have chaos in the industry that is collecting the garbage, and in the long run that will cost taxpayers more.

MR. DeCOTIIS: But from our point of view, we have two distressed cities in this county of 16 communities. They are hit the hardest.

SENATOR AMBROSIO: I know, I represent one of them.

MR. DeCOTIIS: Okay. So we purposely went out and tried to envision a program, good or bad in hindsight -- as far as you are concerned -- that would not create the rate shock that we were confronted with -- \$100 or \$110 a ton. So, we did it our way. You told us to do it that way. I am just asking you not to change the rules in midstream. We are committed to those bonds -- or the taxpayers.

SENATOR CONTILLO: But, it is not the Committee that is going to make or break the decision on rate averaging, you know. There is a separate Senate committee.

MR. DeCOTIIS: I am told that every vote counts.

SENATOR CONTILLO: Well, there is a committee that is going to make that decision first.

SENATOR AMBROSIO: Okay. Anyone else? (no response)
Thank you, Mr. DeCotiis and Mr. DiDonna.

Next we will have former Assemblyman, former Mayor of Lyndhurst, Peter Russo.

P E T E R J. R U S S O: Senator Gabe Ambrosio, Senator Paul Contillo, and Senator Tom Cowan: My name is Peter J.

Russo, former Mayor of Lyndhurst, former Assemblyman, and former Bergen County Park Commissioner.

Senator, I would like to congratulate you, Gabe-- You're not paying attention.

SENATOR AMBROSIO: I'm paying attention, Pete, especially when I am being congratulated.

MR. RUSSO: I would like to congratulate you on having these hearings, because you are the first one who has done this in the past 20 years. We haven't heard from an Assemblyman; we haven't heard from a Senator for 20 years. The only thing we know about these people is that they seek financial gain, instead of helping us out with this Meadowlands problem.

At the crucial time of the revision of the Hackensack Meadowlands Development Act, we should see if today the Act in its present form is justified. It isn't. There is no need at this point of development of the Hackensack Meadowlands area to carry the incredible financial burden that this Commission has planned and has adopted. There is no reason at all that the Act should not be amended to now turn the implementation of the master plan over to the 14 communities. A regional planning board concept is the answer. Have all the communities have a representative.

If one were to attempt to justify having the Hackensack Meadowlands Commission at this point in time, it could not be done. The second inquiry at this crucial point in time is, has the Act as originally passed been followed? Senator Dickinson will readily speak out and say that he never envisioned the garbage land haven that exists in Lyndhurst, North Arlington, and Kearny. The years under the Hackensack Meadowlands Development Act have been such to propagate the Hackensack Meadowlands Commission.

One of the main instruments they used to do this was to become the garbage czars of this region. This must be stopped, and the Act must be amended to eliminate it. Leaving

the scheduling of the game plan up to the Hackensack Meadowlands Commission is not healthy and will not work.

On October 14, 1968, Senator Dickinson -- and, incidentally, Senator Guarini, at that time, who is the present Congressman -- called upon the municipalities of Carlstadt, East Rutherford, Little Ferry, Lyndhurst, Moonachie, North Arlington, Ridgefield, Rutherford, South Hackensack, and Teterboro, to work together and turn this wasteland of swamps and cattails and worse into new parks, new roads, new taxable income, and new prosperity. This did not happen in Lyndhurst. For 20 long years, the Township of Lyndhurst has taken nothing but harassment from the Hackensack Meadowlands Commission.

Yes, the Hackensack Meadowlands Commission has continued its garbage dumping operation, allowing Hudson County to still deposit garbage in the Meadowlands, plus a transfer system guaranteeing garbage in our area forever. How can your Senate Committee justify the Hackensack Meadowlands Commission dumping New York, Essex County, Passaic County, and all the rest of Bergen County, with Lyndhurst paying \$2,521,467 since 1907 (sic) into the Meadowlands? You have the figures right there? How can your Senate Committee justify the Hackensack Meadowlands Commission not completing DeKorte Park, after Governor Kean endorsed this facility more than five years ago? I was at that ceremony when it was done. We are depriving the youngsters of the park out there.

How can your Senate Committee justify the Hackensack Meadowlands Commission completely destroying Highway 7 and all the roads in the area? How can your Senate Committee justify the Hackensack Meadowlands Commission not building the extension of 17, and not completing any road -- north, south, east, or west? How can your Senate Committee justify the Hackensack Meadowlands Commission having a filthy Meadowlands, a dirty Hackensack River, and polluted roads throughout the area? Now, if you don't believe me, ride up the Turnpike. How

can your Senate Committee justify the Hackensack Meadowlands Commission Law, which has discriminated against the 14 towns by not including towns that have Meadowlands, such as Newark, Wood-Ridge, Hasbrouck Heights, Ridgfield Park, Teaneck, and Hackensack?

How can your Senate Committee justify the Hackensack Meadowlands Commission refusing to make public the \$1,600,000 in salaries after numerous attempts to get salary reports and to find out where these people live? I would just like to ask you a few questions: What is the total salary of the Hackensack Meadowlands Commission? Gabe?

SENATOR AMBROSIO: Peter, I don't have that figure available, but I am certain that is something we can get. It is a matter of public record.

MR. RUSSO: You can get the salaries of the Hackensack Meadowlands Commission?

SENATOR AMBROSIO: We can get the total payroll, yes.

MR. RUSSO: They refused to give the salaries out to anybody. They refused a high ranking officer of Bergen County. Now, can you please tell me why we can publish Senator Gabe Ambrosio's salary, but we don't publish the salaries out in the Meadowlands? What are these people hiding in the Township of Lyndhurst? Please tell me that.

SENATOR AMBROSIO: Well, Mr. Russo, I guarantee you that we can get that information.

MR. RUSSO: Do you know that a high ranking official was refused that information by letter? He sent a number of letters. I called your Committee and wanted these salaries, and nobody will give us these salaries. Is there any reason why we can't get this?

SENATOR AMBROSIO: I know of no reason. Mr. Russo, I might tell you that the purpose of tonight's hearing deals with solid waste.

MR. RUSSO: I understand. This is solid waste, because I live on a street where I see it every day of the week, and it has a stench.

SENATOR AMBROSIO: Regardless of the salaries, the stench will still be there.

MR. RUSSO: As a taxpayer and former Mayor of Lyndhurst, I request that an audit be made and an investigation conducted as to how the moneys of the Hackensack Meadowlands Commission were spent during the last 20 years. I smell a rat someplace here. I can't believe that over a period of 20 years, we were dumping New York and all these cities, and Lyndhurst has to put money into it.

Again, Senator, I want to thank you very much for bringing this hearing to Lyndhurst. Thank you very much.

SENATOR AMBROSIO: Thank you for your comments, Mr. Russo.

I might just-- Pete, I think it is important to point out for the record that the dump in Lyndhurst was there before the Hackensack Meadowlands Development Commission was established. We can thank some of the town fathers of Lyndhurst who negotiated the contract with the County of Bergen to open that dump. I think we have to put blame and credit where it is due.

The other thing I want to point out is, Hudson County is currently dumping in our Meadowlands by court order. The HMDC attempted to stop them from dumping.

MR. RUSSO: All right, then--

SENATOR AMBROSIO: Just hear me.

MR. RUSSO: I'm sorry.

SENATOR AMBROSIO: We're dealing with a statute that was created by the Legislature almost 20 years ago. And what we're looking at is, what, if any, changes should be made in that statute? I don't think it is important to go back and criticize decisions that could not be avoided because they were mandated to take this garbage.

MR. RUSSO: There was nothing in the Hackensack Meadowlands Commission that mandated that Lyndhurst should have a dump 70 to 100 feet. I was there when the bill was passed. Senator Dickinson and Congressman Guarini did not talk about establishing a garbage pit out there.

SENATOR AMBROSIO: I agree with you, Mr. Russo.

MR. RUSSO: If you want to talk about the garbage that was there before, that's nil in comparison to what you're talking about here. You're talking about Mount Everest and a few other mountains out there.

Thank you very much.

SENATOR AMBROSIO: Okay. I can't let the fact that the distinguished Mayor and Senator from the City of Paterson, and my colleague, Senator Graves is here. I want to acknowledge him. Frank, you are welcome to make a statement if you wish, or are you just here as an observer tonight? (indiscernible response from Senator Graves in audience)

Next to testify will be Mr. Vincent Dotoli. Mr. Dotoli?

V I N C E N T J. D O T O L I, E S Q.: I want to thank the Committee for the opportunity to speak and address the Committee with regard to solid waste problems in New Jersey.

For five years -- from 1967 to 1971 -- I served as an attorney with the New Jersey Board of Public Utilities, and I have, and do represent numerous solid waste collection companies throughout North, Central, and South Jersey. I believe the problem with solid waste management, collection, disposal, and utilization in this State is a mess. I think part of the problem has been that when solid waste problems arise in our State, the answer has always been more and more regulation, which has only created more and more problems, with no solutions.

I am pleased, having observed the first hearing conducted by this Senate Committee, with the responses and the

questions by yourself and Senator Contillo and Senator Cowan. They indicate to me a real and genuine commitment to correcting these problems.

I believe these problems are basically in four general areas: those dealing with what we call county-designated transfer stations and the question of rate averaging; the second being recycling; the third being the need to deregulate the solid waste industry; and the fourth being waste flows.

The legislative intent with regard to recycling was wise and efficient, and the Legislature had the vision not to regulate the recycling industry. I think the key today is whether or not that vision of the Legislature will ever become a reality. That vision started with the basic and fundamental principle that government and bureaucracies and regulation would not be permitted and would not be allowed to burden, impede, hinder, or otherwise damage recycling. That kind of government regulation, as we all have seen, has, in fact, burdened, hindered, and impeded the solid waste collection and disposal industry in this State. I believe the Legislature had the vision not to allow that to happen to the recycling industry.

New Jersey has always been quick to act, but slow to think in solid waste matters. In 1970, the State was quick to regulate the rates at sanitary landfills, keeping the rates so low that our neighboring states of Pennsylvania and New York filled up our landfills at rates that ranged from 35 cents a cubic yard in 1970 to approximately \$6 per cubic yard in the mid-1980s. Now New Jersey must pay rates as high as \$159.68 per ton, which is one of the highest rates for solid waste disposal in the country.

Regulation of the recycling industry will certainly deal a death blow to the recycling industry by burdening the recycling industry with unnecessary and artificial costs and expenses which result in little or no public benefit. The

recycling of reusable waste materials will reduce substantially the required capacity of proposed resource recovery facilities and will contribute to their overall combustion efficiency, thereby resulting in significant cost savings in the planning, construction, and operation of the resource recovery facilities.

SENATOR AMBROSIO: Mr. Dotoli, if I might interrupt you at this point-- I agree with what you're saying, but it poses a problem I would like to have you address. I know that this Committee -- at least the majority of it -- agrees with you that we should not regulate the recycling industry, because anything that would be a disincentive to recycle is counterproductive to our effort to reduce the waste flow. Where the concern is, is, how do we distinguish between the legitimate recycler and the solid waste hauler who is looking to use recycling as an excuse to get around the legitimate laws relating to solid waste collection and disposal? How do you police that without in some way regulating the recycler?

MR. DOTOLI: Well, Senator, I think there is some way to police that, and to police it properly. If you see an operation taking effect and going into business in a local community, and you see that that operation is nothing more than a solid waste transfer station, where solid waste comes in in collection vehicles, it is deposited at that facility from those collection vehicles, and then the facility turns around and puts that solid waste in transfer or haulage vehicles, that is obviously a solid waste facility. It is obviously a transfer station. The local government has the right to go in with search warrants, and to have their inspectors make inspections, then go and sign affidavits, and then go to court to, in fact, stop such an operation. That is what I hear from many government officials. When I talk to individuals at the Department of Environmental Protection and at the Board of Public Utilities, they quickly respond and say, "Well, we have to regulate the entire recycling industry, because that is the only way we can possibly stop this."

Now, when you think about that, if you were to go ahead and recycle the -- strike that. If you were to go ahead and regulate the entire recycling industry, I don't think that would obviate and lessen that type of a problem. You will always have an enforcement problem. I think the problem with the solid waste industry since 1970 has been that a few bad actors, if you will, have created many, many problems for the many, many legitimate, hard-working, honest, law-abiding solid waste collectors in this State, and they have been burdened with that.

I think there is an obligation on behalf of the State of New Jersey and the law enforcement officials of the State to correct things like that. If someone is violating the law, if someone is obviously not operating a recycling center, and only has a sign which says, "This is a recycling center," and is operating a transfer station, or a solid waste facility, there are laws and procedures to stop that, without burdening the rest of the industry -- the rest of the recycling industry -- with a useless, unnecessary, and costly regulation, which will cost the taxpayers of this State tens of millions of dollars, and more, maybe many tens of millions of dollars. I submit there will be no public benefit from it. There will just be an infliction of artificial costs and expenses that only burden the system and only create a circumstance whereby every taxpayer in this State has to pay for something they really shouldn't have to pay for.

I believe that millions of tons of recyclables are now being landfilled at exorbitant and horrendously high rates, when these same recyclables could be returned to the economic mainstream by recycling centers, if the law were appropriately changed to allow recyclers to sort and separate non-putrescible recyclables and nonhazardous recyclables. The law should be changed to permit recyclers to recycle anything that can be recycled which is non-putrescible and nonhazardous. I think

what we see here in the State of New Jersey now is that the law, as it is presently written, provides that a recycling center can recycle source-separated, non-putrescible, commingled paper, corrugated cardboard, plastic containers, metal and glass, and any other recyclables which are approved by the New Jersey Department of Environmental Protection.

I submit, and recommend to the Senate Committee that that be changed, so that anything that can be recycled which is non-putrescible, which obviously will not create odors, will not be involved in the harborage of rodents, if it is non-putrescible, and obviously something that is nonhazardous-- Those items should be allowed to be recycled at recycling centers, as opposed to the situation we have now today. We have the highest disposal rates in the country. Some of our rates are five to ten times higher than other locations in the United States. Not only are we paying these exorbitantly high rates, but we are landfilling material that really should be recycled -- should be taken from the waste stream and placed back into the economic mainstream. It could be done logically and reasonably if it could be done at recycling centers, as opposed to following some of the recommendations of the DEP. Some officials of DEP will quickly say, "Yes, that's fine. We believe in recycling. We believe in the establishment of recycling centers. But what we want you to do is come forth and file an application. We want you to go out and get an attorney, get an accountant, get a consultant, get an expert, and go through a long process which could take maybe two to three years, and then, of course, at the end of that time, we may give you a license."

I maintain that that is nonproductive. I maintain that that wastes not only private, but taxpayers' moneys. And I think that if we were to eliminate that situation by allowing recyclers to recycle that which they can recycle-- We heard some discussion at the first hearing that approximately

one-third of the material going into the baler was demolition. I say, why not recycle that material? Don't allow it in the baler. Force it to be recycled. It can be recycled at recycling centers. But you are not going to have people in this State incurring hundreds of thousands of dollars in costs to go through these very lengthy proceedings before the Department of Environmental Protection, just to establish a recycling center.

I would like to say, also, I know of no law--

SENATOR CONTILLO: Vince, excuse me for one second. Are you going to go on with that subject now? I would like to discuss that a little further with you.

I received a three-page memorandum in the mail. It has a startling handwritten note on it. This is from the DEP, and it says: "This check list has been developed for recycling centers. The recycling center legislation incorporated in these criteria will be established this year." It doesn't say by whom. "Any questions," and so forth and so on.

Now, is this the piece you are talking about, where DEP themselves are setting up 21 unauthorized criteria for -- 22, I mean-- There are 22 items on here.

MR. DOTOLI: Twenty-two, yes, Senator.

SENATOR CONTILLO: Is that what it is?

MR. DOTOLI: Yes.

SENATOR CONTILLO: I was puzzled when I received it. I was more puzzled by the comment that "this will be established." I don't know by what authority DEP-- Is there anyone from DEP here this evening? (no response)

MR. DOTOLI: I understand, Senator, that this has been established. I understand that the Department of Environmental Protection has now instituted this process. I can only describe it as an improper and illegal grab of jurisdiction not permitted by the Legislature. I think the Statewide Mandatory Recycling Act is crystal clear. It specifically provides that

recycling does not come under the jurisdiction of the New Jersey Department of Environmental Protection.

SENATOR CONTILLO: I went to a lot of trouble to make that clear.

MR. DOTOLI: I know you did. I think you had the vision, Senator, to make that a reality. But, unfortunately, I think the representatives and the other individuals at the Department of Environmental Protection have now attempted to actually take control, and take jurisdiction over the recycling industry. What they have done, in effect, is say, if a recycling center wishes to recycle-- In addition to the six DEP classified recyclables, if they wish to recycle wood waste, demolition material, and tires, they have to come before the Department of Environment Protection. This is basically the 22 criteria that would be required for operating a solid waste transfer station. They are now requesting that a recycler come before the Department of Environmental Protection and give the Department of Environmental Protection a customer list of all of their customers.

SENATOR CONTILLO: That items are you talking about now, Mr. Dotoli? What specific items? Do you have a memo on this?

MR. DOTOLI: I only have -- which I would like to make a part of your record -- a three page list from the Department of Environmental Protection. It is entitled, "Recycling Center Approval Criteria," and it specifically states: "A recycling facility accepting source-separated, non-putrescible tires, wood waste, or construction demolition debris must" -- and they underlined must -- "have the prior approval of the NJDEP." Then they go on to list 22 items.

SENATOR AMBROSIO: One of those items is customer lists?

MR. DOTOLI: Yes. I call your attention to item 5, which says: "A listing of all proposed uses for the

recycled materials, including the name, address, and telephone number of all markets for the materials received, stored, processed, or transferred." Then I refer you to item 21, which says you are to provide: "A description of the source or point of generation of all materials to be received, stored, processed, or transferred at the facility." Then it goes on.

SENATOR AMBROSIO: May I ask you, how current is that document?

MR. DOTOLI: It is very current. I received it the middle part of last week.

SENATOR CONTILLO: You know, it's frightening to us -- Gabe is sitting here, and he must be thinking just what I'm thinking-- We met for three hours on Thursday morning with the Assistant Commissioner from DEP in charge of solid waste, with the Office of Recycling. We discussed quite clearly the changes I intend to make in my bill. This sounds like it must have been generated prior to Thursday. I mean, I don't think it could have been generated after Thursday.

MR. DOTOLI: It probably was generated prior to Thursday, because I believe I received this on Wednesday.

SENATOR CONTILLO: You received it on Wednesday?

MR. DOTOLI: I believe I received it on Wednesday.

SENATOR CONTILLO: Well, then we met on Thursday with them. So, this was in the Department's possession. Is it signed? Is it a memo?

MR. DOTOLI: It was faxed to a friend of mine, another attorney, on May 13, 1988.

SENATOR CONTILLO: That's the three-page memo?

MR. DOTOLI: Yes, the three-page memo.

SENATOR CONTILLO: Oh, I have that. I've had that for a while, okay.

MR. DOTOLI: It was faxed on May 13, 1988 to a friend of mine from the Attorney General's--

SENATOR AMBROSIO: May I see the document you are referring to?

MR. DOTOLI: Yes.

SENATOR AMBROSIO: As Senator Contillo said, he and I met for three hours with the Assistant Commissioner, and we were assured that this type of thing was not going to go on.

SENATOR CONTILLO: Do you have a preamble there that describes the materials? What I have does not have a description of examples.

