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PUBLIC HEARING

before

ASSEMBLY SOLID WASTE MANAGEMENT COMMITTEE

ASSEMBLY BILL NO. 3107 (2R)

(Authorizes \$135 million in general obligation bonds for
construction of resource recovery facilities and
environmentally sound sanitary landfill facilities)

November 28, 1988
Room 373
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert C. Shinn, Jr., Chairman
Assemblyman Harry A. McEnroe
Assemblyman Alan J. Karcher

ALSO PRESENT:

Algis P. Matioska
Office of Legislative Services
Aide, Assembly Solid Waste Management Committee

* * * * *

Hearing Recorded and Transcribed by
Office of Legislative Services
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Hearing Unit
State House Annex
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Trenton, New Jersey 08625

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New Jersey State Legislature

**ASSEMBLY SOLID WASTE
MANAGEMENT COMMITTEE**

STATE HOUSE ANNEX, CN 068
TRENTON, NEW JERSEY 08625
(609) 292-7676

ROBERT C. SHINN, JR.
Chairman
ARTHUR R. ALBOHN
Vice-Chairman
NICHOLAS R. FELICE
ALAN J. KARCHER
HARRY A. McENROE

November 28, 1988

Notice of a Public Hearing

The Assembly Solid Waste Management Committee will conduct a public hearing on Assembly Bill No. 3107 (2R), the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1988" on Monday, November 28, 1988 beginning at 9:30 A.M. in Room 373, State House Annex, Third Floor, Trenton, New Jersey.

Assembly Bill No. 3107 (2R) would authorize, after voter approval, the issuance of \$135,000,000 in State general obligation bonds to be used for the purpose of making low interest and zero-interest State loans to local governments for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Anyone wishing to testify at the public hearing may contact Algis P. Matioska, Committee Aide, at (609) 292-7676.

[SECOND REPRINT]
ASSEMBLY, No. 3107
STATE OF NEW JERSEY

INTRODUCED MAY 9, 1988

By Assemblymen HAYTAIAN, PENN and Littell

1 AN ACT authorizing the creation of a debt of the State of New
Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of \$135,000,000.00 for the purpose of
providing funds for low-interest and zero-interest loans to
5 local government units for the construction of resource
recovery facilities and environmentally sound sanitary landfill
7 facilities; authorizing the issuance of refunding bonds;
providing the ways and means to pay and discharge the
9 principal of and interest on the bonds and refunding bonds;
providing for the submission of this act to the people at a
11 general election; and making an appropriation therefor.

13 BE IT ENACTED by the Senate and General Assembly of the
State of New Jersey:

15 1. This act shall be known and may be cited as the "Resource
Recovery and Solid Waste Disposal Facility Bond Act of 1988."

17 2. The Legislature finds that an environmentally sound
strategy for the disposal of solid waste is necessary for the
19 protection of the public health and safety and the preservation of
the State's natural resources; that the State should end its
21 reliance on out-of-state disposal sites and actively encourage the
development of instate ¹environmentally sound sanitary landfill
23 facilities equipped with state-of-the-art pollution control
systems and¹ resource recovery facilities designed to
25 simultaneously dispose of, and recover the energy contained in
solid waste; that ¹pending the construction and operation of
27 resource recovery facilities, it is necessary to construct
environmentally sound sanitary landfill facilities to provide
29 needed interim disposal capacity in the event of default or
termination of out-of-state disposal contracts; and that to
31 provide long-term disposal capacity¹ for areas of the State where

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ASW committee amendments adopted May 9, 1988.

² Assembly AAP committee amendments adopted June 20, 1988.

1 the construction of resource recovery facilities is not a feasible
2 economic option, ¹and for those solid wastes which cannot be
3 processed by a resource recovery facility, or the waste products
4 resulting from the operation of a resource recovery facility.¹ the
5 State should encourage the construction of environmentally sound
6 sanitary landfill facilities equipped with state-of-the-art
7 pollution control systems.