SENATOR AMBROSIO: All right. We are going to make this a part of the record. We will pick it up from here, Mr. Dotoli. I might add that at the meeting we are referring to -- the meeting that Senator Contillo and I attended -- DEP did confirm that it takes two to three years to get a permit under this setup. So, if you wanted to go into the recycling business, you would have to go through all that expense and time, and then in two to three years down the road, you may or may not get permission to do that.

MR. DOTOLI: Yes. After spending maybe \$200,000 or \$300,000, you may be informed in two or three years that they are rejecting it, and all that money was in vain. And for those two or three years, again, we have millions of tons of materials that could be properly recycled, and should be recycled. They are non-putrescible; they are nonhazardous. But they are not being recycled, but are, in fact, being landfilled at these horrendously high rates at these county-designated transfer stations.

Before I speak briefly about the county-designated transfer stations, I want to say, I know of no law, rule, or--

SENATOR CONTILLO: Hey, I want to go back. I have to go back to this. If you look at it-- I mean, I just took a second and read it. They set up a new category of recycling. What they're saying is, they recognize they have no authority to implement themselves, or impose themselves over existing

recycling as the law reads. Just read the first paragraph there. What they have done is set up a new category of recycling centers that might be better called "recycling/transfer stations" even, because they are picking up items that we have not included in the original bill.

Now, they know we are about to include these items in the new bill, which would be wood, construction materials, anything new that is non-putrescible. So, what they're saying by this is, maybe they will go in the same direction, but they want to make that new category of recycling center something that the DEP will control.

MR. DOTOLI: But unfortunately, Senator Contillo, the law, as you drafted it, does not provide that if the Department of Environmental Protection includes some additional recyclables, they shall also have the right then to regulate the recycling industry. I think that is clearly what they have done here. I think they have done that illegally and improperly, I must say, from my own personal opinion.

What I was starting to say, also with regard to recycling centers, was, I know of no law, rule, regulation, or otherwise that would provide that a recycling facility must be in a county solid waste management plan. In fact--

SENATOR AMBROSIO: That is the position of the DEP, that it must be part of the county's solid waste plan. Senator Contillo and I both took the position that the law does not require that, but DEP is considering that it must be part of the plan. The reason for that is, if the solid waste management plan is to deal with all of the solid waste, they must know how much of it is being diverted to recycling, obviously to find out how much is going to be removed from the guaranteed garbage they need for the resource recovery facility.

MR. DOTOLI: I would just suggest, Senator, I think they can go about achieving that goal without requiring, again, more regulation, more red tape, requiring these facilities to

be in the plan, which could, in many respects, be a source of harassment. Depending on what county or what municipality you might be in, that could be a source of harassment and delay.

I briefly spoke about the situation with transfer stations. I think many people share my opinion that the county-designated transfer stations today are charging rates that are exorbitantly high. Many people believe that those county transfer stations are enjoying tens of millions of dollars in excess profits. We have seen that the Board of Public Utilities has allowed these transfer stations to go into operation. For instance, the Essex County transfer stations have been in operation since July of--

SENATOR AMBROSIO: Before you go on, I want to make sure-- While the representatives of the HMDC are still here, I want to pose a question for them to answer when you are finished. Tom or Tony -- I don't know who wants to address this -- but one of the concerns we have is that recycling be allowed to be done as freely and as regulation-free as possible, so that we encourage recycling. That would mean that we don't want waste flow orders and recycling flow orders, so that if you open a recycling center in Bergen County, you can only take recycled waste from Bergen County. We want to be able to put centers up that are true centers. As long as it is recyclable material, we want to be able to take it from anywhere.

I would like to know whether the HMDC would support that type of a position? You may comment on that later.

MR. DOTOLI: Senator, respectfully, I believe that under the Statewide Mandatory Recycling Act, it specifically exempts recyclables from waste flows. So, if you have a--

SENATOR AMBROSIO: Yeah, but if you are included in the solid waste management plan, you get caught in the trap of saying, you know, you've got to get your facility in the plan.

MR. DOTOLI: Maybe that is a good reason, again, not to include it in the plan. But I spoke briefly about the--

SENATOR CONTILLO: But, there is a go-around there. If you don't include a recycling center in a county's waste flow plan, how does that county know what its residues are going to be? I mean, there is a legitimate concern here that a recycler may give 5%, 10%, 15%, 20% of his residue -- a legitimate recycler -- under various conditions, and it may be generating waste, and someone has to calculate for that. That is the reason given me by DEP, as recently as last Thursday, as to why they want some hook, some control, some knowledge, some information about the product of a recycler. I think you view a recycler more as a manufacturing plant.

MR. DOTOLI: Yes, that is correct. I would suggest-- In order to alleviate this problem, a suggestion might be that any and all recycling centers that are in existence, or are about to come into existence, must necessarily be included in the plan; that is, if you are operating a recycling center, that recycling center has to be included in the plan. Then, if there is a reporting process, well, obviously they would have to comply with that, as opposed to, again, subjecting the recycler to making an application before a county to get into a plan. Then, again, there is the red tape we may eliminate in a situation dealing with DEP regulation. We might find that recycler going through that same red tape for a county.

So, I think they have to be in the plan; they should be in the plan. I think they should be in the plan if they are in existence, without having to make an application in order to go into the plan, trying again to eliminate regulation. We have had 20 years of regulation. I think no one will doubt, and no one will question, that probably of all the states in the United States, the State of New Jersey, by far, is in the worst position as far as solid waste collection and disposal are concerned, and by far it has had the most regulation.

So, if someone says that is coincidental-- Well, it may be coincidental, but I think it goes far beyond coincidence.

Speaking about regulation, and speaking about the BPU regulation, I also was quite disappointed in the answers the BPU representative was able to give with regard to some of the questions the Committee asked. I believe it serves no public interest to require solid waste haulers to file petitions with the BPU to purchase a truck, to sell a route, to sell a business, to enter into a lease, or even to raise a rate or charge, and involve in this process the Board of Public Utilities staff, private attorneys, accountants, the office of the Public Advocate, the Office of Administrative Law, Administrative Law Judges, BPU staff accountants, BPU staff analysts, BPU staff attorneys. This entire system burdens the public with numerous millions of dollars of unnecessary and artificial costs and expenses.

I think Chairman Ambrosio's questions to Michael Kessler were most appropriate, because the BPU has done absolutely nothing to foster competition in the solid waste industry. The Chairman was correct. Originally, there were approximately 2500 or 2600 collectors in the State in 1970. We had then an agency that went into effect, for what purpose? To inspire competition. Well, then, after almost two decades, we see that now we are left with approximately 800 collectors. So certainly the purpose of the BPU regulation was never accomplished. In fact, it was a detrimental effect, because obviously after 18 years of regulation, we have had a tremendous decrease in competition, whereby approximately two-thirds of our companies are now out of business.

If a collector wishes to even lower his rate, he must retain an attorney and an accountant, file a petition, have it processed by a BPU staff accountant, a BPU staff analyst, and a BPU staff attorney. His attorney and accountant must then answer numerous BPU requests. This entire process could take as long as a year just to lower a rate. We have seen processes where it has taken as long as two years to increase a rate in

what is supposed to be a competitive atmosphere. Again, how can it be a competitive atmosphere if you have everyone having to charge only tariff rates, and before they can raise or lower those rates, they have to go through a State agency and take endless amounts of time to get approval to raise a rate or to lower a rate?

I would recommend the phased economic deregulation of the solid waste industry. This is necessary because economic regulation has burdened the public with unnecessary costs and procedures, with little or no public benefit. Economic regulation should continue for landfills and transfer stations because of their limited number.

In summation, I would just like to say, if we could reach a point in this State where first the county-designated transfer stations -- and we have quite a few-- We are talking about tremendous amounts of money these facilities are bringing in. If they, in fact, are involved in excess profits and over-earnings of tens of millions of dollars a year per station, we are talking about tremendous amounts of money that the public of this State is unnecessarily paying.

I think, also, that if we can permit recyclers to operate free from regulation and permit them to recycle the millions of tons of non-putrescible and nonhazardous waste, and at the same time eliminate a useless regulation of the solid waste industry, I submit that not only could we save the State \$50 million to \$100 million a year in costs, but, also, I think we could have a more efficient and more effective system.

SENATOR AMBROSIO: Thank you very much, Mr. Dotoli.

Would the HMDC staff like to deal with the question?
Mr. Marturano?

T H O M A S R. M A R T U R A N O: Thank you. Let me try to rephrase the question, just to be sure I have it right. The question was: What is the HMDC's position on the recycling facilities which--

SENATOR AMBROSIO: Well, let me put it this way: The HMDC is one of the 22 solid waste districts. Technically, any recycling center, under the regulations we are seeing here, has to be included in the Solid Waste Management Plan for your district. What is your approach to dealing with a recycling center -- I am talking about a legitimate recycling center -- in terms of including it in the Solid Waste Management Plan of the HMDC?

MR. MARTURANO: The way we deal with them is, once they have received a permit from DEP, we have traditionally included them in the Solid Waste Management Plan. We preliminarily indicate that to DEP when the application first comes in, and leave it up to their jurisdiction as to the appropriateness, if it happens to be in our district, provided, of course-- See, we wear two hats. The other hat is the zoning issue. So, provided, of course, that the facility is in compliance with the HMDC Master Plan as well.

SENATOR AMBROSIO: Do you regulate them at all?

MR. MARTURANO: Do we regulate them? No. They receive a permit from DEP. We do not regulate them.

SENATOR CONTILLO: So, they do not come under your Master Plan?

MR. MARTURANO: From a zoning standpoint, they do.

SENATOR CONTILLO: Oh, except for the zoning.

MR. MARTURANO: Yes, yes.

SENATOR CONTILLO: Okay, or if you haven't discussed it as a zone. In other words, do you have a permitted zone somewhere in HMDC that permits recycling?

MR. MARTURANO: Yes. We call it resource recovery facilities.

SENATOR CONTILLO: Well, that's one single facility.

MR. MARTURANO: Well, at the time our zoning regs were done, it wasn't--

SENATOR CONTILLO: If someone wants to open a recycling center in the area that is controlled by the HMDC, is there anyplace in that zone, particularly you who are really directed to deal with the solid waste of the area-- Is there anyplace that is zoned for recycling, other than a resource recovery area?

MR. MARTURANO: Yes, sir. In the heavy industrial areas, it is a permitted use. In fact, we have an application in front of us right now for a -- funny, it's an issue tonight-- It's a recycler's application to recycle demolition materials in a heavy industrial zone. The big issue always with recyclable materials is the storage of them. Outdoor storage is a permitted use in only a very few of the areas. Outdoor storage almost ultimately becomes involved when you start talking about recycling materials. So the heavy industrial zone is the primary zone where that use would be permitted.

SENATOR AMBROSIO: Do you permit any residue to emanate from a recycling center?

MR. MARTURANO: What we do is use DEP guidelines which they have established, in terms of the-- If it is a recycling facility under the new legislation, and if it qualifies for that definition in that it produces a de minimis amount of residue, and it is located in Hudson County, for example, then that residue would be accepted at the baler. If it--

SENATOR AMBROSIO: So, you consider the residue as waste generated in the area -- in the district where the recycling center is located. For example, if you are taking in recyclables from all over the State, or even from New York, and it is a legitimate recycling center and there is a residue, you don't consider that residue to be New York waste?

MR. MARTURANO: Only if it qualifies under the provision of the de minimis classification, and that has traditionally been that it has to be under 5% of the incoming amount.

SENATOR AMBROSIO: Is there a regulation that either DEP or the HMDC has adopted that deals with that 5%?

MR. MARTURANO: We have not adopted any regulation. That is a directive from DEP regarding that particular issue.

SENATOR CONTILLO: Did they send that to you in the form of a memo, that it would be 5%?

MR. MARTURANO: We have had several discussions on that issue. I think there is some correspondence about the--

SENATOR CONTILLO: I have been trying to track this back with DeBonis. I called Dewling, the Commissioner. I am trying to get an answer. I called Mary Shields. I talked to each and every single one of them, and there is no percentage. There is just a general idea that you shouldn't have a great residue. But, in some cases, I guess if you went all the way to the other extreme, if someone could reduce the volume by half, and then bring the other half, you couldn't take that because it would be way over the de minimis amount.

MR. MARTURANO: Yes.

SENATOR CONTILLO: But, you would take 100% of it.

MR. MARTURANO: No. See, we wouldn't take the 100%, because it would not all be generated.

SENATOR CONTILLO: Let's say it was all generated.

MR. MARTURANO: Then we would take the 50%. If you had--

SENATOR CONTILLO: But that's not recycling, according to the description.

MR. MARTURANO: Whether it is a recycling facility or not, they also regulate transfer station/recycling facilities, and there we take the residue--

SENATOR CONTILLO: Well, I am not talking about transfer stations. A person could still be a legitimate recycler, and not bring in putrescible garbage.

MR. MARTURANO: Yes, we do take that waste. If you had a facility that only took in Hudson County waste, and recycled -- pick any percentage you want--

SENATOR CONTILLO: Okay.

MR. MARTURANO: --we would take all of the residue from that facility.

SENATOR CONTILLO: All of that residue?

MR. MARTURANO: Sure, because all of it was generated from Hudson County, so we are required to take that.

SENATOR CONTILLO: Okay. Well, that's wonderful. I wish everyone else did the same thing.

MR. MARTURANO: I won't speak for everyone else.

SENATOR CONTILLO: Okay. Then, the problem comes in-- I think maybe the problem goes back to the rate averaging problem again, right? If we didn't have rate averaging, you wouldn't have to be shaking your heads over what we are going to talk about now, which is, if you get a hauler who may be hauling for more than one county. How in the name of the Lord do you tell what percentage of his residue comes from what county? And, really, what do we care, other than for the rate averaging?

MR. MARTURANO: Well, when we had rate averaging of the four counties, we had about 60 different consent agreements with haulers who worked within the four counties that had these types of facilities. Some of them were straight transfer stations, but the majority of them involved some degree of recycling. We developed consent agreements with every single one of them that dealt with the percent of incoming waste into their facility. Then the residue from that facility was apportioned to the different disposal points in the same percentage as it was received in. Most of the facilities have good-- In fact, you are required to keep O&D records of where that waste came from, so you had pretty good percentage numbers of where it came from. We asked them-- We worked out agreements with all of them, and we would just then distribute that waste.

SENATOR CONTILLO: Then, it would necessarily have to be that particular piece of residue or an equal amount of weight.

MR. MARTURANO: That is correct. It was not that particular piece. We did not ask them to separate within their facilities. It was strictly a ton is a ton, regardless of where it originated, as long as-- For example -- just to use real simple numbers -- if a facility took in 100 tons a day, and 25% was from Essex County and 50% was from Hudson and 25% was from Bergen, then one out of every four trucks of residue would have to go to the Essex County facility. Two out of every trucks would go to the Hudson, regardless of what was in the truck. And, because we had rate averaging, that was a fair thing from an economic standpoint, and because we were reapportioning the tonnage, it was a fair thing from a waste flow standpoint.

SENATOR CONTILLO: Oh, well, then you really should work that out. Can it work now? Why can't that work now? In other words, I would like to remove every obstacle we can, both real and imagined, to a person recycling. What you are suggesting is, a recycler who wants to bring in from five different counties, has to enter an agreement not only with you, but with the bleeding Bob DeCotiis, who was here, if he takes some from Passaic, and some from Morris, and so forth and so on, to return back to them that percentage of their garbage.

MR. MARTURANO: That is correct. The key to that, obviously again, is the rate averaging, because if the hauler knows that he will pay the same no matter where the truck ends up, then it will be more of an incentive to perhaps follow that distribution. If, on the other hand--

SENATOR AMBROSIO: Paul, may I--

SENATOR CONTILLO: I am just going to finish. The other part of that, of course, is, many recyclers will view themselves as manufacturers, or no different than a printer,

who will bring in a raw material, produce a product where most of it goes away, and there is a residue. Why can't you treat them the same as any other manufacturing plant? Do you view where the aluminum fabricator buys his aluminum? Probably not. If he is in your town, you take his end result. I would have to think that if the percentage of residue was small, the scheme we have just outlined would be absolutely crazy. In other words, if he is only producing a small amount of residue, to go through this would be crazy. If there is a large volume, there may be some justification for it.

MR. MARTURANO: I think that is the problem DEP is now trying to wrestle with -- with the de minimis designation.

SENATOR CONTILLO: De minimis is gone. We don't know how we are going to describe it. We will maybe come up with percentages, but if we do--

SENATOR AMBROSIO: Senator, may I pick up on that point?

SENATOR CONTILLO: Yeah, go ahead. Yes, Mr. Chairman.

SENATOR AMBROSIO: I don't want to say de minimis is gone. I would like to know where de minimis came from? You know, Tom, you and I have had the discussion we are going to have right now many times before. My question to you always is, by what authority did you implement that policy? By what authority did you implement the policy that 5% is considered de minimis?

MR. MARTURANO: That strictly comes from DEP.

SENATOR AMBROSIO: Did DEP adopt a regulation they sent to you and say, "From here on in--" Regulations by DEP and your regulations are adopted after promulgation and public hearings and notice and publication. I am certain that that 5% rule doesn't exist anywhere in the laws of this State by a regulation that was properly adopted. As a consequence, the regulation is arbitrary, because it was never adopted legally.

MR. MARTURANO: You're asking the wrong person.

SENATOR AMBROSIO: Well, no, you are the one who is implementing that regulation. My question to you is, where did you get the authority to implement it?

MR. MARTURANO: Certainly from DEP. You know, we are a district just like any of the other districts in this State. If DEP tells us their policy is that recycling facilities don't need permits if they produce a de minimis amount of residue, and we are to take all of the residue from the facility if, in fact, it falls into that category, I am certainly not going to fight DEP. If that is what they tell me to do, that is what I will do. HMDC is certainly not in a position to challenge the Department of Environmental Protection on a guideline.

SENATOR AMBROSIO: The consent orders that you worked out-- They dealt with not only recycling centers, but they dealt also with haulers who had mixed waste. Right?

MR. MARTURANO: Yes, sir.

SENATOR AMBROSIO: All those consent orders have been abrogated now. They are no longer in effect. Is that true?

MR. MARTURANO: Yes, for the vast majority of them. There are a couple which we still deal with, guys particularly who deal with only Hudson and Bergen County waste. We are still trying to work with them to the greatest extent possible. DEP has entered into one with a particular hauler that we were not a party to, so we are honoring that particular agreement. Ninety-nine percent of them are gone, but there are--

SENATOR AMBROSIO: Is that true of New York consent orders, too? Is that true of the New York waste?

MR. MARTURANO: Those were a separate issue completely. Those were not-- We never entered into any of the consent agreements voluntarily that involved New York waste. Those were done way before us. There were a couple of haulers who dealt with percentages like 8% of New York, and we addressed them similarly. They had to provide us with

documentation that a percentage of their residue went to a New York facility. They were required to give us that, but no one certainly producing any large numbers of New York waste.

SENATOR CONTILLO: Excuse me, I want to just jump in here. You were kind enough to send me a copy of -- and, you know, I haven't waded through them yet; I just brought them to tonight's hearing -- seven different consent orders from New York. Some of them appear to be as recent as 1987, and here's one from 1988, and certainly one from '86, '85, '87, '88. So, you entered into those.

MR. MARTURANO: If you look at that one-- That is the one I was just referring to that DEP entered into. It wasn't--

SENATOR CONTILLO: They directed you to--

MR. MARTURANO: That is correct.

SENATOR CONTILLO: Okay. You're saying that of the seven outstanding consent orders between HMDC and the City of New York--

MR. MARTURANO: Not the City of New York. They are with individual haulers.