8 The Legislature further finds that the construction of a
9 resource recovery facility or a state-of-the-art sanitary landfill
10 facility is characterized by enormous initial capital expenditures
11 beyond the financial capabilities of affected local governments;
12 that, nevertheless, the initially lower disposal costs or tipping
13 fees to be charged at an instate resource recovery facility or an
14 environmentally sound sanitary landfill facility will provide some
15 much needed rate relief to ratepayers now accustomed to the
16 relatively high rates associated with the transportation of solid
17 waste to costly and distant out-of-state destinations for disposal;
18 that while the responsibility to provide for the rational and
19 environmentally sound disposal of solid waste rests with solid
20 waste management districts, the State has the responsibility to
21 provide financial assistance to solid waste management districts
22 in order to facilitate the transition to environmentally sound solid
23 waste disposal methods; and that it is therefore in the public
24 interest for the State to issue general obligation bonds and
25 establish a Resource Recovery and Solid Waste Disposal Facility
26 Fund for the purpose of providing financial assistance to local
27 government units for the construction of resource recovery
28 facilities and environmentally sound sanitary landfill facilities.

29 3. As used in this act:

30 "Bonds" mean the bonds authorized to be issued, or issued,
31 under this act;

32 "Commission" means the New Jersey Commission on Capital
33 Budgeting and Planning;

34 "Commissioner" means the Commissioner of Environmental
35 Protection;

36 "Construct" and "construction" mean, in addition to the usual
37 meanings thereof, the designing, engineering, financing,
38 extension, repair, remodeling, or rehabilitation, or any
39 combination thereof, of a resource recovery facility or an

1 environmentally sound sanitary landfill facility or any component
part thereof;

3 "Cost" means the expenses incurred in connection with: the
acquisition by purchase, lease, or otherwise, the development,
5 and the construction of any project authorized by this act; the
acquisition by purchase, lease, or otherwise, and the development
7 of any real or personal property for use in connection with any
project authorized by this act, including any rights or interests
9 therein; the execution of any agreements and franchises deemed
by the department to be necessary or useful and convenient in
11 connection with any project authorized by this act; the
procurement of engineering, inspection, planning, legal, financial,
13 or other professional services, including the services of a bond
registrar or an authenticating agent; the issuance of bonds, or any
15 interest or discount thereon; the administrative, organizational,
operating, or other expenses incident to the financing,
17 completing, and placing into service of any project authorized by
this act; the establishment of a reserve fund or funds for working
19 capital, operating, maintenance, or replacement expenses and for
the payment or security of principal or interest on bonds, as the
21 Director of the Division of Budget and Accounting in the
Department of the Treasury may determine; and reimbursement
23 to any fund of the State of moneys which may have been
transferred or advanced therefrom to any fund created by this
25 act, or of any moneys which may have been expended therefrom
for, or in connection with, any project authorized by this act;

27 "Department" means the Department of Environmental
Protection;

29 "Environmentally sound sanitary landfill facility" means a
sanitary landfill facility which is equipped with a liner or liners, a
31 leachate control and collection system, and a groundwater
pollution monitoring system, or any other pollution control or
33 other engineering device required by the department pursuant to
law or rule and regulation, and which is identified and included in
35 an adopted and approved district solid waste management plan
required pursuant to the provisions of the "Solid Waste
37 Management Act," P.L. 1970, c. 39 (C.13:1E-1 et seq.);

"Government securities" means any bonds or other obligations
39 which as to principal and interest constitute direct obligations of,

1 or are unconditionally guaranteed by, the United States of
3 America, including obligations of any federal agency, to the
5 extent those obligations are unconditionally guaranteed by the
7 United States of America, and any certificates or any other
evidences of an ownership interest in those obligations of, or
unconditionally guaranteed by, the United States of America or in
specified portions which may consist of the principal of, or the
interest on, those obligations;

9 "Local government unit" means any county or municipality,
municipal or county utilities authority, or any other political
11 subdivision of the State authorized pursuant to law to construct
or operate a resource recovery facility or an environmentally
13 sound sanitary landfill facility;

"Project" means any work relating to the construction of a
15 resource recovery facility or an environmentally sound sanitary
landfill facility by a local government unit;

17 "Resource recovery facility" means a solid waste facility
constructed and operated for the incineration of solid waste for
19 energy production and the recovery of metals and other materials
for reuse, or a mechanized composting facility, or any other solid
21 waste facility constructed or operated for the collection,
separation, recycling, and recovery of metals, glass, paper, and
23 other materials for reuse or for energy production, and which is
identified and included in an adopted and approved district solid
25 waste management plan required pursuant to the provisions of the
"Solid Waste Management Act," P.L. 1970, c. 39 (C.13:1E-1 et
27 seq.);

"Sanitary landfill facility" means a solid waste facility at
29 which solid waste is deposited on or in the land as fill for the
purpose of permanent disposal or storage for a period exceeding
31 six months, except that it shall not include any waste facility
approved for disposal of hazardous waste.

33 4. The commissioner shall adopt, pursuant to the
"Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1
35 et seq.), rules and regulations necessary to implement the
provisions of this act. The commissioner shall review and
37 consider the findings and recommendations of the commission in
the administration of the provisions of this act.

39 5. a. Bonds of the State of New Jersey are authorized to be

1 issued in the aggregate principal amount of \$135,000,000.00 for
the purpose of making low-interest or zero-interest State loans
3 to local government units for financing the construction of
resource recovery facilities and environmentally sound sanitary
5 landfill facilities.

b. Payments of principal and interest on loans made from the
7 "Resource Recovery and Solid Waste Disposal Facility Fund"
shall be made to the "Resource Recovery and Solid Waste
9 Disposal Facility Fund."

¹c. All loans for projects to be funded, in part or in whole,
11 from monies in the "Resource Recovery and Solid Waste Disposal
Facility Fund" shall be made in accordance with the priority
13 system developed by the commissioner pursuant to section 26 of
this act.¹

15 6. The bonds authorized under this act shall be serial bonds,
²term bonds, or a combination thereof and shall be known as²
17 "Resource Recovery and Solid Waste Disposal Facility Bonds ²of
1988²." They shall be issued from time to time as the issuing
19 officials herein named shall determine and may be issued in
coupon form, fully-registered form or book-entry form. The
21 bonds may be subject to redemption prior to maturity and shall
mature and be paid not later than 35 years from the respective
23 dates of their issuance.

7. The Governor, the State Treasurer and the Director of the
25 Division of Budget and Accounting in the Department of the
Treasury, or any two of these officials, herein referred to as "the
27 issuing officials," are authorized to carry out the provisions of
this act relating to the issuance of bonds, and shall determine all
29 matters in connection therewith, subject to the provisions of this
act. If an issuing official is absent from the State or incapable of
31 acting for any reason, the powers and duties of that issuing
official shall be exercised and performed by the person
33 authorized by law to act in an official capacity in the place of
that issuing official.

35 8. Bonds issued in accordance with the provisions of this act
shall be a direct obligation of the State of New Jersey, and the
37 faith and credit of the State are pledged for the payment of the
interest and redemption premium thereon, if any, when due, and
39 for the payment of the principal thereof at maturity or earlier

1 redemption date. The principal of and interest on the bonds shall
be exempt from taxation by the State or by any county,
3 municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by means
5 of the manual or facsimile signature of the Governor under the
Great Seal of the State, which seal may be by facsimile or by way
7 of any other form of reproduction on the bonds, and attested by
the manual or facsimile signature of the Secretary of State, or an
9 Assistant Secretary of State, and shall be countersigned by the
facsimile signature of the Director of the Division of Budget and
11 Accounting in the Department of the Treasury and may be
manually authenticated by an authenticating agent or bond
13 registrar, as the issuing officials shall determine. Interest
coupons, if any, attached to the bonds shall be signed by the
15 facsimile signature of the Director of the Division of Budget and
Accounting in the Department of the Treasury. The bonds may
17 be issued notwithstanding that an official signing them or whose
manual or facsimile signature appears on the bonds or coupons
19 has ceased to hold office at the time of issuance, or at the time
of the delivery of the bonds to the purchaser thereof.