SENATOR CONTILLO: I mean, non New Jersey--

SENATOR AMBROSIO: May I see them?

SENATOR CONTILLO: Yes, yes. I intended to give them to you tonight.

SENATOR AMBROSIO: Go ahead, Paul.

SENATOR CONTILLO: No, I'm finished.

MR. MARTURANO: Keeping in mind that the biggest one there was a court ordered agreement -- the infamous Judge Gaulkin order -- where we were directed--

SENATOR CONTILLO: This is the greatest argument I have ever heard for rate averaging, too -- these consent orders.

MR. MARTURANO: Yes, it is.

SENATOR CONTILLO. You know, it would take some of the fire and desire out of those--

MR. MARTURANO: Yes, sir.

SENATOR CONTILLO: I am going to make copies, and give them to you, Mr. Chairman.

SENATOR AMBROSIO: Anyone else? (no response) Thank you, Mr. Marturano.

The next speaker on the list is Mr. John DiLascio, from Lyndhurst. Mr. DiLascio?

J O H N D i L A S C I O: Mr. Chairman, Senators: First of all, I would like to thank you for coming into town and hearing some of these wonderful things you are hearing. I am the Finance Director for Lyndhurst, and as Finance Director, I am concerned with what garbage costs us. I know last year, we had almost \$300,000 in garbage disposal costs. This year, our disposal costs are going to be \$1,200,000. That is what the estimate is. That is better than four times what last year cost us.

Now, I find it really a bad feeling for our taxpayers, where we are part of the HMDC District, and as part of the HMDC District we contribute to what is called the "tax-sharing pool." That pool is dispersed on the basis of the type of development in each of the 14 municipalities. Now, a town like Kearny receives, I believe, close to a million dollars, or around a million dollars in moneys that are contributed by the pool. Yet, I understand that we have a Hudson County town -- Jersey City -- dumping for somewhere around \$27 a ton. Lyndhurst dumps for \$108, or \$107 a ton. It seems kind of odd that Lyndhurst, which contributes about \$160,000 to the pool -- because Kearny has dumps-- Kearny and Jersey City are paying less to dump their garbage than Lyndhurst is paying to dump our garbage. We are paying twice, I believe.

I think that what should happen, at least, the HMDC and the BCUA should be rate averaging for the HMDC District, which would then eliminate some of the, shall we say, the stealing of garbage out of the town, out of the city, out of our district. I think it is an insult to the Lyndhurst

taxpayers, and any other taxpayers from this part of Bergen County, to be paying that kind of money for disposal.

I also believe we are becoming a victim of some sort of alphabet soup here. We have the HMDC, the BCUA, DEP, BPU, and I don't think one knows that the other one is doing. The only ones who are suffering from this are the taxpayers of the municipalities -- the people who should not be suffering.

I was in the building business for 38 years. I know what construction costs are. I got elected to public office, and we built a few buildings in town, and I know what government builds buildings for, and I know what I could do buildings for, and the numbers are nowhere near alike.

I would hope that what would come out of this Committee would be a simplification of some of these alphabet soup things we are mixed up with. Return some of the control of the garbage back to private industry with, of course, some sort of restrictions by whatever authority is finally chosen to handle it. If it is going to be-- As I say, we here in Lyndhurst are involved with the HMDC and the BCUA. We're paying two fees. We are paying two sets of salaries. We're paying all kinds of money, and I am sure the private sector could do a better job of it.

I am also concerned with the fact that we have some methane out in the Meadowlands. I don't know whether there is a great amount, or whether there is a small amount, but there is methane out there. I don't know whether it is going to last another five years, 20 years, but I'm sure there are other people who have investigated it and know. In Kearny, I understand there is a deal going on where they are going to be farming this methane. In Lyndhurst, we are unique, I guess, because the HMDC puts a claim to the methane, the BCUA puts a claim to the methane, and it is in Lyndhurst, so we have a claim to the methane. I don't know why some sort of a formula can't be worked out where this stuff is harvested, if possible,

put the moneys aside, and let's put the gloves on and see who gets what share of that, because right now it is going up into the air, and nobody is getting it.

SENATOR AMBROSIO: If I might, that is a good question. I have heard that question for at least 10 or 15 years. I might ask HMDC staff. I know they have looked into the methane situation out there. There have been a lot of studies. Does anyone want to comment on that? Mr. Scardino? I didn't want to interrupt you, John, but it seemed like an appropriate question at the time.

ANTHONY SCARDINO, JR.: What is the question, Senator?

SENATOR AMBROSIO: What do you do with all the gas? That is what we want to know.

MR. SCARDINO: Some of us believe we are breathing a little too much of it out there, Gabe -- Senator, I mean. On the methane-- The question with the methane is, we have never claimed, at least to my knowledge, any interest in ownership of that methane. As a matter of fact, for Mr. DiLascio's information, maybe about four years ago, I convened a meeting of the mayors of the towns that have a claim, or might have a claim, including county officials who also feel they have a claim on the methane. I recommended at that time that what we ought to do is make every effort -- make a concerted effort -- to try to extract that methane, and then take the moneys and put them in escrow -- put them someplace -- and then fight it out either by arbitration or by going to court. At least by that time, you know-- In the meantime, you are not allowing the methane to go up into the air.

Right now, as I understand it, Senator, there are complications with the contractor -- what is it, GFS, Tom? (affirmative response from Mr. Marturano from audience) GFS, an affiliate of Getty Fuel Oil, has a contract to extract methane in the landfills in Kearny, and there seems to be a

question of trying to work out an appropriate amount for payment of that methane between them and Public Service -- PSE&G.

SENATOR AMBROSIO: I might comment, Mr. Scardino, that a while back, when you were sitting here in my seat, and I was sitting next to you, and you were the Mayor, we had the same discussion about tapping the methane gas in the Lyndhurst dumps. My question really is, is it ever going to happen?

MR. SCARDINO: It will happen, Senator, if we can get through all of the red tape that we keep hearing about so often -- what you are trying to deal with tonight. I mean, if you study this issue as closely as you are studying the recycling and the other issues, you will find what it is, is that you get this close, and then all of a sudden you are hamstrung because you can't go any further, because they can't come together in terms of the costs that will make it meaningful for the person who is going to extract that methane.

That is where they are now. They have been in that situation for, I'd say, the last two years almost.

SENATOR AMBROSIO: At any rate, the HMDC makes no claim to the methane.

MR. SCARDINO: That is correct.

SENATOR AMBROSIO: Okay. So, there's one answer, Mr. DiLascio.

MR. DiLASCIO: That's good. That's the first I heard that one.

MR. SCARDINO: Tom qualifies it. We take no claim for the Lyndhurst-- But we don't take any claim on any facility, Tom. Let's get that straight now. (indiscernible comment from Mr. Marturano from audience here) Well, the bale fill that is part of the HMDC -- that is within our jurisdiction-- The bale fill is owned by the State of New Jersey, and 1C and 1A are all under the State of New Jersey's jurisdiction, at this point in time.

SENATOR AMBROSIO: What does that mean, Tony?

MR. SCARDINO: That means that any of the methane that may be extracted there rightfully belongs to the owner of record. So, in this case the State is the owner of record.

SENATOR AMBROSIO: The State actually owns the landfill?

MR. SCARDINO: Right. But the property in Lyndhurst, the Kinsley Landfill, is a question, I think, that would be exclusively between the Township of Lyndhurst and the County of Bergen.

SENATOR AMBROSIO: Thank you.

MR. DiLASCIO: And that gets complicated because BCUA was supposed to close our dump 10 years ago, but in the contract it was left out at what height you should close it. They claimed that--

SENATOR AMBROSIO: The sky's the limit.

MR. DiLASCIO: Right, the sky's the limit. All right, they have closed it now, and I guess now we can't buy it-- We don't want it back right now, I don't think, under these conditions, unless we can work out a deal with the methane, and if that is profitable.

I think also that another problem we have is, you know, resource recovery. If that had been on-line in Ridgefield, and wherever else they are sited for-- I am just thankful that the Army Corps of Engineers doesn't act as fast when we are in a combat situation, as they do when they are trying to give you an answer on whether a site is appropriate or inappropriate. I understand it has been three years since the application was made, and there hasn't even been an inkling as to whether the Army Corps is going to approve it. I think they ought to, you know, get off the pot, and either tell them they are going to approve it, or that they are not going to approve it. This way we could get into some sort of a situation where getting rid of the garbage--

SENATOR AMBROSIO: Refine that phrase to, "Putt or get off the green."

MR. DiLASCIO: Putt or get off the green, okay. (laughter) That will do it. But, as I say, it is insulting to our town to hear that some people are paying \$27 a ton, and we're paying \$108 a ton, where if it were averaged out, it would be somewhere around \$70, give or take a couple of dollars. Our garbage increased this year somewhere around 13 or 14 points. If we went down to a rate averaging system, in the Meadowlands area at least -- I don't know about the rest; that would be up to you gentlemen to really investigate -- I know we could save at least 10 tax points for our taxpayers.

As I say, I hope this Committee will simplify government a little bit and, as I say, get us out of the alphabet soup and stop some of the roosters from each department running around in the chicken barn saying, "They're my chickens." Let's find out whose chickens they are, and who is the rooster, and let's get it done.

Thank you.

SENATOR AMBROSIO: Thank you. I just want to summarize at this point. We have three more speakers on the list. I have been notified that Mayor Kaiser of North Arlington is not going to be here. He delivered a statement, which will be incorporated in the record. The speakers who are left are: Steven Fass, Anthony Fiorello, Dominick Casamassina, and Mayor Graves -- Senator Graves. Senator, do you wish to make a statement now, or do you want to wait?

SENATOR FRANK X. GRAVES, JR. (speaking from audience) I'll wait until everyone is finished.

SENATOR AMBROSIO: Okay. (indiscernible comment from Senator Graves from audience; no microphone)

Next on the list is Steven Fass.

STEVEN FASS: Chairman Ambrosio, members of the Committee: Thank you for allowing me an opportunity to

testify. My name is Steve Fass. I represent the Recycling Center of New Jersey. I submitted written testimony to the Committee last week, when I didn't have a chance to go for an oral comment. Apparently things moved very quickly, because a lot of my comments in that testimony referred to the need for better defined regulations affecting recycling centers. Apparently I have been subjected to a case of, "Don't wish too hard for what you want, because you might get it." I am kind of disturbed to hear about the three-page memo from DEP that describes the 22 points upon which the recycling centers are now going to be considered and be legitimized.

Just very briefly, I would say that I will spare you a lot of redundancy, because I agree, in large part, with Mr. Dotoli's comments. Listening to some of the points that were included in that memo from DEP, two jumped out at me that I find of fairly great concern. One is the possible requirement for disclosure of the list of customers or other sources of recyclables. To my knowledge, not even the BPU requires regulated haulers to disclose who all their customers are.

SENATOR AMBROSIO: Well, that's not true. They do require that, but there are restrictions on what that can be used for, although I don't believe those restrictions are adhered to. But they do require the publishing of customer lists.

MR. FASS: Nonetheless, I think it would be a great concern for an industry that has never seen that kind of regulation passed.

SENATOR AMBROSIO: I agree with you that it shouldn't be.

MR. FASS: Another thing I find interesting is the requirement to list the markets to whom you are selling materials, if I heard correctly. That is kind of interesting, since markets are currently defined in the Recycling Act only in the context of a verb, rather than a noun. The act of

marketing materials is defined, but the markets themselves are not. An example of just how crazy this gets to be, under existing regulation, I think it is exemplified in the case of Metro Tire Converters in Essex County. In my mind, a market is a place to which you sell source-separated materials that may or may not have been processed at an intermediate point, where there are ultimately then remanufacturers that turn that material back into a useful product. In my mind, Metro Tire, which accepts tires, shreds them, and then loads them directly onto a ship for export to Greece, where they are used as a boiler fuel-- In my mind, that is a market. However, they have been included in the Essex County Solid Waste Management Plan and, from what I hear of these forthcoming criteria for recycling centers, anyone else who recycles tires in this State will be required to go through that process that has been established. The difficulty with that--

SENATOR CONTILLO: Excuse me. Did you go through a process to establish this tire recycling center?

MR. FASS: No, I am not involved with Metro Tire Converters. I am just citing it as an example.

SENATOR CONTILLO: But they need permits other than for odor and--

MR. FASS: My understanding is that they were told they needed to be part of the Essex County Solid Waste Management Plan as a designated recycling center. This is going back now to Mr. Dotoli's comments about inclusion in the plan.

SENATOR AMBROSIO: Mr. Fass, if I might, in your statement-- I don't want to interrupt your summation of it, but I do have a question or two on the statement you submitted, which you might address.

MR. FASS: Yes?

SENATOR AMBROSIO: On page 3, you indicate -- and I am going to read from it: "Historically, the BPU has stated that

it does not regulate recycling activities, and that a hauler should establish a separate company if he wants to be a recycler." Is that still the BPU's position, that a solid waste collector can also be a recycler?

MR. FASS: Well, apparently from conversations I have had with various people, there seem to be two schools of thought. What I am referring to there goes back to an internal memorandum that I believe was written somewhere around 1983, by Eugene Byrne, who is a staff person at BPU, wherein BPU looked at the whole scope of recycling and tried to determine whether or not there was anything that was appropriate for the BPU to regulate. Their conclusion was that they did not regulate recycling.

Now, from what I understand, a solid waste hauler can use his trucks to collect recyclable materials, but the problem with that is that it becomes an accounting nightmare if that truck is included in the tariff declaration--

SENATOR AMBROSIO: Okay, I understand where you're coming from.

MR. FASS: --because he then has to allocate all of the costs accordingly.

SENATOR AMBROSIO: You also say in your statement -- and this is very interesting; I know that Senator Contillo is going to want you to comment on this -- on page 4: "The DEP has stated that recyclables may contain up to 20% non-recyclable materials and still be considered recyclables, rather than solid waste." Where did you get that 20% figure, because we have been looking for a percentage, and we have heard everything under the sun so far?

MR. FASS: Well, once again, I don't believe you will find that written anywhere. That was stated to me by one of the DEP staff over the phone. That was the guy--

SENATOR AMBROSIO: That is the way all regulations are arrived at. Someone hears them on the phone, or has received a

piece of correspondence, or an unsigned letter. That is how we have handled the entire solid waste problem.

MR. FASS: There was a specific instance when I was the recycling coordinator for Essex County, and the county was considering a facility in the City of Newark. At that time, I very distinctly remember DEP advising us that there was an 80/20 rule they used internally to consider those sorts of facilities.

SENATOR CONTILLO: You know, if you read that whole first paragraph on page 4, it sums up my whole frustration -- the last two lines of the first paragraph: "Recycling having been defined in basic terms and exempted from solid waste facility permits from New Jersey DEP--" This is true, I know, and that is why I did it. This was done to minimize, and these are your words, "to minimize the State's role in approving recycling facilities, in an effort to get them on-line as soon as possible." It is frustrating as hell to me to find that DEP-- I mean, every governmental agency I can find is finding ways of stopping people from recycling. We don't know whether it is Machiavellian or stupidity, but in either case, it is frustrating.

So, you know, we are trying to simplify it. I would be happy, after you go through this, if you have specific recommendations, we are going to incorporate them in another law to tell the Department of Environmental Protection that, "Yes, this is what I meant in the first place. Further, this is what you are going to have to do in the future." I think that is where we are tonight. Please continue.

MR. FASS: Senator Contillo, I would be happy to provide you with my thoughts on that. I was involved in committees for both the original Recycling Act of 1980 and the Mandatory Recycling Act. My recollection of the legislative intent is that it was nothing that is reflected in the level of regulation that seems to be evolving for this industry. I

really do have quite a bit of concern that it is going to prevent the State from achieving the 15% and 25% waste reduction goals that are contained in the bill.

Going back to regulation again, I would like to underscore Mr. Dotoli's concern about possible BPU regulation of the industry. I have a personal conviction that a lot of the problems we have with landfill capacity in this State are a direct result of BPU regulation in the past. BPU seems to have applied in the past a notion that it was in the best public interest to keep landfilling rates as low as possible, even if it meant they were below the fair market value or did not reflect the true environmental costs of those facilities. As a result, Pennsylvania and New York came in and filled up our capacity and, at the same time, because the landfill rates were kept so low, there was no incentive for private capital to come into the State to make the sizable investment required in terms of permitting, legal fees, site review, site acquisitions, and so forth, and create new landfills.

To some extent, I think the fact that other states don't have that kind of regulation is why we are now sending our waste to privately owned and operated facilities in other states. There has to be a payback to overcome all of the initial problems in establishing new landfills. Apparently that is not the problem in other states. I would be concerned if that same kind of economic regulation were applied to recycling. I don't know that private investment in new facilities would occur.

Finally, just on the point of residue from recycling facilities, and how it is being viewed in the State, I would like to point out what the European experience has been with a lot of fairly equipment-intense recycling facilities for commingled materials. In many cases, the Europeans, in particular the West Germans, have a system for recycling that I think has great potential in the United States, which is where

they have two bins; one bin is for everything that is non-recyclable, and one bin for all of the recyclables. Into that bin you can put newspaper, corrugated cardboard, glass, steel cans, aluminum cans, plastic films, and rigid plastic containers. That is all taken by the existing solid waste hauling industry, using conventional solid waste trucks, to a centralized facility where that mix of materials is then subjected to a lot of mechanical and manual processing.

Apparently the facilities are not discouraged from having a lot of residue because, based on the facilities I have seen, it gives them an opportunity to pick through waste which they might not otherwise have, and in the process they remove things such as dry cell batteries, in particular mercury silver oxide batteries and some of the other carbon zinc batteries, which cause problems for incinerators in terms of releasing heavy metals into the air.

I think that is something that should be considered in the context of how we regulate recycling centers in the future. I think there is an opportunity for us to create a more controlled residue that will make all of the other following solid waste management methods, whether incineration or composting or whatever, that much safer and that much more efficient.

I guess that is the end of my comments. Do you have any further questions?

SENATOR AMBROSIO: I want to thank you for the statement you submitted. I know I will be in further contact with you in developing some of the other points you have raised in your statement, but we won't do it tonight. Okay? Thank you.

Next will be Anthony Fiorello.

ANTHONY FIORELLO: Chairman Ambrosio, Senators: I am in the solid waste removal business. I have been in it all of my life, and I have been recycling all of my life. I

would like to have a colleague of mine, who is my engineer, a man who has been in this business all of his life, join me. Mr. Betzig, will you please come up here? (Mr. Betzig complies)

What we are dealing with now is garbage. What can we do with it? There is a process in motion now where the garbage can be converted to refuse-derived fuel, where it can be burnt in boilers, through the fact that PSE&G can burn this kind of fuel. This could solve all the garbage problem we have in the State of New Jersey. That is a bold statement, but it can be done. PSE&G now has facilities to burn this refuse-derived fuel, if it is brought in in a certain way, through what they call extruded garbage. This is a sample of the extruded garbage. (holds up sample) This is already a year and a half old -- this garbage. As you can readily see, and smell, there is no odor or anything else to it. This can be burnt in a gasifier, and the gas turned over to PSE&G and burnt in their boilers. It can save fuel and solve our garbage problem. It can be done within two or three months. This is not years.

SENATOR CONTILLO: Mr. Fiorello, you don't represent the company that does this, do you?

MR. FIORELLO: No, no.

SENATOR CONTILLO: That's the company that has the pilot plant now in the Philadelphia/Camden area. I think it's Philadelphia.

MR. FIORELLO: No, the facility--

SENATOR CONTILLO: What is the name of that company?