21 10. a. The bonds shall recite that they are issued for the
purposes set forth in section 5 of this act, that they are issued
23 pursuant to this act, that this act was submitted to the people of
the State at the general election held in the month of November,
25 1988, and that this act was approved by a majority of the legally
qualified voters of the State voting thereon at the election. This
27 recital shall be conclusive evidence of the authority of the State
to issue the bonds and their validity. Any bonds containing this
29 recital shall, in any suit, action or proceeding involving their
validity, be conclusively deemed to be fully authorized by this act
31 and to have been issued, sold, executed and delivered in
conformity herewith and with all other provisions of laws
33 applicable hereto, and shall be incontestable for any cause.

b. The bonds shall be issued in those denominations and in the
35 form or forms, whether coupon, fully-registered or book-entry,
and with or without provisions for interchangeability thereof, as
37 may be determined by the issuing officials.

11. When the bonds are issued from time to time, the bonds of
39 each issue shall constitute a separate series to be designated by

1 the issuing officials. Each series of bonds shall bear such rate or
2 rates of interest as may be determined by the issuing officials.
3 which interest shall be payable semiannually; except that the
4 first and last interest periods may be longer or shorter, in order
5 that intervening semiannual payments may be at convenient dates.

6 12. The bonds shall be issued and sold at the price or prices
7 and under the terms, conditions and regulations as the issuing
8 officials may prescribe, after notice of the sale, published at
9 least once in at least three newspapers published in this State,
10 and at least once in a publication carrying municipal bond notices
11 and devoted primarily to financial news, published in this State or
12 in the city of New York, the first notice to appear at least five
13 days prior to the day of bidding. The notice of sale may contain a
14 provision to the effect that any bid in pursuance thereof may be
15 rejected. In the event of rejection or failure to receive any
16 acceptable bid, the issuing officials, at any time within 60 days
17 from the date of the advertised sale, may sell the bonds at a
18 private sale at such price or prices and under the terms and
19 conditions as the issuing officials may prescribe. The issuing
20 officials may sell all or part of the bonds of any series as issued
21 to any State fund or to the federal government or any agency
22 thereof, at a private sale, without advertisement.

23 13. Until permanent bonds are prepared, the issuing officials
24 may issue temporary bonds in the form and with those privileges
25 as to their registration and exchange for permanent bonds as may
26 be determined by the issuing officials.

27 14. The proceeds from the sale of the bonds shall be paid to
28 the State Treasurer to be held by the State Treasurer in a
29 separate fund, which shall be known as the "Resource Recovery
30 and Solid Waste Disposal Facility Fund." The proceeds of this
31 fund shall be deposited in those depositories as may be selected
32 by the State Treasurer to the credit of the fund.

33 15. a. The moneys in the "Resource Recovery and Solid Waste
34 Disposal Facility Fund" are specifically dedicated and shall be
35 applied to the cost of the purposes set forth in section 5 of this
36 act. However, no moneys in the fund shall be expended for those
37 purposes, except as otherwise authorized by this act, without the
38 specific appropriation thereof by the Legislature, but bonds may
39 be issued as herein provided, notwithstanding that the Legislature

1 shall not have then adopted an act making a specific
2 appropriation of any of the moneys. Any act appropriating
3 moneys from the "Resource Recovery and Solid Waste Disposal
4 Facility Fund" shall identify the specific project or projects to be
5 funded with those moneys and the amount and terms and
6 conditions of any loan made from the "Resource Recovery and
7 Solid Waste Disposal Facility Fund."

8 b. At any time prior to the issuance and sale of bonds under
9 this act, the State Treasurer is authorized to transfer from any
10 available moneys in any fund of the treasury of the State to the
11 credit of the "Resource Recovery and Solid Waste Disposal
12 Facility Fund" those sums as the State Treasurer may deem
13 necessary. The sums so transferred shall be returned to the same
14 fund of the treasury of the State by the State Treasurer from the
15 proceeds of the sale of the first issue of bonds.

16 c. Pending their application to the purposes provided in this
17 act, the moneys in the "Resource Recovery and Solid Waste
18 Disposal Facility Fund" may be invested and reinvested as are
19 other trust funds in the custody of the State Treasurer, in the
20 manner provided by law. Net earnings received from the
21 investment or deposit of moneys in the "Resource Recovery and
22 Solid Waste Disposal Facility Fund" shall be paid into the General
23 Fund.

24 16. If any coupon bond, coupon or registered bond is lost,
25 mutilated or destroyed, a new bond or coupon shall be executed
26 and delivered of like tenor, in substitution for the lost, mutilated
27 or destroyed bond or coupon, upon the owner furnishing to the
28 issuing officials evidence satisfactory to them of the loss,
29 mutilation or destruction of the bond or coupon, the ownership
30 thereof, and security, indemnity and reimbursement for expenses
31 connected therewith, as the issuing officials may require.

32 17. The accrued interest, if any, received upon the sale of the
33 bonds shall be applied to the discharge of a like amount of
34 interest upon the bonds when due. Any expense incurred by the
35 issuing officials for advertising, engraving, printing, clerical,
36 authenticating, registering, legal or other services necessary to
37 carry out the duties imposed upon them by the provisions of this
38 act shall be paid from the proceeds of the sale of the bonds by
39 the State Treasurer, upon the warrant of the Director of the

1 Division of Budget and Accounting in the Department of the
Treasury, in the same manner as other obligations of the State
3 are paid.

18. Bonds of each series issued hereunder shall mature,
5 including any sinking fund redemptions, not later than the 35th
year from the date of issue of that series, and in amounts as shall
7 be determined by the issuing officials. The issuing officials may
reserve to the State by appropriate provision in the bonds of any
9 series the power to redeem any of the bonds prior to maturity at
the price or prices and upon the terms and conditions as may be
11 provided in the bonds.

19. The issuing officials may issue refunding bonds in an
13 amount not to exceed the amount necessary to effectuate the
refinancing of any bonds issued pursuant to this act, at any time
15 and from time to time, for the purpose of refinancing any bond or
bonds issued pursuant to this act, subject to the following
17 provisions:

a. Refunding bonds may be issued at any time prior to the
19 maturity or redemption of the bonds to be refinanced thereby as
the issuing officials shall determine.

b. Each series of refunding bonds may be issued in a sufficient
21 amount to pay or to provide for the payment of the principal of
the bonds to be refinanced thereby, together with any redemption
23 premium thereon, any interest accrued or to accrue on the bonds
to be refinanced to the date of payment of the outstanding bonds,
25 the expense of issuing the refunding bonds and the expenses, if
any, of paying the bonds to be refinanced.
27

c. No refunding bonds shall be issued unless the issuing
29 officials shall first determine that the present value of the
aggregate principal amount of and interest on the refunding bonds
31 is less than the present value of the aggregate principal amount
of and interest on the bonds to be refinanced thereby; provided,
33 for the purposes of this limitation, present value shall be
computed using a discount rate equal to the yield of those
35 refunding bonds, and yield shall be computed using an actuarial
method based upon a 360-day year with semiannual compounding
and upon the price or prices paid to the State by the initial
37 purchasers of those refunding bonds.

d. Any refinancing authorized hereunder may be effected by
39

1 the sale of the refunding bonds and the application of the
proceeds thereof to the immediate payment of the principal of
3 the bonds to be refinanced thereby, together with any redemption
premium thereon, any interest accrued or to accrue on those
5 bonds to be refinanced to the date of payment of those bonds, the
expenses of issuing the refunding bonds and the expenses, if any,
7 of paying those bonds to be refinanced, or, to the extent not
required for that immediate payment, shall be deposited,
9 together with any other moneys legally available therefor, in
trust with one or more trustees or escrow agents, which trustees
11 or escrow agents shall be trust companies or national or state
banks having powers of a trust company, located either within or
13 without the State, to be applied solely to the payment when due
of the principal of, redemption premium, if any, and interest due
15 and to become due on the bonds to be refinanced on or prior to
the redemption date or maturity date thereof, as the case may
17 be. The proceeds or moneys so held by the trustees or escrow
agents may be invested in government securities, including
19 government securities issued or held in book-entry form on the
books of the Department of Treasury of the United States;
21 provided those government securities shall not be subject to
redemption prior to their maturity other than at the option of the
23 holder thereof. Except as otherwise provided in this subsection,
neither government securities nor moneys so deposited with the
25 trustees or escrow agents shall be withdrawn or used for any
purpose other than, and shall be held in trust for, the payment of
27 the principal of, redemption premium, if any, and interest on the
bonds to be refinanced thereby; provided that any cash received
29 from the principal or interest payments on those government
securities deposited with the trustees or escrow agents, to the
31 extent the cash will not be required at any time for that purpose,
shall be paid over to the trustees or escrow agents, and to the
33 extent the cash will be required for that purpose at a later date,
shall, to the extent practicable and legally permissible, be
35 reinvested in government securities maturing at times and in
amounts sufficient to pay when due the principal of, redemption
37 premium, if any, and interest to become due on the bonds to be
refinanced, on and prior to the redemption date or maturity date
39 thereof, as the case may be, and interest earned from those