MR. FIORELLO: Lundall (phonetic spelling).

SENATOR CONTILLO: Pardon me?

MR. FIORELLO: Lundall.

SENATOR CONTILLO: Is there someone here from that company? (inaudible response) Oh, okay.

MR. FIORELLO: We have some brochures and literature with reference to this kind of material.

SENATOR AMBROSIO: Mr. Fiorello, maybe your engineer can explain a little bit more about how this process works, and how it is different than simply burning it in an incinerator and generating power directly from the incinerator. What is the advantage of going to a system like this before you incinerate it, or rather than incineration?

H A R R Y B E T Z I G: I would like to introduce myself first. I am a consultant for Mr. Fiorello, and have been for several years.

SENATOR AMBROSIO: Would you just put your name on the record?

MR. BETZIG: My name is Harry Betzig. I am a professional engineer in the State of New Jersey. I am a consultant in the general area of waste to energy and recycling. I consult with a number of firms which are in the recycling of demolition debris or municipal solid waste or mixed containers, whatever. Okay?

As you have asked me to do, I would like to explain this incineration system. Let me first say that I want to correct my good friend, Tony, here. The pellets are not made out of garbage. They are refuse-derived fuel. There are a number of people who make this -- who build equipment in this technology. There are at least a half a dozen, maybe 10 or 15 companies in the United States and in Europe, that make equipment that will accept municipal solid waste and remove noncombustible material from it, recyclable material, such as glass or aluminum or ferrous metal, dirt, trash, anything like that, and food and yard waste. When that material has been removed, what you have left is an excellent fuel base, because what is left is a dry cellulosic material which can be converted very easily into-- If it is merely shredded, it is called fluff RDF, and can be blown into a furnace, in place of powdered coal, for instance, or oil, or whatever. If it is made into a pellet form, of course it can be stored and shipped

and fed even into a grate furnace or burned in a combustor or a gasifier to make a low BTU gas, which can then be used to retrofit an existing boiler that otherwise would use natural gas or fuel oil.

SENATOR AMBROSIO: If I may interrupt you, Mr. Betzig, I have heard of RDF for at least 18 years -- at least that. It all sounds great. You turn garbage into these clean little pellets, you take them in a wheelbarrow to a furnace, you burn them, and there is no pollution. If all of that is true, why aren't they all over this country, and why isn't this the technology that is being implemented?

MR. BETZIG: That's a very good question. First of all, the technology is being implemented; it has been implemented. There is a facility in Baltimore, for instance, that has been in operation for 11 years, supplying RDF to Baltimore Gas and Electric. There are facilities in different places in the United States.

Part of the reason is, when garbage first became a perceived problem or, as we mentioned earlier in this discussion, when tipping fees were down around \$1, \$2, \$5, \$10 a ton, nobody knew or cared about anything like this -- okay? -- when fuel costs were low. There was no impetus to think along these lines. But, as the problem became more and more perceived on the part of the public, a number of people jumped in and built facilities. In many cases, the big problem-- What happened was, they built a facility; they made a fuel. It was an excellent fuel. This is not a difficult thing to do. I am a chemical engineer. I spent most of my life building very sophisticated chemical plants. This is the least sophisticated process I have had anything to do with.

The problem was, they built these plants, and then they started looking for markets. You can't do that. You have to have your markets locked in first, because otherwise you will be out of business very, very quickly. I can enumerate at

least six people I know very, very well who made that basic mistake: Built the plant, made the fuel, and tried to find a market. That is not the way to go. What you have to do is find a market first, and the rest of it is almost like falling off a log, because there are a number of these operations in use.

There is a primary advantage to this. You might say, "Well, isn't that what the mass burn people are going to do? Isn't that what they are planning to do, burn all of the garbage?" The answer is, yes, they are. The drawbacks to the mass burn approach, of course, are: One, it is four times as expensive as a prepared fuel and combustion -- prepared fuel technology.

SENATOR AMBROSIO: Are you saying it is more expensive?

MR. BETZIG: Four times as expensive, not a little bit more expensive. Let me be conservative and say it is at least twice as expensive, and for a very good reason. First of all, with mass burning you are-- Water doesn't burn; steel doesn't burn, aluminum doesn't burn; glass doesn't burn. Therefore, you should not put them into the burner. You shouldn't put them into a combustion system. That is what they do in mass burn, the theory being, "Well, it's simple to do it. We will do it simply." The problem is, the lead is evaporated and condenses. The dioxins are hard to keep from forming, because you are burning water. You have a very, very poorly controlled fuel coming in.

But, I don't want to belabor the point. I don't think anyone in the room really--

SENATOR CONTILLO: What is the point of all this?

MR. BETZIG: The point is, I was asked to explain what Mr. Fiorello--

SENATOR CONTILLO: I have a whole file home on this. When we changed the recycling law-- We are going to change it, because right now you are not permitted -- okay?-- It is in

the works now, from the sponsor of it in the Senate, to allow this process to be an alternative because, as far as I am concerned, resource recovery is not the only way of disposing of it. Okay? I don't care if there are five other ways, I want to give every option available to the public to use. So, I already have legislation in that will permit other processes besides resource recovery, because I never meant to-- To me, resource recovery-- Why isn't that also resource recovery, because you are recovering it? I thought that was what it meant. The lawyers are telling me that that is not what I said, so we are going to change it to allow them to use this non smokestack type of burning.

But my understanding was, a year or two ago, there was not a single facility in this country that burnt more than 100 tons a day that anyone could show us.

MR. BETZIG: Apparently you were talking to the mass burn industry. They are the first ones who will tell you that.

SENATOR CONTILLO: No, I talked to your industry. Again, my file is at home. I got an apology from the people who make it that they are in the process of making a large facility, but all they had to show me was a small facility. As of the last three months, my understanding is that there is a large facility that is going on-line in Philadelphia right now as we speak.

MR. BETZIG: Senator, I have no relationship to the plant. I don't sell their equipment. I don't do anything, but occasionally I do bring people down there to look at it. You can see a plant in Timonium, Maryland.

SENATOR CONTILLO: Maryland?

MR. BETZIG: It produces 1000 tons per day. I mean, it accepts 1000 tons a day of garbage, converts it into RDF, ships it 27 miles to Baltimore Gas and Electric, which burns it.

SENATOR CONTILLO: How long has that been going on?

MR. BETZIG: Eleven years.

SENATOR CONTILLO: And what is the name of that manufacturer?

MR. BETZIG: National Ecology.

SENATOR CONTILLO: What is it?

MR. BETZIG: National Ecology. They were given an award back in 1984 by the Department of Energy for being very innovative.

SENATOR AMBROSIO: I don't want to interrupt you, but what I would like to do-- I have talked to staff at the HMDC, the BCUA, and others, and asked them the same question I am going to ask you. The original proposal in the HMDC was to close the landfills in the mid-1970s and convert to this type of process and develop the RDF. As I recall, the problem was -- as you say -- the market was not there for the product, but the technology was there, and we could do this.

How do you develop a market? How do you guarantee a market for this stuff?

MR. BETZIG: My recommendation would be, and has been in the past-- This is what I have suggested, as a consultant, in some cases, although I am not at liberty actually to mention where. It is in the process of being implemented. The first thing I think you do is make use of the purple laws.

SENATOR AMBROSIO: That what laws?

MR. BETZIG: The PURPA laws -- the PURPA legislation -- which forces a public utility -- mandates that a public utility will purchase electricity made by co-generation means, or whatever -- will purchase it at the avoided cost -- their avoided cost. Once you have that in place, now you have-- See, one of the problems with any kind of recycling, as I am sure Steve Fass would be the first to admit, is flexible markets. There are markets for cardboard one month, and the next month they are not so good, and the next month they disappear. Then they get to be good again. They fluctuate. It makes for a-- The infrastructure in marketing gets to be

complicated, and that is why the specialty outfits that know how to market recyclable material are so important.

One of the things when you make use of purple legislation and you convert to a fuel, and your RDF -- your garbage is converted into a prepared fuel, and that prepared fuel fed in to make steam, and steam to a turbine to make electricity, now you have a public utility purchasing that, and you, therefore, in effect, have a dedicated use for how many tons of garbage a day for the--

SENATOR AMBROSIO: Okay, I understand that. I am going to ask HMDC staff a couple of questions on this, because I know we have talked about-- I have heard of these proposals for many years. Why have we not gone that route? Secondly -- and probably more important -- the decision to go to the mass burning incinerator by the HMDC, and apparently by all of the other counties in this area-- Did the HMDC have any input into those decisions?

MR. SCARDINO: Senator, we have to go back in history again, you know. Time and circumstances always have a great role to play in decisions that are made at any given time. Now, at the time -- in '80 and '81 -- when there was a tremendous amount of emphasis on trying to determine which was the best system to go with-- Resource recovery is incineration, okay? They just give it a fancy name, as you know. Resource recovery, by virtue of the description that this gentleman gave you, applies better to the system that he talks about -- the RDF system.

Now, I recall that in '80 and '81, when we were discussing-- At that time, the HMDC had the responsibility given to it by some agreement with the Bergen County Freeholders to build a resource recovery plant in Ridgely. The location had already been designated. We, the HMDC, were designated as the people to build it. So, we went out--

SENATOR CONTILLO: Who made that decision? That is his question.

MR. SCARDINO: Pardon me?

SENATOR CONTILLO: Who made that decision that we should build a burner with a little generator on the back, as opposed--

MR. SCARDINO: The HMDC, at that time, after considerable research -- research that included traveling to witness facilities that were in operation-- When you come right down to it, Senator, what you ended up with was the only system at that time that worked. The RDF system was the original system that was being planned for the Ridgefield location. It was ultimately ruled out because any plant that was constructed -- not necessarily in operation -- wasn't working either at capacity or wasn't working at all. It wasn't doing the job at that particular time.

So, it was a process of elimination, if you will, and you got down to the system that worked; that made sense. One of the other drawbacks -- and I don't know if it is true today-- You want to know why we made the decision then. The reason was the size of the system, what was required for Bergen County. I think the maximum size for the RDF systems at that time was around a 1000-ton facility, and still they were having problems with those. But with a mass-burning facility, you can go up to 2000 or 3000 tons, and they were working.

SENATOR CONTILLO: Three thousand?

MR. SCARDINO: Yeah. Well, 2000 to 3000, yes, as I recall. So that's why, you know, you made the decision. Now don't forget, that decision was made in '81 and '82, and then all of the necessary work went into effect after that -- the bonding, and then the permitting, and now getting hung up with the Army Corps of Engineers for three years. So, it's three, four, five years later, and the system you chose-- You're still with that system, but it is not going anywhere yet, because it has been delayed by other processes.

SENATOR AMBROSIO: That provokes the next question. I remember when the RDF system was chosen, the HMDC -- and it was before your time down there-- The HMDC was touting this as the system of the future, and was going around to all of the towns and actually conducting seminars and public information programs on how we were going to turn garbage to energy by this clean system, and the laws were going to be changed to require Public Service to purchase this, etc. Now, here we are, some seven or eight years later, and committed to another system that hasn't been built yet. Are we going to be here 10 years from now, saying: "Back in 1988, we talked about mass burning incinerators, but that was the technology we thought was appropriate at the time"? Are we are going to be putting it in little plastic bags or something 10 years from now? I don't know.

The question is: When do you reach a point when the decision you made is really a final decision? Have we made the final decision that the mass-burning incinerator is what we are going to do? Has that final decision been made?

MR. SCARDINO: Senator, in all due respect, I have found that sometimes the best decisions are made when they are put outside of politics, as you and I both know. Okay? All I can do is deal with conjecture, and I hate to do that.

When we had the responsibility to build the plant in Ridgefield, I can tell you right now that I believe the HMDC staff and its Commissioners would have had that plant in place and in operation today. Okay? But by directive, it was taken away from us -- by a DEP directive -- and was put back into the hands of Bergen County, and in this case the Bergen County Utilities Authority.

SENATOR AMBROSIO: That was one of my questions.

MR. SCARDINO: Then the Bergen County Utilities Authority petitioned the HMDC, over our advice and our objection, from a planning perspective-- They petitioned us to

allow the plant to be constructed in Lyndhurst. We told them, quite honestly and up-front, that we had gone through all of the studies for many years to determine that the Ridgefield site was the most practical site in the Meadowlands District for all planning considerations. In spite of that, we said we would try to open up the door. We went through six months of hearings to determine whether or not we had overlooked something in our deliberations on the Lyndhurst site. The fact of the matter is, all that did was substantiate the fact that the Commission was right in the first place from a planning perspective, transportation, its proximity to the PSE&G plant. I mean, I need not go on. It was just as reasonable and logical a location as anyone could find in the district. We made this clear.

Now, that was a loss of six months to a year right there. At that time, too, if you want to ask what happened-- If you recall, the famous Westway project went down the tubes, and all of a sudden, the Army Corps of Engineers became a known quantity. It just seemed as though the Meadowlands became of vital interest, as it should have been under the Clean Waters Act, which, as you know, they are obliged to administer. Then, with the impact of that, and the fact that the permits had to be applied for from the Army Corps -- and it has now been in their hands for some three years-- That is why we do not have a resource recovery plant built today. The process takes too long.

SENATOR AMBROSIO: You have answered most of my questions, Tony, but the real question I am looking for is, if the HMDC had been given jurisdiction to make the decision as to which way to go, would they have chosen to go to the mass-burning incinerator?

MR. SCARDINO: Yes. I'm sorry, Senator, I thought I answered that question. I'm telling you, as honestly and factually as I can, the HMDC, indeed, made that decision. If

it didn't make it, it was on the verge of making that decision, because I was there at the time. It was going to go with the mass-burning systems because our investigation of all other systems showed that it was a gamble to go with any other system.

SENATOR AMBROSIO: I see. Mr. Fiorello?

MR. FIORELLO: We have the plants already. What the Senate should do is make a super agency for solid waste. See, we have overlapping regulations in each -- BPU, DEP, HMDC BCUA. We have 14 agencies in the private sector that we have to contend with in order to perform our duties. I think it is over-regulation. We should have only one agency, a solid waste commission, and just say, "The solid waste commission will handle everything pertaining to solid waste, from the beginning to the end." That's all it should be, instead of 14 different people trying to get their finger in the pie there.

I have now, since 1984, a petition in DEP for an incinerator to produce this thing. I have yet to hear from those people, or anything else. It is in their file somewhere.

SENATOR CONTILLO: When did you make that application?

MR. FIORELLO: In 1984, and I haven't heard from them.

SENATOR AMBROSIO: Mr. Fiorello, that is not unusual. The Passaic Valley Sewerage Commission petitioned in 1981 to build an incinerator to burn their sludge, and this is 1988, and they still haven't gotten an answer. So, don't feel that they are just slighting you.

SENATOR CONTILLO: Could you tell me where you were going to build that plant?

MR. FIORELLO: It's built already.

SENATOR CONTILLO: What county? I am just curious.

MR. FIORELLO: In Hudson County.

SENATOR CONTILLO: Hudson County?

MR. FIORELLO: South Kearny.

SENATOR CONTILLO: They wouldn't allow you to use it, probably, if it wasn't in their solid waste plan. Right?

MR. FIORELLO: Well, they used it before.

SENATOR CONTILLO: Yeah.

MR. FIORELLO: It's the old Western Electric plant -- the generating station. Now, that could be converted in eight months, and could burn 1000 tons a day.

SENATOR CONTILLO: A thousand tons a day. With three plants like yours in Bergen, we wouldn't have to spend a half a billion dollars.

MR. FIORELLO: That's right.

SENATOR CONTILLO: Then we wouldn't have to take care of all those bondholders Mr. DeCotiis was talking about. (laughter)

SENATOR AMBROSIO: Thank you, Tony. Mr. Dominick Casamassina? We saved you for last, Dominick. You're going to give the wrap-up.

D O M I N I C K C A S A M A S S I N A: Oh, okay, I'll give the wrap-up. I am going to be talking about rate averaging. It will be a short discussion. I will give you copies of what I have. What I would like you to do is generate any questions you might want to ask me, and follow me, rather than read my presentation. Also, hopefully at the end of this discussion, I am going to try to lead you to the answer we would all like to know of, who owns the methane gas in the Meadowlands?

Rate averaging is simply a method which tends to equalize costs to the users of a particular service. Now, rate averaging presumes that every entity will pay the same cost for each unit serviced. If this is true, then we could consider the methodology and formula fair and equitable. If this is not true, then certain adjustments are required.

The State legislators have already recognized that adjustments in payments to host municipalities should be made. Now, a payment of one dollar per ton is added to the rate averaged cost, and is given to the municipality who hosts the landfill. This generally describes the norm throughout the

State. However, the Meadowlands constituent municipalities are faced with costs not generally assessed to municipalities outside of the Meadowlands District.

What I am saying here, very quickly, is that we are paying something that other municipalities in the State do not pay. I am talking about the constituent municipalities in the Meadowlands -- the 14 towns.

In the first instance, no taxes are paid to the host municipality for the lands upon which the garbage is dumped. However, the number of acres which make up that landfill are credited to the host municipality, which subsequently receives a monetary credit through the tax sharing pool. So, if they have 10 acres, they get credit in the tax sharing pool for 10 acres. All the municipalities in the district pay the cost of that acreage. The pool is made up of funds from all of the municipalities. Effectively, the Meadowlands communities are paying for the lands on which the landfills are located, while communities outside of the district are not paying anything. They are not in the pool. They do not chip in to pay the host municipality the tax that would normally be generated from that land.

In summary, the Meadowlands communities: Pay for the acreage credit upon which the landfills are located; pay the tipping fees of one dollar per ton to dump on lands within the district; do not share taxes on which potential developments could be built; and suffer the inconvenience of truck traffic, dirty streets, odors, fires, road destruction, animal scavengers, and obstruction to vision from the height of the landfills.

It is safe to say that rate averaging, as imposed today, does not take into account the hidden costs which are being paid by the Meadowlands communities because of the above.

Are there any questions on that section?

SENATOR AMBROSIO: I am not sure I follow you in terms of what you are suggesting, Dominick. Are you suggesting that there should be a change in the tax sharing formula?

MR. CASAMASSINA: Well, I'm saying-- Not the tax sharing formula, per se, because we are talking about garbage disposal.

SENATOR AMBROSIO: Okay. What is your suggestion on how to correct the inequity you are pointing out?

MR. CASAMASSINA: I'll tell you.

SENATOR AMBROSIO: Okay.

MR. CASAMASSINA: I never come just to give people a problem. I give them also an answer. In the first instance, I say that the host municipality does get money from the one dollar per ton tipping fee. So that, either way, offsets the inconvenience that the host municipality--

SENATOR AMBROSIO: What is that one dollar a ton? I don't follow that.

MR. CASAMASSINA: The tipping fee for dumping the garbage in a host municipality is one dollar a ton.

SENATOR AMBROSIO: Well, it isn't. It is whatever they negotiate -- with a minimum of 50 cents. Some of them are lucky enough to get \$5, \$6, \$7, or \$8 a ton.

MR. CASAMASSINA: Okay. I thought it was one dollar a ton even.

Section 13:17-10.1 of the Hackensack Meadowlands Reclamation and Development Act -- or the father of the Meadowlands Boards -- okay?-- The title of that section is, "Surplus moneys from operations of solid waste disposal facilities." What they are saying here-- They give you a formula how to distribute surplus funds from solid waste operations. This includes: solid waste, methane gas, whatever. The formula, very quickly, is, after all contractual obligations are removed -- cost factors -- the nonoperational costs, just bonding costs and contractual costs -- 75% is kept

by the HMDC -- the public commission -- and 25% is shared by all the municipalities.

SENATOR AMBROSIO: Dominick, you may not have been here at the beginning of the last hearing, but I asked the question, where is the 25% we are supposed to be sharing? I was told by the HMDC that they have not developed a surplus yet.

MR. CASAMASSINA: Well, let me say this, I believe that Senator Scardino introduced this resolution -- an amendment to the Act. I was a member of your legislative committee at the time. This subject was brought up. The reason for this was because of the inconveniences to the towns; to pay them back something for hosting the garbage and the landfills. This was a way of giving them back something for giving something to outsiders, so to speak. Is that true? (no response) If you say that you don't have surplus moneys, then why in heaven did we ever include this in the Act?

SENATOR AMBROSIO: Well, Dominick, if you would, please address the questions to the Chair.

MR. CASAMASSINA: I'm sorry.

SENATOR AMBROSIO: You can't cross examine Senator Scardino for the good job he did some 10 years ago in implementing this law. He didn't--

MR. CASAMASSINA: Okay. He did a wonderful job.

SENATOR AMBROSIO: --guarantee that there would be a surplus, but he said that if there was one, the towns should get at least 25% of it.

MR. CASAMASSINA: The difference of opinion here is the fact that where we say that we understood that they would have to build buildings and have some equipment-- Then we said, after they paid for the buildings and the equipment, the residual amount that was nonoperational costs -- not labor, not electricity, not gasoline, and not new equipment, okay? -- the money that was left over with the bonded costs, that would be divided 75% to the HMDC and 25% to the municipalities. That was the understanding then. It is still my understanding now.

SENATOR AMBROSIO: Well, that's the law, Dominick; that's the law.

MR. CASAMASSINA: That is the law. Now, if you say they will never have a surplus, then this was a stupid amendment to even include.

SENATOR AMBROSIO: No, no, not that they will never have a surplus. They have not generated a surplus to this date on their solid waste operation.

MR. CASAMASSINA: But, well, maybe I am not getting through to you. The concept was that they would always have a surplus. We're not talking about a surplus in the sense of the business world, all the money you have left over after you pay for operations. This money was supposed to be considered surplus after you removed the bonded obligations only. It says so in here. Now, in that case, we should not have put this in. But that was our understanding at the time.

Now, to get back to this paragraph, which is going to lead into methane gas. I gave you the section, and I said the title was, "Surplus moneys from operations of solid waste disposal facilities." Methane gas, by the way, would fit into that, since we would contract somebody to farm out the gas from the land itself. There should be no expenses associated with it, except to collect the money, so to speak.

This section was an attempt by the legislators to compensate the Hackensack Meadowlands municipalities for the uniqueness of the Meadowlands garbage problems, as stated above. However, the continued refusal of the Development Commission to share the revenues that they have collected from the disposal fees has amplified the problems to the injury of the communities. They now have \$78 million in their hands and they refuse to share these funds, as specified by law. I said \$78 million, at least \$78 million. If we go back to the time they started, this might be \$200 million. I'm not sure. Twenty-five percent of that should have gone to the municipalities.

Now, worst of all, they are hiding behind a statement supposedly mandated by the BPU to put these funds in a separate account to close the landfills. Why should only the municipalities pay to close the landfills? And by the way, that is going to be over \$100 million to close them. Why should the Meadowlands communities pay, because if these landfills are closed now, there won't be any revenue coming in?

I hope this last paragraph will be a separate subject for discussion. If so, I will be glad to contribute to that discussion -- probably sometime in the future -- which should include revenues from methane gas, which should total about \$100 million over a 10-year period.

We know that the HMDC has published a study -- which I remembered when I was the Executive Director of the Mayors Committee -- that approximately \$30,000 a day is going up in gas. I think that came from only one landfill -- \$30,000 a day -- which translates to about \$10 million a year, and over a 10-year period, \$100 million. That money should go to the HMDC and to the municipal communities. The law says so, and I hope that you people will see to it.

Anyway, I will be glad to help you in the future. If there are any other questions, I will be happy to answer them.

SENATOR AMBROSIO: Dominick, thank you. I want to tell you, I will look again at that statute, because the way I read it, it says, "In the event that surplus moneys become available--"

MR. CASAMASSINA: Read the top part. Go ahead, keep going.

SENATOR AMBROSIO: I'm reading the first part: "In the event that surplus moneys become available from the operation of--"

MR. CASAMASSINA: "From the operation" -- go ahead.

SENATOR AMBROSIO: "--solid disposal facilities."
Now, I asked the Hackensack Meadowlands Development Commission

whether or not, over the course of the operation of their facilities, there was any surplus. They said they have not generated a surplus.

MR. CASAMASSINA: Yeah, but you didn't finish -- "by the Hackensack Commission, which are not required by any contract or (indiscernible) of any bonds, moneys, or other obligations -- notes, or other obligations of the Commission." They are talking about the up-front money that you had to pay for a building and for heavy duty equipment, which we understood at that time. But all the money after that to operate the landfill -- I'm talking about electric lights, fuel for the trucks, salaries for the people-- Before they go into that part of it, they should have deducted 25% and given that to the municipalities. If you don't look at that paragraph this way, you'll never have a surplus, because I have seen in their budget, within two or three months of the year ending, that they would bomb through a \$100,000 truck, and you'll never have a surplus.

SENATOR AMBROSIO: Dominick, I would make a suggestion. If that is the position of the mayors, or the Municipal Committee, what to do is either hire an auditor or start a lawsuit against the Commission to determine whether or not such a surplus exists. This Committee literally can't deal with that because, in my judgment, the law is clear, on its face, and I don't hear any suggestion that the law be changed. If there is an accounting due to the municipalities, it would be up to the municipalities to take the necessary steps to see that that accounting is obtained. Unless you have a suggestion on changing the law, you know-- We would be willing to look at that, but I don't see that this Commission--

MR. CASAMASSINA: I personally feel that the law is-- I am afraid that if you change the law now, that this will be time zero. Time zero is when the HMDC went into operation. I'll tell you, I would be very reluctant to pay a lawyer 30% of

\$50 million to take this. I'm sure you would love to take this case.

SENATOR AMBROSIO: I don't want this case.

MR. CASAMASSINA: I know. But I'm sure an attorney would love to take that case. Now, do you think a municipality should go to court? Don't you think that maybe the Attorney General-- No, not the Attorney General.

SENATOR AMBROSIO: The Public Advocate?

MR. CASAMASSINA: I would say the Public Advocate, but he thinks this is political. It's not political. I just wanted to get a readout on this. But he's got to understand what the intent was when this was first written. There were people who worked on this legislation, and I was one of them.

SENATOR CONTILLO: Don't you have a Mayors Committee? Aren't you Chairman of the Mayors Committee?

MR. CASAMASSINA: I was the Chairman of the Mayors Committee. I was the Secretary of the Mayors Committee; I was Executive Director.

SENATOR CONTILLO: Does that committee have its own counsel?

MR. CASAMASSINA: Yes, it does.

SENATOR CONTILLO: What is his opinion of what you just asked us?

MR. CASAMASSINA: We gave him this case some time ago. I don't know what happened to it. A couple of years have gone by. He said there was a misunderstanding; he thought he was going to get paid. We thought the minutes reflected the fact that he was going to do it on a cost basis. Right now--

SENATOR CONTILLO: As the Mayors Committee, do you have a budget?

MR. CASAMASSINA: A very small one, you know that.

SENATOR CONTILLO: I don't know that. Who sets your budget?

MR. CASAMASSINA: Who sets the budget?

SENATOR CONTILLO: Yeah.

MR. CASAMASSINA: Well, let's say we submit a budget-- I used to submit a budget, and get \$100,000 regardless of what I submitted.

SENATOR AMBROSIO: I think it is only fair to point out that the budget for the Hackensack Meadowlands Mayors Committee resulted from hearings that Senator Scardino had.

MR. CASAMASSINA: Yes.

SENATOR AMBROSIO: I think the \$50,000 you got was a result of his work. I might--

MR. CASAMASSINA: Now, wait a minute, that is an absolute inaccurate statement. Okay? In this book, the law stated, when it was created, that the Municipal Committee would get \$50,000 -- okay? -- and they would get \$250,000. The Senators and the legislators somehow were misled that when the law was put into the books some years later, that paragraph disappeared.

SENATOR AMBROSIO: It was amended out in committee, Dominick.

MR. CASAMASSINA: No, that paragraph disappeared. I had the original notes. Not only that, but I backed it up by an old book that the HMDC had distributed. When I went to look for the paragraph in the new laws, that paragraph was missing. It caused all kinds of hell up in Trenton.

SENATOR AMBROSIO: Dominick, just so you know, we looked into that. That was an original draft of the bill that you saw, which was not the final version that was signed into law by the Governor. That portion was deleted, so that the funding for the Mayors Committee was not included in the original bill.

MR. CASAMASSINA: It was included in the original bill.

SENATOR AMBROSIO: I think it is only fair to have Tony Scardino comment on it, because--

MR. CASAMASSINA: Okay, fine, but he wasn't even a Senator then.

MR. SCARDINO: I am not going to talk about the time I was a Senator, because if it was up to you, Dominick, I didn't do anything right. The point is, with all due respect, I just want to deal with facts. I am not going to pull any numbers out of the air. What I want to do, again so that you are not led down the wrong path by some of the statements you have heard here-- I would have loved nothing more, as you know, Senators, than to have seen that bill -- that amendment that was passed -- that 75/25 -- go into effect, but it never did. A lot of laws pass, but then there is always some reason why you cannot enact a particular section.

Here is what happened: In 1981, again, or 1982, the baler, at the time, was brand-new in operation. We were not at full capacity. It was a 1000-ton-a-day facility then, and then it went to 2000. But at that time, at 1000 tons, we were getting, like, 400 ton a day. We were about a million dollars in the red, so I immediately asked staff to petition BPU to go in and see if we could get that difference, and then do what we could to go out and get people to come in, so that we could get the capacity up to 1000, so that we could at least break even.

There was no question about it. BPU made it clear, right at the outset, that as a governmental agency running the solid waste facility, we could, under no circumstances, get any more than what we were allowed to run the operation. In other words, we couldn't get a penny in profit, because we were a State agency.

SENATOR AMBROSIO: Because that would amount to taxation, and you didn't have the power to tax.

MR. SCARDINO: Correct. So, we had to find it. We had to subsidize that million dollars. We did have to get some help from the Legislature, but then we did bring up the capacity to 1000 ton a day. We did get a rate increase from

BPU, so that we could break even. Shortly thereafter, and justifiably so, the State enacted the Closure and Post-Closure Act. Now, anyone who is familiar with the traditional type of landfilling, and particularly out here in Lyndhurst, we all experienced the consistent burning of that garbage six, eight, ten feet deep, burning day in and day out, year in and year out. Finally, we all wised up. We got smart, and we said, "There is a better way to deal with landfills. There is a better way to close them." But, it costs money to do that. Therefore, the Legislature enacted a law which said we had to collect funds for closure and post-closure, which you are familiar with. That is the money that Dominick is referring to, and that money has been set aside for the express purpose of the closing and post-closing of landfills. It is not surplus.

SENATOR AMBROSIO: And that is the \$80 million?

MR. SCARDINO: That is correct.

MR. CASAMASSINA: I still want to ask the question: What was the use of this paragraph? What does this paragraph mean as part of the Act? What does it mean to methane gas, where there is no cost associated with it? What does that mean?

SENATOR AMBROSIO: Dominick, we are going to have to leave that for another night to interpret. The statute intended, as I read it, that in the event-- It starts out, the first three words, "In the event that there is a surplus," there is a formula to provide it. It does not guarantee in that paragraph that such a surplus should exist.

MR. CASAMASSINA: But you shouldn't stop at, "In the event." "In the event" is wrong after the bonds are paid. Bonds and notes, and nothing else--

SENATOR AMBROSIO: Well, that is not the way I read that paragraph, Dominick. Again, the Mayor's Committee is free, as Senator Contillo suggested, to pursue this through their own channels. That is certainly something that this Committee can't get involved in.

MR. CASAMASSINA: Okay, but it has to do with solid waste activities.

SENATOR AMBROSIO: Thank you.

MR. CASAMASSINA: Thank you.

SENATOR AMBROSIO: I know he has been waiting patiently all night to speak, so I am going to call upon our Senator colleague, Senator Graves.

SENATOR GRAVES: I am not your colleague tonight.

SENATOR AMBROSIO: Oh. You weren't on the list, Senator. I'm sorry, we are going to close the hearing. (laughter)

SENATOR GRAVES: I am here as the Mayor of the City of Paterson.

SENATOR AMBROSIO: Okay.

SENATOR GRAVES: Unfortunately for us Mayors, you are not a Mayor, so there is some grace left.

My concern only amplifies some of the testimony I heard here tonight. Our experiences have been a night of horror, with DEP stepping into the City of Paterson and giving out building permits to build transfer stations in our city, which we refused to give. We absolutely refused to issue two building permits to build two transfer stations for specific reasons: Number one is in a flood zone; it has a history of flooding, and number two was in a residential area, and would never be big enough to encompass what they wanted to put in there.

The DEP overstepped us. They issued the building permits, and then issued the COs for occupancy there, and negated home rule completely.

Prior to that, DEP invited us to a meeting at William Paterson College. At William Paterson College they explained to us that there would be four transfer stations in Passaic County: One in West Milford, one in Totowa Borough, and two in Paterson.

Well, that could be acceptable to us, because if we are one of 16 municipalities and we are about 25% generator of the garbage and 75% from without, and if we were going to take care of ourselves, plus a couple of other towns for convenience, fine. The next thing we knew, DEP gave the authority for West Milford not to be built. Then it was down to three -- two in Paterson, one in Totowa Borough. Then, Totowa Borough decided to fight it. It used its muscle, so to speak. But DEP never forced the Totowa Borough transfer station, so the result is that at the present time, the City of Paterson is the host to all of the garbage in the County of Passaic, into areas that are not conducive to this, again negating any possibility of home rule, and the DEP overruling us.

The State of New Jersey created the biggest nightmare -- fiscal nightmare -- in the history of this State, and then heaped it upon its municipalities. In the 1976 legislation sponsored by Senator Feldman, it said that the 21 counties should provide the so-called incinerators, or state of the art -- whatever name -- and there should be one more as far as the Hackensack Meadowlands was concerned. It wasn't necessary. If the State was going to put the State of New Jersey into the garbage business, then it should have done the same thing it did with testing motor vehicles. The State should have built wherever it thought was of necessity -- incinerators in places throughout the State where they would be of necessity, the same as it does for inspection stations for our motor vehicles. But then the State coolly imposed a statute upon the Boards of Freeholders, but imposed no penalty upon the Boards of Freeholders if they did not follow through and do it.

The result is that we, on the municipal level, have to cause confiscatory taxation upon our constituency to pay for what the Boards of Freeholders failed to do.

Now, we talk about rate structure. I heard tonight the Passaic County Board of Freeholders' attorney for this particular category, and the County Administrator. I am not here to criticize the Board of Freeholders. I think the present Board of Freeholders made the best of what could have possibly been the worst scenario happening to us financially. But, it's false. We have already been notified that by November 1 -- not even 12 months into the operation -- that we are going to go up approximately \$10 a ton. We are not going to be \$64.95 a ton. By November 1, we are going to be about \$75 a ton. We are also told that the following November 1, it will probably go up another 10% or 12%.

I am not going to try to take us that far into the future, but we do know one thing: We won't even be 12 months into this. The most insensitive bunch of people you ever ran into in your life are the people from the Hackensack Meadowlands Development Commission. They have no sensitivity to the problems we are going through, even though we called them and begged them to let us stay in business, and even though for once in my life, as a legislator, I absolutely failed in getting legislative relief, because who do I go before, Senator Contillo, who represents the particular area. When I asked for relief, of course, Contillo, with a bunch of southern Senators, was down my throat faster than any tongue could have gotten into it. They left us hanging out there.

Now, the State of New Jersey has an obligation to come into this business and take this business over. It has no right trying to have 21 different authorities -- 21 different counties -- deciding how they are going to do it, and at what cost they are going to do it. It is the State's responsibility. Here we have a Governor who admits he wants to argue the \$1,000,200,000 surplus, who will give them the benefit of a doubt, but there is one thing that he fully admits to: There is a \$345 million so-called "Rainy Day Fund." He

had us in a strangle hold, and he had just about choked us to death, when he gave us a little breathing room of \$50 million for the so-called "Distressed Cities," but it is not nearly enough. We need relief for not only the Patersons, but the Elmwood Parks, because I am a Bergen County Senator, the same as I am a State Senator for Passaic County. I represent Bergen County and Passaic County, the same as you do. You have one town in a particular county I am in, and I have one particular town in the particular county that you are housed in.

We've got to take this situation over. Yours has to be the catalyst, the vehicle, for stepping into this, or it is going to be the biggest financial catastrophe in history. Has Bergen County broken ground for its incinerator? No. Has Passaic County broken ground? I think Essex County had some kind of a ceremony, but I don't know whether it ever went one step past the ceremony, and I don't even think Hudson County has picked a location yet. So, here we are. We have gotten no place. We are in financial fiscal troubles the likes of which we have never seen. The City of Paterson, each week, has to make out a check between \$80,000 and \$100,000 to send to the county for garbage -- in advance. If we have paid too much, then we get a credit, but the credit will not bear out the fact that we are still going to be paying between \$4 million and \$5 million more, or a 10% increase in the budget within that city, passed on to the taxpayers, while the State of New Jersey sits with all that money in the bank, and says, "Go to hell, Lyndhurst. Go to hell, Paterson. And go to hell every other town in our particular four counties. Go to your fiscal knees because why? Because your Boards of Freeholders did not live up to a 1976 statute." It is totally unfair. It is one of the worst, most horrible pictures of a scenario of fiscal corruption -- fiscal corruption -- heaped upon us by the State of New Jersey, than has ever been done before in the history of this State.

I urge you, in your capacity as three Senators with a sensitivity to this, because you are from the counties that are vitally affected -- you representing Passaic and Bergen, and certainly Paul representing all of his constituency in Bergen, and certainly Tom, who has yet to face the nightmare, but it is going to come to him as quickly as it came to us-- We thought it would never happen, but on December 1, in relation to a day called "Pearl Harbor," we got it, and we have almost been sunk by it, because that is the last thing in the world we could afford. How can we afford \$75 a ton to ship our garbage to Pennsylvania, when we have 7352 kids in the City of Paterson on Aid to Dependent Children, and we can't even send them to camp for the summer? But we can afford to send our garbage to the hinterlands of Pennsylvania, Ohio, and Kentucky. This is a problem beyond the normal belief of the average constituent, who won't understand the impact of this until about the fifteenth day of July, when he gets a memo from his bank that their escrow account is going to be built up, retroactive to January, and he owes this much in back taxes because of garbage in the State of New Jersey.

I urge you to take steps beyond rate structure; steps beyond all of these things. If we have to, open up Hackensack until we are able to get on our feet, and let the State take over the garbage, and build maybe 15 incinerators, state of the art, or whatever you call them, to suffice for this State. We don't need 21 and we don't need 22. But we do need some redirection, because if we don't redirect, we are going to have a constituency who are going to have to give up their homes, declare some layer of bankruptcy, go into Chapter 11, or what have you, because they are not going to be able to afford this. And this is only the beginning. We have already been notified that it will be going up again next year. (applause)

SENATOR AMBROSIO: Senator, before you go--

SENATOR CONTILLO: Senator, yes, questions. You're acting like Morton Downey.