1 reinvestments, to the extent not required for the payment of
bonds, shall be paid over to the State, as received by the trustees
3 or escrow agents. Notwithstanding anything to the contrary
contained herein: (1) the trustees or escrow agents shall, if so
5 directed by the issuing officials, apply moneys on deposit with the
trustees or escrow agents pursuant to the provisions of this
7 section, and redeem or sell government securities so deposited
with the trustees or escrow agents, and apply the proceeds
9 thereof to (a) the purchase of bonds which were refinanced by the
deposit with the trustees or escrow agents of the moneys and
11 government securities and immediately thereafter cancel all
outstanding bonds so purchased or (b) the purchase of different
13 government securities; provided however, that the moneys and
government securities on deposit with the trustees or escrow
15 agents after the purchase and cancellation of the outstanding
bonds or the purchase of different government securities shall be
17 sufficient to pay when due the principal of, redemption premium,
if any, and interest on all other bonds in respect of which the
19 moneys and government securities were deposited with the
trustees or escrow agents on or prior to the redemption date or
21 maturity date thereof, as the case may be; and (2) in the event
that on any date, as a result of any purchases and cancellations of
23 the outstanding bonds or any purchases of different government
securities as provided in this subsection, the total amount of
25 moneys and government securities remaining on deposit with the
trustees or escrow agents is in excess of the total amount which
27 would have been required to be deposited with the trustees or
escrow agents on that date in respect of the remaining bonds for
29 which such deposit was made in order to pay when due the
principal of, redemption premium, if any, and interest on those
31 remaining bonds, the trustees or escrow agents shall, if so
directed by the issuing officials, pay the amount of that excess to
33 the State. Any amounts held by the State Treasurer in a separate
fund or funds for the payment of the principal of, redemption
35 premium, if any, and interest on bonds to be refinanced, as
provided herein, shall, if so directed by the issuing officials, be
37 transferred by the State Treasurer for deposit with one or more
trustees or escrow agents, as provided herein, to be applied to the
39 payment when due of the principal of, redemption premium, if

1 any, and interest to become due on those bonds to be refinanced,
as provided in this section, or be applied by the State Treasurer
3 to the payment when due of the principal of, redemption
premium, if any, and interest on refunding bonds issued hereunder
5 to refinance those bonds. The State Treasurer is authorized to
enter into contracts with one or more trust companies or national
7 or state banks, as provided herein, to act as trustees or escrow
agents, as provided herein, subject to the approval of the issuing
9 officials.

e. Notwithstanding the provisions of section 12 this act, any
11 series of refunding bonds issued pursuant to this section shall
mature at any time or times not later than five years following
13 the latest scheduled final maturity date, determined without
regard to any redemptions prior thereto, of any of the bonds to be
15 refunded thereby, and in no event later than 35 years following
the date of issuance of that series of refunding bonds, and those
17 refunding bonds may be sold at public or private sale at prices
and under terms, conditions and regulations as the issuing
19 officials may prescribe. Refunding bonds shall be entitled to all
the benefits of this act and subject to all its limitations, except
21 as to sale provisions and to the extent therein otherwise expressly
provided.

f. Upon the decision by the issuing officials to issue refunding
23 bonds pursuant to this section, and prior to the sale of those
bonds, the issuing officials shall transmit to the Joint Budget
25 Oversight Committee, or its successor, a report that a decision
has been made, reciting the basis on which the decision was
27 made, including an estimate of the debt service savings to be
achieved and the calculations upon which the issuing officials
29 relied when making the decision to issue refunding bonds. The
report also shall disclose the intent of the issuing officials to
31 issue and sell the refunding bonds at public or private sale and the
reasons therefor.
33

g. The Joint Budget Oversight Committee, or its successor,
35 shall have authority to approve or disapprove the sale of
refunding bonds as included in each report submitted in
37 accordance with subsection f. of this section. The committee
shall notify the issuing officials in writing of the approval or
39 disapproval as expeditiously as possible.