SENATOR GRAVES: I've been on the show so many times that-- In fact, the girl they had me sitting next to asked for you, as soon as she found out I was a Senator.

SENATOR AMBROSIO: Senator, since you declined to be our colleague and are here as the Mayor, you are going to have to answer our questions.

SENATOR GRAVES: Of course.

SENATOR CONTILLO: I am unsure as to what direction you're taking, Mayor.

SENATOR GRAVES: Senator, to you.

SENATOR CONTILLO: You're here as a Mayor.

SENATOR GRAVES: I can see that you are going to box me in.

SENATOR CONTILLO: You are objecting fiercely to DEP coming into your city and siting two facilities, and yet you want the State to come in and run the whole program.

SENATOR GRAVES: The entire program, the same as they do with motor vehicles.

SENATOR CONTILLO: Wait a second. But, your objection is that DEP comes in and overrules your local zoning, and that offends you. How much more so would the State offend you if they came in and told you exactly where they were going to site the resource recovery plant? The whole process was-- In the beginning, no one had the courage; absolutely not the Governor, and really not the legislators, to say, "We will take this over." The best that any of you passed at that time--

SENATOR GRAVES: Not me, I wasn't there. Sorry to disagree with you.

SENATOR CONTILLO: No?

SENATOR GRAVES: Sorry to disagree with you, but I was not there.

SENATOR CONTILLO: Okay. The best that was passed was that some segment of local control be embodied in the program. That is why we have the fiasco we have today. Now you have local counties that are on the verge of building -- within the last year or two. No one had garbage. No one had a landfill, and no one had intentions of saying anything. We could always send it to someone else's county. We did a terrible thing to the people who live in the southern parts of this State, and the HMDG District also, because they were the two magnets that took care of everyone's solid waste. That's gone; it's over with now. And everyone is panicking. They are running to the hills. They finally had to act.

Now, we have met with DEP. We met with the Commissioner. He will take the authority. He will take the authority to come into your county and tell you what you have to do, but he says, "I don't want to do it, and I will tell you why. Because we have finally held their hands to the fire, and the counties are now acting. They are acting because the financial crunch on them is incredible. That is the only reason they have acted. They would not act for five more years if it didn't cost so many dollars."

The fight that goes on as a legislator-- You know this fight as well as I do, Frank. The Governor doesn't want to give any money because, he says, "We are not going to help those counties that did not act. We are trying to help people on a per capita basis, so that everyone gets help. Those that acted get help, and those that didn't act and are going to spend a lot more money, are going to get help no more than those that had the foresight and the courage to site things."

SENATOR GRAVES: Number one, the Governor didn't get the surplus because of some practices that he imposed upon the State to save money. That surplus is there because the people of this State are overtaxed by the State. That is why there is a minimum of a \$345 million surplus, because the people are

overtaxed, not because someone said, "Well, let's not buy this today, or let's not buy that tomorrow." That is number one.

Number two, ground has not been broken, to the best of my knowledge, in Passaic County or Bergen County or Hudson County. I saw in the paper where they had a ceremony in Essex County. Whether it was with shovels or went through with an actual contract, I don't know. So, it is not too late. If the State is able to have proven to them that--

SENATOR CONTILLO: You mean a regional approach?

SENATOR GRAVES: A horrible mistake. Then we should go regional.

SENATOR CONTILLO: Will you go for regional rate averaging?

SENATOR GRAVES: I absolutely will. It would have to be. It would be regional. It would be the same thing for the whole State. It will cost me the same for my driver's license whether I live in Camden or whether I live in Paterson, because it would be a statewide program, that would have to be administered and paid for by the State.

SENATOR CONTILLO: Senator, I really think we are going to end up with some kind of regionalization anyhow, because we have right here the three counties, or we have the four counties that are all tied together. While one of us may have a resource recovery plant, maybe the other one is going to end up with a landfill, and maybe a third one is going to end up with a sludge burner. I mean, there are some more goodies down the road that we haven't even gotten into.

So, you're right. There should be regionalization, but the reason, it seems to me, that it couldn't happen, just like a desire, is because so many counties are so far down the road with different segments of their plans. Your own county has a 15-year contract with a landfill in Pennsylvania. Essex County is starting to build. I don't really know where Hudson or Bergen are exactly, but each person is down his own road.

Some counties have no intention of building a resource recovery plant. They are only going to live with a landfill.

SENATOR GRAVES: Do you know what is going to happen, Paul? Some legislator, like one of the four of us, in Pennsylvania, is going to say, "Enough is enough," like they are starting to do in Ohio. They are going to pass a law, and they are going to give us one year to stop garbage in their state.

SENATOR CONTILLO: Here is why that won't happen, Frank: There are seven consent orders from the State of New York requiring us to accept New York State garbage. I think the Federal court is getting involved in it, and they tell us that they can't restrict interstate commerce. So I think that certain agreements will last until they are over. I would assume any new agreements that people want to make are going to run into that situation you described.

SENATOR GRAVES: If we could pass a law to close the Hackensack Meadowlands-- Why can't--

SENATOR AMBROSIO: Now I have to take control of the hearing, now that you two have had your fun. Wait a minute, Senator.

SENATOR GRAVES: We can do this in the dining room.

SENATOR AMBROSIO: No, no. Now that you two have had your fun, I can't help but--

SENATOR GRAVES: I'm hungry. I'm starving.

SENATOR AMBROSIO: I have to make a comment, because you weren't here at the beginning of the hearing.

SENATOR GRAVES: You can tell me at dinner. All I want is a hamburger.

SENATOR AMBROSIO: I agree wholeheartedly with about 90% of what you said, Senator, because I said almost exactly the same thing at the beginning of this hearing.

SENATOR GRAVES: The most liberal Senator in this State agrees with the most conservative Senator in the State?

SENATOR AMBROSIO: However, you know, this is a dual hearing we're having. I started the hearing by saying we were examining the role of the HMDC. We are also looking at the solid waste problem in its totality in the State. In many ways, those are two separate problems. I'm sure there are people in this room who when you called the HMDC insensitive because they shut out Passaic-- There are people here who are going to say, "That is the only good thing they have done this year," and that is the dichotomy, because they have a duty to protect the district and to serve the needs of the district, and yet the solid waste problem is a statewide problem.

I agree with you, and I disagree with Senator Contillo. I agree with you that the 22 districts are outrageous. We ought to get rid of that law tomorrow, and we ought to put that in the hands of a State siting commission, with strict guidelines to locate those facilities as quickly as possible. But I prefaced my remarks by saying, the first problem we have to face is the problem of reducing the waste flow. That is a real commitment to recycling, to recycling in its fullest-- I am going to get you a transcript of this hearing, Senator, because of your statement at the end and my statement at the beginning. They are very close, except for--

SENATOR GRAVES: Do I get my hamburger now?

SENATOR AMBROSIO: Yes, you get your hamburger now.

I want to thank those of you who stayed for these two hearings. In particular, I want to thank the staff of the HMDC for their attendance at this hearing and for their handling of all of these tough questions.

We will let the public know when our next hearing is going to be. I think we have heard enough on solid waste. We certainly know where we have been. Now the question is, we have to decide where we are going.

At this time, I am going to call this hearing adjourned.

(HEARING CONCLUDED)

APPENDIX

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION

**A Rate Averaging System
For Uniform Solid Waste Disposal Rates**

EXECUTIVE SUMMARY

In July of 1981, the Hackensack Meadowlands Development Commission introduced an innovative fiscal device which provided for uniform disposal rates in the Hackensack Meadowlands District. Approved by the Board of Public Utilities and held as constitutional by the courts, the Rate Averaging system provided for a fresh outlook on addressing the need for a system of uniform disposal rates. With three solid waste facilities operating within a distance of 2 miles, the then existing landfills with varying disposal rates made the solid waste flows unpredictable and difficult to administer.

It was soon realized that facilities with lower disposal costs attracted the largest waste flows. Consequently, the more expensive facilities, such as the HMDC baler, which provided for state of art solid waste disposal, started to incur operating loss due to insufficient volumes. A petition was filed by the Commission at this point to average rates among all of its disposal facilities. Besides accomplishing the primary objective of eliminating the incentive to dump at cheaper costs, by providing a uniform disposal rate for all HMDC facilities, the rate averaging system provided for an efficient means of collecting funds for safe environmental closure and post closure of such facilities. The cost of such a system to the businesses and homeowners amounted to less than \$0.35 per ton of disposal cost.

In 1988, the northern part of the State is forced once again to deal with the problems experienced with different disposal rates. Trash haulers are bypassing designated transfer stations or disposal sites, in order to save on such tipping (disposal) fees. The incentive to dump illegally or to ship waste directly out of the State has never been greater. The differential in solid waste disposal cost, for example, between the HMDC baler facility located in North Arlington and the Bergen County Utilities Authority transfer station is nearly \$65.00 per ton. For a truck which carries approximately 10 tons, this could amount to a savings of \$650.

The year so far, has seen the most dramatic fluctuations in solid waste flows, as compared to flows existing when rate averaging was administered over all four counties. For example, Essex County transfer stations have seen the "disappearance" of 40% of their waste flow, once the disposal rates were raised from an average of \$27 per ton to more than \$100 per ton. The Bergen County site experienced a loss of nearly 30% of its solid waste during the first week of its operation with a higher tariff with an average cost of \$90. Conversely, the HMDC baler facility has seen a jump of approximately 40% in its solid waste loadings. Despite the stiff fines and penalties for illegal disposal, the trend continues to grow. For the Commission, the possibility of having the only landfill in North Jersey filled at twice the projected rate, is a frightening prospect. Since the landfill is presently utilized by Hudson County, which pays the lowest average disposal rate of \$27 per ton, this site will fill faster than originally projected.

The Hackensack Meadowlands Development Commission has proposed to the Board of Public Utilities a system of Rate Averaging, to be administered by the Commission.

The following pages outline the Rate Averaging concept as applied to a series of potential scenarios. The Hackensack Meadowlands Development Commission has developed projections of Rate Averaging tariffs for the following proposals:

1. Two county Rate Averaging System which includes Bergen and Hudson.
2. A four county Rate Averaging System as was proposed by Assemblyman McEnroe under A-2086;
3. A two region Rate Averaging System consisting of Region I (Hudson, Bergen, Essex, Passaic) and Region II (Morris, Union, Somerset, Middlesex).
4. An eight county Rate Averaging System proposed under an Assembly Solid Waste Management Committee Substitute for Assemblyman McEnroe's bill A-2086.
5. A six county system of Rate Averaging which anticipates using the exemption rights by Passaic and Middlesex, allowed under Substitute A2086.

The administrative system for the collection of and reporting of a rate averaging system is currently in place at the HMDC. The cost of such a system is expected to be 50 cents per ton added as an administrative cost to the tipping fee. This system will allow for a full interface with each of the participating counties and the BPU.

In conclusion, the implementation of a uniform system of disposal rates will allow counties to positively focus their energies to their most urgent needs: the development of resource recovery systems. Even though such a scheme will require the levying of a surcharge on Hudson County waste through a higher rate averaged rate, such cost is minor compared to the cost which this county will pay for the loss of its disposal space in the Meadowlands. The HMDC requests that all the effected parties immediately consider the merits of such a system and allow for its speedy implementation.

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION

A Proposed Rate Averaging System

Definition of Rate Averaging:

Rate averaging is the weighted averaged rate computed by taking the product of individual tariff at solid waste facilities (i.e., landfills, transfer stations) and their respective solid waste volumes. A pool known as the rate averaging pool is utilized for the payment of individual tariffs to the operators of the solid waste facilities and for the administration of the system.

Due to the tremendous volume base utilized for the computation of such rates, subsequent increases in individual tariffs will only translate into small increases in the overall rate. Costs of solid waste facilities and administrative costs of rate averaging included in the rate averaging formula are clearly defined, which will prevent any unrelated costs to be included in the final rate.

Concept:

- Equalization of rates among facilities (uniform disposal rates)
- Pre-payment of tipping fees.
- Protection of consumer rights.
- Economic solid waste control through rate averaging.
- Increased and consistent enforcement.
- Economy of scale in administrative costs can lower rate averaged rate.
- Long term rate stability.

Advantages:

1. Uniform disposal rate - a system that insures all solid waste collectors using the landfills or transfer stations will be charged the same rate.
2. Solid waste control - the concept of rate averaging is a regional approach to regulate waste flows. Presently, some haulers are choosing the facility that offers them the lowest rate available. It is conceivable for haulers to save as much as \$2,000 per load by illegally shopping around to find the County (facility) with the cheapest rate. Consequently, this is having an adverse effect on the H.M.D.C. baling facility and less expensive transfer stations, which are receiving a disproportionately high volume of waste. Conversely, the expensive transfer stations are receiving less volume which can only lead to increased tipping fees.

Ultimately, as a result of this, the transfer stations are not generating the volume of waste that was anticipated, therefore, not receiving the revenue required to keep each facility in operation. This could lead such facilities into financial difficulties, and subsequently leave the County in a state of crisis.

3. Centralization - allows the BPU and DEP to deal with one agency for the collection of taxes, escrow funds and a valuable information base for solid waste flows.
4. Minimization of future rate shock - weighted averaged method leads to minimization of rate increases by spreading such rates over greater volumes.
5. Device for distribution of host community benefits - money would be given to the County for disbursement to municipalities.
6. Can be implemented immediately.

Mechanics:

The mechanics of the rate averaging system would be the same as in the past. Every vehicle entering the transfer stations or solid waste facilities must have a pre-purchased ticket which is bought at a central location, the HMDC offices. Monies collected will be electronically wired to the Counties on a monthly or bi-monthly basis. Tickets will be collected daily and returned to the HMDC offices and then entered into the computer system to generate daily, monthly, and annual reports. At the end of each month, the Counties will forward the actual tonnage to the Rate Averaging Department to generate invoices, which will be mailed to the haulers and municipalities.

The convenience of dialing into our computer system will be beneficial to the Board's rate analysis department. It will enable them in reviewing tariffs of individual haulers, since all haulers working in the four Counties will be paying a uniform rate. Through data received, the DEP and the Board can assist the Counties in their efforts to control and plan the future of solid waste.

Conclusion:

Futuristic concept which must be applied now, to alleviate problems associated with New Jersey's solid waste industry.

With resource recovery facilities and present transfer stations, the disparity of rates encourages under and over utilization of facilities.

It will allow an agency such as the Board, which has regulatory responsibilities to utilize a public body such as the HMDC, to oversee such a system with little administrative costs.

A rate averaging system which handles 40% of the solid waste generated in this state could well provide to the BPU and DEP a unique enforcement device.

PROPOSAL ONE



<u>Proposal One</u>	Current costs per ton C: Compacted U: Uncompacted	Rate Averaged costs per ton	Differential per ton
Bergen	c 91.69 u 91.69	c 60.93 u 72.05	c 30.76 Reduction u 19.64 over presen cost
Hudson	c 16.37 u 37.75	c 60.93 u 72.05	c (44.56) Surcharge u (34.30) "

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION
 CALCULATION OF WEIGHTED AVERAGED RATE
 FOR SOLID WASTE FACILITIES LOCATED
 WITHIN THE HACKENSACK MEADOWLANDS DISTRICT
 FOR BERGEN AND HUDSON COUNTIES
 (BASED ON ANNUAL AVERAGE LOADINGS FOR 1987)
 =====

	BERGEN	BALER	TOTAL

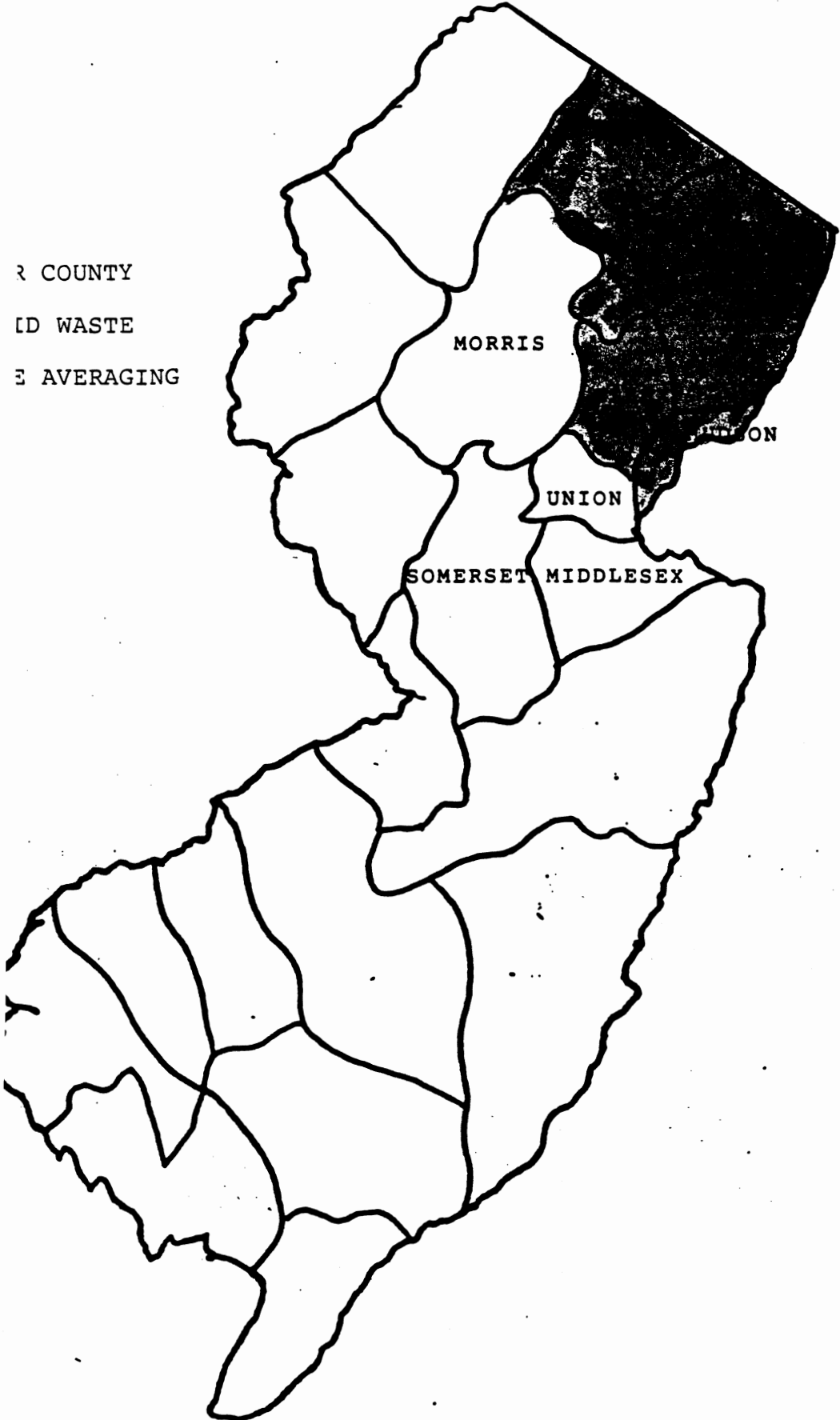
PACTED TONS/YR	732,529	505,724	1,238,253
COMPACTED TONS/YR	589,042	337,149	926,191
AL TONS/YR	1,321,571	842,873	2,164,444
ROVED FACILITY TARIFFS			

OMPACTED	\$91.69	\$16.37	
COMPACTED	\$91.69	\$37.75	
ICIPATED COMP REV/YR	\$67,165,575	\$8,278,702	\$75,444,277
ICIPATED UNCOMP REV/YR	\$54,009,252	\$12,727,375	\$66,736,627
ICIPATED TOTAL REV/YR	\$121,174,827	\$21,006,077	\$142,180,904
E AVERAGED RATES			

OMPACTED	\$60.93	\$60.93	
COMPACTED	\$72.05	\$72.05	

PROPOSAL TWO

R COUNTY
LD WASTE
E AVERAGING



REGION I

<u>Proposal Two</u>	<u>Current Costs</u> <u>per ton</u> C: Compacted U: Uncompacted		<u>Rate Averaged</u> <u>costs per ton</u>	<u>Differential</u> <u>per ton</u>
Bergen	c 91.69	c 72.62	c 19.07 reduction	
	u 91.69	u 72.62	u 19.07 over present cost	
Essex	c 100.15	c 72.62	c 27.53 "	
	u 107.85	u 72.62	u 35.23	
Hudson	c 16.37	c 72.62	c (56.25) Surcharge	
	u 37.75	u 72.62	u (34.87) "	
Passaic	c 62.99	c 72.62	c (9.63) Surcharge	
	u 72.67	u 72.62	u 0.05 Reduction	

REGION I

Proposed HMDC four counties Rate Averaging System and its effect on the calculation of rate averaged tariffs at disposal facilities located in Essex, Bergen, Passaic, and Hudson based on average annual loadings for 1987.

	BERGEN	ESSEX	BALER	PASSAIC	TOTAL
. YD3/YR.	1,994,803	2,414,283	1,709,089	872,726	6,990,901
YD3/YR	1,122,077	1,299,999	1,927,271	581,818	4,931,165
. TONS/YR.	599,040	725,010	513,240	262,080	2,099,370
TONS/YR.	336,960	390,390	578,760	174,720	1,480,830
YD3/YR.	3,116,880	3,714,282	3,636,360	1,454,544	11,922,066
TONS/YR.	936,000	1,115,400	1,092,000	436,800	3,580,200

OVED FACILITY TARIFFS

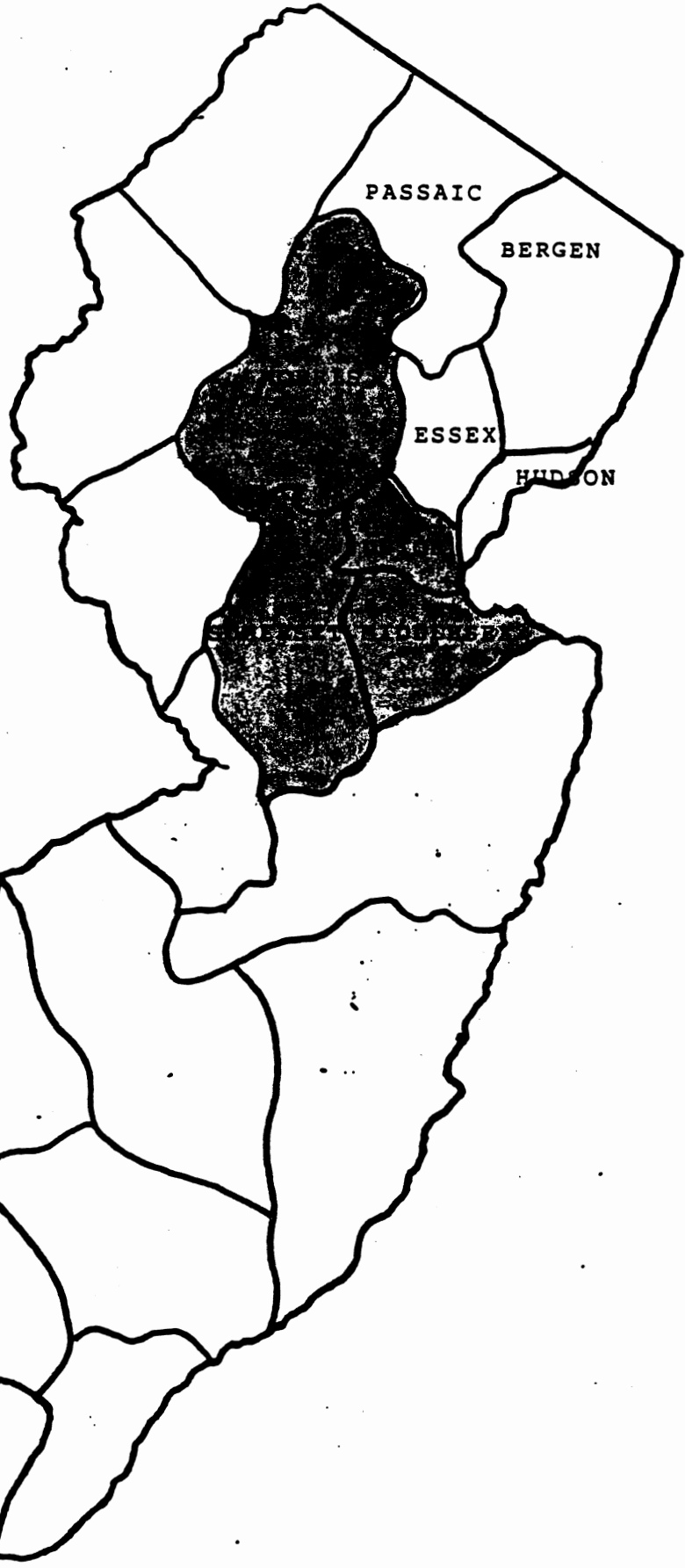
ACTED	\$91.69/ton	\$100.15/ton	\$16.37/ton	\$62.99/ton	
MPACTED	\$91.69/ton	\$107.85/ton	\$37.75/ton	\$72.67/ton	
COMP.	\$54,925,978	72,609,752	8,401,739	16,508,419	152,445,887
/YR.					
UNC.	\$30,895,862	42,103,562	21,848,190	12,696,902	107,544,516
/YR.					
TOT.	\$85,821,840	114,713,313	30,249,929	29,205,321	259,990,403
/YR.					

AGED TARIFF

ACTED	\$72.62/ton	\$72.62/ton	\$72.62/ton	\$72.62/ton	
MPACTED	\$72.62/ton	\$72.62/ton	\$72.62/ton	\$72.62/ton	

PROPOSAL THREE

ON II
D WASTE
AVERAGING



<u>Proposal Three</u>	Current costs per ton C: Compacted U: Uncompacted	Rate Averaged costs per ton	Differential per ton
Morris	c 106.85 u 106.85	c 86.95 u 85.35	c 19.90 Reduction u 21.50 in present cost
Union	c 128.75 u 128.75	c 86.95 u 85.35	c 41.80 " u 43.40 "
Somerset	c 97.00 u 121.00	c 86.95 u 85.35	c 10.05 " u 35.65 "
Middlesex	c 38.21 u 38.21	c 86.95 u 85.35	c (48.74) Surcharge u (47.14) "

REGION II

Proposed HMDC four counties Rate Averaging system
and its effect on the calculation of rate averaged tariffs
at disposal facilities located in Morris, Union, Somerset,
and Middlesex.

	MORRIS	UNION	SOMERSET	MIDDLESEX	TOTAL
YD3/YR.	909,090	997,402	851,947	1,402,596	4,161,035
YD3/YR.	363,636	664,934	207,792	935,064	2,171,426
TONS/YR.	273,000	299,520	255,840	421,200	1,249,560
TONS/YR.	109,200	199,680	62,400	280,800	652,080
YD3/YR.	1,272,726	1,662,336	1,059,739	2,337,660	6,332,461
TONS/YR.	382,200	499,200	318,240	702,000	1,901,640

VED FACILITY TARIFF (\$)

CTED	\$106.85/ton	\$128.75/ton	\$97.00/ton	\$38.21/ton	
PACTED	\$106.85/ton	\$128.75/ton	\$121.00/ton	\$38.21/ton	
COMP.	\$29,170,050	\$38,563,200	\$24,816,480	\$16,094,052	\$108,643,782
YR.					
UNC.	\$11,668,020	\$25,708,800	\$7,550,400	\$10,729,368	\$55,656,588
YR.					
TOT.	\$40,838,070	\$64,272,000	\$32,366,880	\$26,823,420	\$164,300,370
YR.					

GED TARIFF (\$)

CTED	\$86.95/ton	\$86.95/ton	\$86.95/ton	\$86.95/ton	
PACTED	\$85.35/ton	\$85.35/ton	\$85.35/ton	\$85.35/ton	

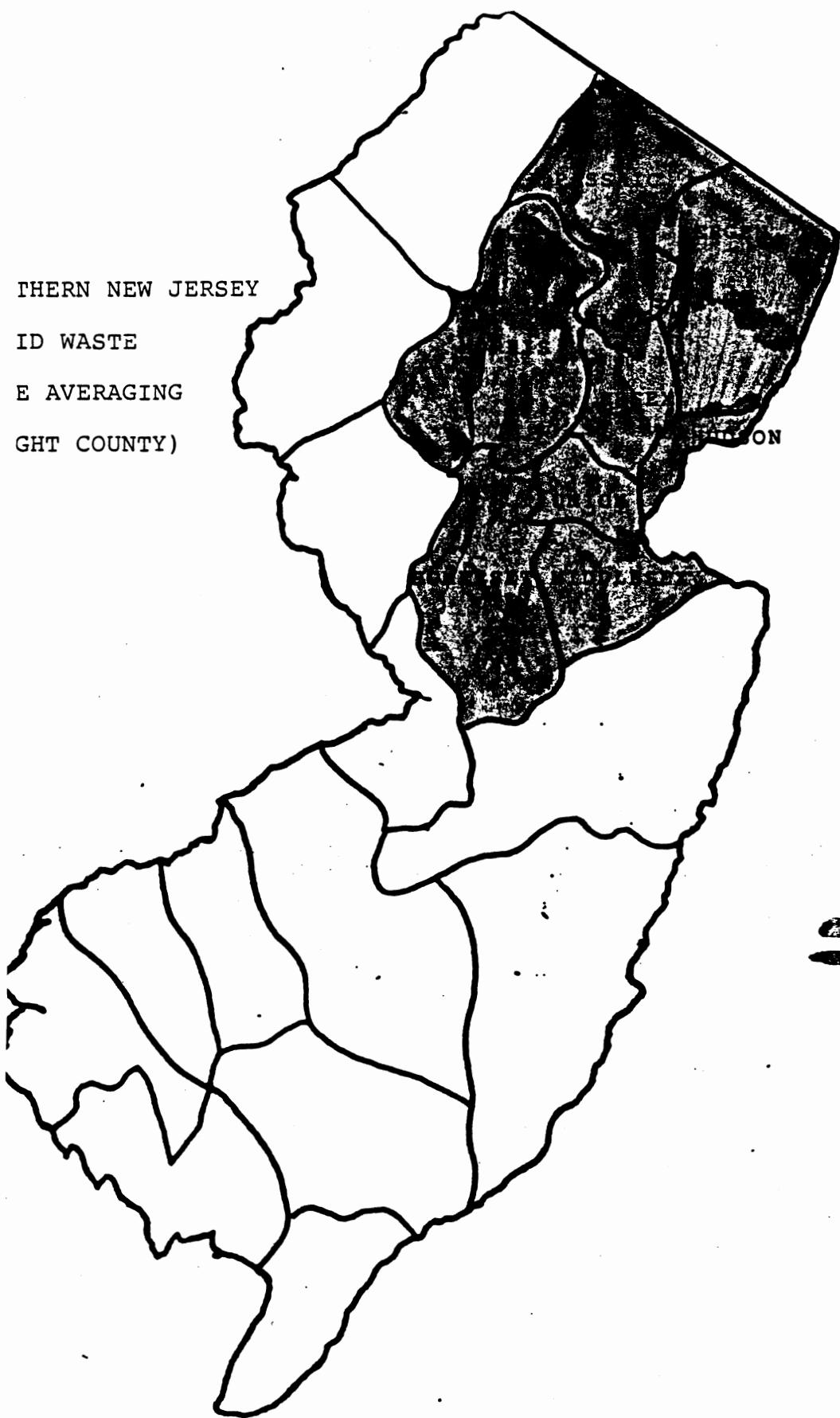
PROPOSAL FOUR

THERN NEW JERSEY

ID WASTE

E AVERAGING

GHT COUNTY)



REGION I
REGION II

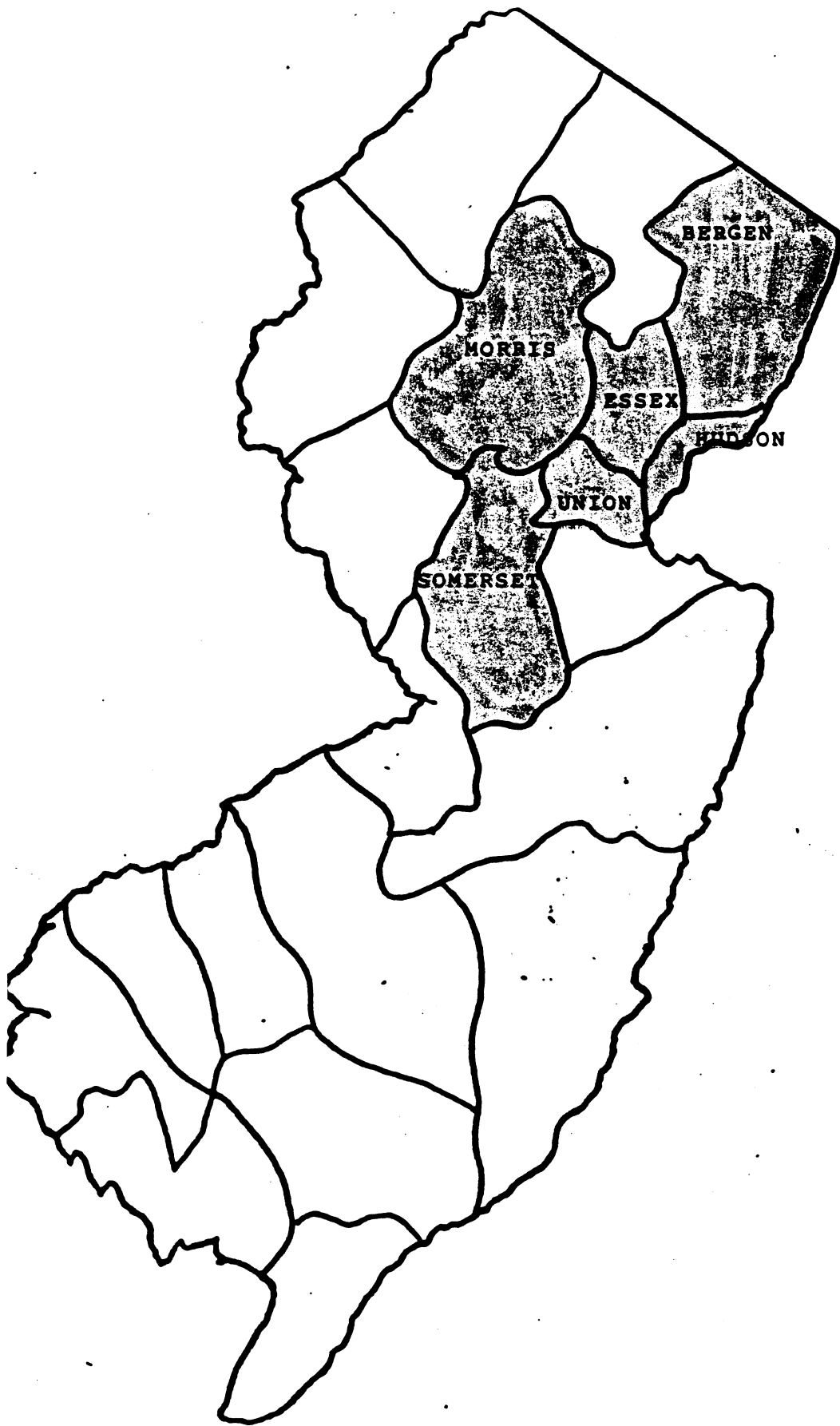
<u>Proposal Four</u>	Current costs per ton C: Compacted U: Uncompacted	Rate Averaged costs per ton	Differential per ton
Bergen	c 91.69 u 91.69	c 77.96 u 76.52	c 13.73 Reduction u 15.17 "
Essex	c 100.15 u 107.85	c 77.96 u 76.52	c 22.19 " u 31.33 "
Hudson	c 16.37 u 37.75	c 77.96 u 76.52	c (61.59) Surcharge u (38.77) "
Passaic	c 62.99 u 72.67	c 77.96 u 76.52	c (14.97) Surcharge u (3.85) "
Morris	c 106.85 u 106.85	c 77.96 u 76.52	c 28.89 Reduction u 30.33 "
Union	c 128.75 u 128.75	c 77.96 u 76.52	c 50.79 Reduction u 52.23 "
Somerset	c 97.00 u 121.00	c 77.96 u 76.52	c 19.04 Reduction u 44.48 "
Middlesex	c 38.21 u 38.21	c 77.96 u 76.52	c (39.75) Surcharge u (38.31) "

Proposed HMDC eight counties rate averaging system
and its effect on the calculation of rate averaged tariffs
at disposal facilities located in Essex, Bergen, Passaic, and
Hudson and in the counties of Morris, Union, Somerset, Middlesex.

	BERGEN	ESSEX	BALER	PASSAIC	MORRIS	UNION	SOMERSET	MIDDLESEX	TOTAL
OMP. YD3/YR.	1,994,803	2,414,283	1,709,089	872,726	909,090	997,402	851,947	1,402,596	11,151,936
NC. YD3/YR.	1,122,077	1,299,999	1,927,271	581,818	363,636	664,934	207,792	935,064	7,102,591
OMP. TONS/YR.	599,040	725,010	513,240	262,080	273,000	299,520	255,840	421,200	3,348,930
NC. TONS/YR.	336,960	390,390	578,760	174,720	109,200	199,680	62,400	280,800	2,132,910
OT. YD3/YR.	3,116,880	3,714,282	3,636,360	1,454,544	1,272,726	1,662,336	1,059,739	2,337,660	18,254,527
OT. TONS/YR.	936,000	1,115,400	1,092,000	436,800	382,200	499,200	318,240	702,000	5,481,840

APPROVED FACILITY TARIFF(\$)[illegible]

PROPOSAL FIVE



<u>Proposal Five</u>	<u>Current costs per ton</u> <u>C: Compacted</u> <u>U: Uncompacted</u>		<u>Rate Averaged costs per ton</u>	<u>Differential per ton</u>
Bergen	c 91.69	c 85.72	c 5.97 Reduction	
	u 91.69	u 83.33	u 8.36 over present cost	
Essex	c 100.15	c 85.72	c 14.43 "	
	u 107.85	u 83.33	u 24.52 "	
Somerset	c 97.00	c 85.72	c 11.28 "	
	u 121.00	u 83.33	u 37.67 "	
Hudson	c 16.37	c 85.72	c (69.35) Surcharge	
	u 37.75	u 83.33	u (45.58) "	
Morris	c 106.85	c 85.72	c 21.13 Reduction	
	u 106.85	u 83.33	u 23.52 over present cost	
Union	c 128.75	c 85.72	c 43.03 "	
	u 128.75	u 83.33	u 45.42 "	

AND ITS EFFECT ON THE CALCULATION OF RATE AVERAGED TARIFFS

AT DISPOSAL FACILITIES LOCATED IN ESSEX, BERGEN, AND HUDSON

AND IN THE COUNTIES OF MORRIS, UNION, SOMERSET

	BERGEN CTY.	ESSEX	HUDSON	MORRIS	UNION	SOMERSET	TOTAL
COMP. YD3/YR.	1,994,803	2,414,283	1,709,089	909,090	997,402	851,947	8,876,614
UNCOMP. YD3/YR.	1,122,077	1,299,999	1,927,271	363,636	664,934	207,792	5,585,709
COMP. TONS/YR.	599,040	725,010	513,240	273,000	299,520	255,840	2,665,650
UNCOMP. TONS/YR.	336,960	390,390	578,760	109,200	199,680	62,400	1,677,390
TOTAL YD3/YR.	3,116,880	3,714,282	3,636,360	1,272,726	1,662,336	1,059,739	14,462,323
TOTAL TONS/YR.	936,000	1,115,400	1,092,000	382,200	499,200	318,240	4,343,040

APPROVED FACILITY TARIFF(\$)

COMPACTED	\$91.69	\$100.15	\$16.37	\$106.85	\$128.75	\$97.00
	\TON	\TON	\TON	\TON	\TON	\TON
UNCOMPACTED	\$91.69	\$107.85	\$37.75	\$106.85	\$128.75	\$121.00
	\TON	\TON	\TON	\TON	\TON	\TON

ANTICIPATED COMP.

REV. /YR.	54,925,978	72,609,752	8,401,739	29,170,050	38,563,200	24,816,480	228,487,198
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ANTICIPATED UNCOMP.

REV. /YR.	30,895,862	42,103,562	21,848,190	11,668,020	25,708,800	7,550,400	139,774,834
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ANTICIPATED TOTAL

REV. /YR.	85,821,840	114,713,313	30,249,929	40,838,070	64,272,000	32,366,880	368,262,032
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AVERAGED TARIFF (\$)

COMPACTED	\$85.72	\$85.72	\$85.72	\$85.72	\$85.72	\$85.72
	\TON	\TON	\TON	\TON	\TON	\TON
UNCOMPACTED	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33
	\TON	\TON	\TON	\TON	\TON	\TON

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RECYCLING CENTER APPROVAL CRITERIA

As per N.J.S.A. 13:1E-99.34 "no recycling center shall receive, store, process or transfer any waste material other than source separated nonputrescible or source separated commingled nonputrescible metal, glass, paper, or plastic containers, and corrugated and other cardboard without the prior approval of the department." The New Jersey Department of Environmental Protection (NJDEP), Office of Recycling has identified tires, wood waste and certain construction demolition debris as materials which may be accepted at a NJDEP approved recycling facility. A recycling facility accepting source separated nonputrescible tires, wood waste, or construction demolition debris must have the prior approval of the NJDEP.

The procedure being utilized by the New Jersey Department of Environmental Protection (NJDEP) in the review of recycling facilities accepting tires, wood waste, and construction demolition debris are as follows:

A. Any proposals for recycling center status shall be submitted, in triplicate, to:

The New Jersey Department of Environmental Protection
Office of Recycling
401 East State St,
CN 414
Trenton, NJ 08625

B. The guidelines/criteria to be used in reviewing recycling center proposals will be based on the list of qualifying factors listed below.

Qualifying Factors and Information Submittal Requirements for Recycling Centers:

- 1) The corporate name, address and telephone number of the person seeking to own or operate the proposed facility;
- 2) A listing of all parties, by name, owning 10% or more of corporation stock;
- 3) A listing of the recyclable materials to be received, stored, processed or transferred at the facility;
- 4) The amount of each material, expressed in tons per day, which is to be received, stored, processed or transferred at the facility;
- 5) A listing of all proposed end uses for the recycled materials, including the name, address and telephone number of all markets for the materials received, stored, processed or transferred;
- 6) A description of all equipment to be utilized for the receipt, storage, processing or transfer of each material, including the name of equipment manufacturer, model number and operating capacity;
- 7) Three copies of a site plan which identifies (plots) the placement of all equipment, buildings, activities and areas related to the receipt,

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storage, processing and transfer of all materials. Such site plan shall also indicate the routing of vehicles between the facility and all nearby roadways serving the site, delineate the Flood Plain as defined by the Bureau of Flood Plain Management (where applicable) and identify the direction of water runoff both on and off site. Such site plan shall be drawn to a scale of 1"=100';

- 8) A key map showing the boundary of the facility plotted on a 7 1/2 minute USGS Quadrangle Map delineating public access roads to the site, any streams or pond and sensitive receptors (e.g. hospitals, schools, playgrounds, homes, etc.) within a one-half mile radius of the site;
- 9) A copy of the land owner's deed of record or an indication of the land owners knowledge and willingness to allow the operation to take place, if the applicant is other than the land owner, and a copy of the lease agreement;
- 10) A tax map showing the Lot and Block of the site and adjoining properties indicating the current land-use and zoning;
- 11) An indication of the design capacity as to number and types of vehicles bringing material to the facility for receipt, storage or processing, and the number and types of vehicles transferring processed materials and residue from the site, on a daily basis;
- 12) A description of the provisions to handle unusual peak loadings, exceeding planned daily capacity;
- 13) An indication of the methods of controlling odor to prevent its detection off-site and the ability to meet the New Jersey Air Pollution Control Act, NJAC 7:27;
- 14) An indication of the methods of noise control and the ability to meet the New Jersey State Noise Control Regulations, NJAC 7:29;
- 15) An indication of methods of controlling litter;
- 16) An indication of the fire-fighting procedures to be employed at the site. Provide capacity of on-site water supply;
- 17) An indication of the site access controls to be employed at the facility;
- 18) An indication of the methods to control soil erosion and the ability to meet the New Jersey Soil Erosion and Sediment Control Act, NJSA 4:24-43, by providing evidence that a soil erosion and sediment control plan has been submitted to and/or approved by the appropriate local Soil Conservation District;
- 19) Proof of compliance with the New Jersey Uniform Construction Code;
- 20) Evidence of inclusion of the facility in the applicable district solid waste management plan, if received, or a description of the steps which the owner has taken to have the facility included in the district plan;

21) A description of the source or point of generation of all materials to be received, stored, processed or transferred at the facility;

22) A list of all products, end products, by-products and residue resulting from the proposed activities, expressed in tons per day;

Facilities accepting materials other than the materials identified above will not be classified as recycling facilities. However, the department will review proposals for other materials on a case by case basis.

RATE AVERAGING

Rate Averaging is a method which equalizes costs of having a service performed for different municipalities. Simply, it adds variable costs and divides the total cost by a given factor, (weight in this case). The result is the per unit cost or the rate averaged cost.

Rate averaging presumes that every entity will pay the same cost for each unit serviced. If this is true, then we could consider the methodology and formula fair and equitable. If this is not true, then certain adjustments are required to truly equalize costs .

The State Legislators had already recognized that adjustments in payments to host municipalities should be made. Now payments of one dollar per ton is added to the rate averaged cost and given to municipalities who host the landfills. This generally describes the norm throughout the State. However, the Meadowlands Constituent Municipalities are faced with costs not generally assessed to municipalities outside of the Meadowlands District.

In the first instance, no taxes are paid to the host municipality for the lands upon which the garbage is dumped. However, the number of acres which make up that landfill are credited to the host municipality who subsequently receives a monetary credit through the Tax Sharing Pool. The Pool is made up of funds from all of the Municipalities in the district. Effectly, the Meadowlands Communities are paying for the lands on which the landfills are located, while communities outside of the district do not.

In summary: The Meadowlands Communities

- 1) Pay for the acreage credit upon which the landfills are located.
- 2) Pay the tipping fees of one dollar per ton to dump on lands within the district.
- 3) Do not share taxes on which potential developments could be built.
- 4) Suffer the inconvenience of truck traffic, dirty streets, odors, fires, road destruction, animal scavengers and obstruction to vision from the height of the landfills.

It is safe to say that rate averaging as imposed today does not take into account the hidden costs which are being paid by the Meadowlands Communities because of the above.

Section 13:17-10.1 of the Hackensack Meadowlands Reclamation and Development Act was an attempt by the Legislators to compensate the Hackensack Meadowlands Municipalities for the uniqueness of the Meadowlands garbage problems as stated above. However, the continued refusal of the Development Commission to share the revenues they have collected from disposal fees has amplified the problems to the injury of the communities. They now have 78 millions of dollars in their hands and refuse to share those funds as specified by law. Worst of all they are hiding behind a statement supposedly mandated by the BPU to put these funds in a separate account to close the landfills.

I hope this last paragraph will be a separate subject for discussion. If so, I will be glad to contribute to that discussion which should include revenues from Methane Gas which should total about 100 million dollars before the harvesting of the gas is concluded.

Dominick Casamassina
32A Edstan Drive
Moonachie, N.J. 07074
641-5788

COMMENTS OF MAYOR LEONARD R. KAISER
MAY 31, 1988

THE PRIMARY DISCUSSION TOPIC THIS EVENING CENTERS ON SOLID WASTE DISPOSAL AND HOW THE HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION HAS CARRIED OUT ITS OBLIGATIONS AND RESPONSIBILITIES IN THIS REGARD. FRANKLY, IN REVIEWING THE CURRENT STATE OF SOLID WASTE DISPOSAL IN THE MEADOWLANDS AND TRYING TO REDUCE THOSE THOUGHTS TO WRITING, I REALIZED THE SIMPLEST AND YET MOST DESCRIPTIVE PHRASE CONCERNING THE H.M.D.C. AND SOLID WASTE IS TO SAY THE ENTIRE SITUATION HAS BEEN AND CONTINUES TO BE MISMANAGED. TWO ILLUSTRATIONS BRING THIS TO LIGHT MOST VIVIDLY. THE FIRST CONCERNS THE SITING OF THE PROPOSED BERGEN COUNTY UTILITIES AUTHORITY RESOURCE RECOVERY FACILITY. IN THIS REGARD THE H.M.D.C. HAS SEEN FIT TO SITE THE FACILITY IN RIDGEFIELD, A COMMUNITY THAT HAS OPPOSED IT IN EVERY FORUM POSSIBLE, INCLUDING THE INITIATION OF LITIGATION, TO PREVENT CONSTRUCTION. THIS DECISION WAS MADE IN THE FACE OF A COMMUNITY, IN THIS CASE LYNDHURST, THAT OPENLY ENDORSED AND REQUESTED THE RESOURCE RECOVERY FACILITY. EVERYONE WHO IS KNOWLEDGEABLE OF THE PROBLEMS ASSOCIATED WITH THE DISPOSAL OF SOLID WASTE, BE IT LANDFILLING, RESOURCE RECOVERY, HAZARDOUS WASTE HANDLING, RESIDUAL ASH PROCESSING OR ANY OTHER FACET UNQUESTIONABLY LISTS THE SITING OF SUCH FACILITIES AS THE PRIMARY OBSTACLE TO THE IMPLEMENTATION OF SOUND PLANNING DIRECTIVES. ONE NEED NOT BE AN EXPERT TO APPRECIATE THE FORMIDABLE OBSTACLE ENCOUNTERED WHEN THE "NOT IN MY BACKYARD" SYNDROME IS CONFRONTED. THE KEARNY RADON SOIL FIASCO IS A PRIME EXAMPLE OF HOW POWERFUL THE "NIMBY" SENTIMENT CAN RUN AND HOW IT CAN EFFECT POLICY DECISIONS. HAVING BEEN FORTUNATE ENOUGH TO HAVE THIS BURDEN ELIMINATED BY OF THE TOWNSHIP OF LYNDHURST REQUESTING THE RESOURCE RECOVERY FACILITY, THE H.M.D.C. PROCEEDED TO DEFY LOGIC AND SITE THE FACILITY IN RIDGEFIELD.

THE SECOND EXAMPLE IS PERHAPS EVEN MORE LUDICROUS, AND THAT IS THE SPECTER OF HUDSON COUNTY UTILIZING A DISPOSAL FACILITY IN BERGEN COUNTY WHILE BERGEN COUNTY SOLID WASTE IS BEING TRANSPORTED OUT OF STATE. THIS SCENARIO IS INCOMPREHENSIBLE, UNREASONABLE AND UNJUST. HOW IN GOOD CONSCIENCE COULD SUCH A DECISION BE MADE TO FORCE BERGEN COUNTY WITH LANDFILL SPACE AVAILABLE WITHIN BERGEN COUNTY, IN THIS CASE NORTH ARLINGTON, TO DISPOSE OF IT'S WASTE NOT OUT OF THE DISTRICT, OUT OF THE COUNTY, BUT ACTUALLY OUT OF THE STATE, AND YET PERMIT ANOTHER COUNTY (I.E. HUDSON) TO DISPOSE OF IT'S WASTE IN BERGEN COUNTY? WHAT MASTER STROKE OF PLANNING CREATED THIS SITUATION? THE OBVIOUS ANSWER IS NO STROKE OF PLANNING, IN FACT THERE WAS NO PLANNING IN THIS DECISION AT ALL. RATHER IT WAS A THOUGHTLESS BUT EXPEDIENT SOLUTION TO PRESSURES THAT WERE BEING BROUGHT TO BEAR BY THE COUNTIES OF ESSEX AND PASSAIC, BECAUSE THEY NO LONGER WERE PERMITTED TO LANDFILL WITHIN THE DISTRICT. HOWEVER, THERE IS ONE SIGNIFICANT DIFFERENCE BETWEEN THE COUNTIES OF ESSEX, PASSAIC AND BERGEN. THE COUNTIES OF ESSEX AND PASSAIC

HAVE NO LAND WHATSOEVER WITHIN THE DISTRICT. MY LAST GLANCE AT A ZONING MAP OF THE H.M.D.C. INDICATED MORE THAN HALF THE DISTRICT IS IN BERGEN COUNTY. NOW IN AN EFFORT TO JUSTIFY THIS DECISION AND AGAIN WITHOUT FORETHOUGHT, THE H.M.D.C. HAS PROPOSED THE PANACEA OF RATE AVERAGING AND HOLDS IT OUT TO BERGEN COUNTY MUNICIPALITIES AS THE CURE FOR THE COST OF OUT OF STATE DISPOSAL. IN FACT THE DOCTOR HAS CREATED THE DISEASE AND IF ANYONE IS LANDFILLING WITHIN THE BOROUGH NORTH ARLINGTON, IT SHOULD BE BERGEN COUNTY AND THE NEED FOR RATE AVERAGING WOULD NOT EXIST.

I DO WANT TO SAY I AM NOT OPPOSED TO RATE AVERAGING IN CONCEPT. HOWEVER, THE PRACTICAL IMPLEMENTATION MAY WELL PROVE TO BE INSURMOUNTABLE AND IN FUTURE YEARS MAY NOT ACCOMPLISH WHAT IS INTENDED.

SOLID WASTE DISPOSAL IN THE MEADOWLANDS IS A MIRROR IMAGE OF PROBLEMS ENCOUNTERED THROUGHOUT THE STATE AND IS BEST SUMMED UP AS MANAGEMENT BY CRISIS.

OVER A DECADE AGO THE H.M.D.C. INTRODUCED A CONCEPT OF CONSOLIDATING THE REGION'S LANDFILLS AND TRANSFORMING THE DISPOSAL OF SOLID WASTE FROM A HORIZONTAL LAND CONSUMING OPERATION, TO A VERTICAL METHOD. YES, FEWER LANDFILLS EXISTED BUT THE ONES THAT DID, GREW TO ENORMOUS PROPORTIONS. NORTH ARLINGTON WAS CHOSEN AS A SITE FOR CONTINUED LANDFILLING AND AS SUCH, OUR VIEW IS SOMEWHAT PAROCHIAL, BUT IS IS NOT NECESSARILY WITH THE DESIGNATION OF NORTH ARLINGTON AS A LANDFILL SITE THAT I AM VOICING MY DISPLEASURE. HERE THERE IS NO QUESTION, GARBAGE WAS DUMPED WITHIN THE BORDERS OF NORTH ARLINGTON LONG BEFORE THE H.M.D.C. CAME INTO EXISTENCE. BUT THE H.M.D.C. IS RESPONSIBLE FOR THE TRANSFORMATION OF SMALL, MANAGEABLE LANDFILLS INTO THE GARGANTUAN ATROCITIES THAT NOW EXIST. BUT IT WAS BEING DONE, WE WERE TOLD OVER A DECADE AGO, WITH A PLAN IN MIND. AND ULTIMATELY THE LANDFILLING THAT TOOK PLACE WOULD BE IF NOT TO OUR BENEFIT, THEN AT LEAST MUCH LESS DETRIMENTAL AND PALATABLE THAN THE MOUNTAINS OF GARBAGE ONE COULD NORMALLY EXPECT FROM SUCH OPERATIONS.

DE KORTE STATE PARK WAS TO BURST FORTH WITH THE CESSATION OF LANDFILLING. TERRACED PLAYING FIELDS AND AN AMPHITHEATER APPROPRIATELY LANDSCAPED WERE TO BE THE FINAL PRODUCT OF ONE LANDFILL. A FRESH WATER LAGOON WITH MULTIPLE RECREATIONAL OPPORTUNITIES WAS TO BE A JEWEL OF THE PARK ALONG THE NORTH ARLINGTON/LYNTHURST BORDER. IN FACT, DE KORTE STATE PARK ITSELF WAS TO BE A TRIBUTE TO THE SOUND LANNING POLICIES THAT WERE BEING IMPLEMENTED, MERGING ENVIRONMENTAL CONCERNS, DEVELOPMENT INITIATIVES AND THE PRACTICAL ISSUES INHERENT IN THE DISPOSAL OF GARBAGE IN AN URBAN ENVIRONMENT. THUS, HOLDING FORTH A LANDSCAPED PARADISE AS THE ULTIMATE GOAL. THE BALER WAS CONSTRUCTED AND THE MOUNTAINS GREW. WHERE IS DE KORTE STATE PARK? CERTAINLY NOT IN THE COMMUNITIES OF NORTH ARLINGTON, KEARNY AND LYNTHURST. NO LONGER ARE TERRACED PLAYING FIELDS PROMISED AS A BY-PRODUCT OF LANDFILLING. NO LINGER CAN A

FRESH WATER LAGOON BE CONTEMPLATED, FOR IT HAS BEEN LANDFILLED TO A DEPTH OF OVER 100 FEET AND IT IS NOT TO STOP.

A SITE IN NORTH ARLINGTON, IN THE MEADOWLANDS, AND IN DE KORTE STATE PARK HAS BEEN DESIGNATED AS THE ASH RESIDUAL LANDFILL FOR THE PRODUCT OF THE FORE-MENTIONED RESOURCE RECOVERY FACILITY NOW SITED IN RIDGEFIELD. DE KORTE STATE PARK IF IT EVER WAS TO EXIST, HAS LONG SINCE BEEN SACRIFICED TO THE EXPEDIENCE OF MANAGEMENT BY CRISIS.

THE ENVIRONMENT HAS NOT BEEN PROTECTED, PLANNING CONCEPTS HAVE NOT BEEN IMPLEMENTED, REAL SOLUTIONS HAVE NOT BEEN FOUND. IT IS IN THIS REGARD THE H.M.D.C. HAS FAILED MISERABLY IN IT'S OBLIGATION REGARDING THE DISPOSAL OF SOLID WASTE IN THE MEADOWLANDS AND AS I STARTED OUT BY SAYING, NOTHING IS MORE TYPICAL OF THESE INADEQUACIES THAN THE PROCESS UTILIZED IN THE SITING OF THE RESOURCE RECOVERY FACILITY IN RIDGEFIELD AND THE DECISION TO FORCE BERGEN COUNTY TO DISPOSE OF IT'S WASTE OUT OF THE STATE OF NEW JERSEY.