1 h. No refunding bonds shall be issued unless the report has
been submitted to and approved by the Joint Budget Oversight
3 Committee, or its successor, as set forth in subsection g. of this
section.

5 i. Within 30 days after the sale of the refunding bonds, the
issuing officials shall notify the Joint Budget Oversight
7 Committee, or its successor, of the result of that sale, including
the prices and terms, conditions and regulations concerning the
9 refunding bonds, the actual amount of debt service savings to be
realized as a result of the sale of refunding bonds, and the
11 intended use of the proceeds from the sale of those bonds.

j. The Joint Budget Oversight Committee, or its successor,
13 shall, however, review all information and reports submitted in
accordance with this section and may, on its own initiative, make
15 observations and recommendations to the issuing officials, or to
the Legislature, or both, as it deems appropriate.

17 20. Any bond or bonds issued hereunder shall no longer be
deemed to be outstanding, shall no longer constitute a direct
19 obligation of the State of New Jersey, and the faith and credit of
the State shall no longer be pledged to the payment of the
21 principal of, redemption premium, if any, and interest on the
bonds, and the bonds shall be secured solely by and payable solely
23 from moneys and government securities deposited in trust with
one or more trustees or escrow agents, which trustees and escrow
25 agents shall be trust companies or national or state banks having
powers of a trust company, located either within or without the
27 State, as provided herein, whenever there shall be deposited in
trust with the trustees or escrow agents, as provided herein.
29 either moneys or government securities, including government
securities issued or held in book-entry form on the books of the
31 Department of Treasury of the United States, the principal of and
interest on which when due will provide money which, together
33 with the moneys, if any, deposited with the trustees or escrow
agents at the same time, shall be sufficient to pay when due the
35 principal of, redemption premium, if any, and interest due and to
become due on the bonds on or prior to the redemption date or
37 maturity date thereof, as the case may be; provided the
government securities shall not be subject to redemption prior to
39 their maturity other than at the option of the holder thereof.

1 The State of New Jersey hereby covenants with the holders of
any bonds for which government securities or moneys shall have
3 been deposited in trust with the trustees or escrow agents as
provided in this section that, except as otherwise provided in this
5 section, neither the government securities nor moneys so
deposited with the trustees or escrow agents shall be withdrawn
7 or used by the State for any purpose other than, and shall be held
in trust for, the payment of the principal of, redemption
9 premium, if any, and interest to become due on the bonds;
provided that any cash received from the principal or interest
11 payments on the government securities deposited with the
trustees or escrow agents, to the extent the cash will not be
13 required at any time for that purpose, shall be paid over to the
State, as received by the trustees or escrow agents, free and
15 clear of any trust, lien, pledge or assignment securing the bonds;
and to the extent the cash will be required for that purpose at a
17 later date, shall, to the extent practicable and legally
permissible, be reinvested in government securities maturing at
19 times and in amounts sufficient to pay when due the principal of,
redemption premium, if any, and interest to become due on the
21 bonds on and prior to the redemption date or maturity date
thereof, as the case may be, and interest earned from the
23 reinvestments shall be paid over to the State, as received by the
trustees or escrow agents, free and clear of any trust, lien or
25 pledge securing the bonds. Notwithstanding anything to the
contrary contained herein: a. the trustees or escrow agents shall,
27 if so directed by the issuing officials, apply moneys on deposit
with the trustees or escrow agents pursuant to the provisions of
29 this section, and redeem or sell government securities so
deposited with the trustees or escrow agents, and apply the
31 proceeds thereof to (1) the purchase of the bonds which were
refinanced by the deposit with the trustees or escrow agents of
33 the moneys and government securities and immediately
thereafter cancel all bonds so purchased, or (2) the purchase of
35 different government securities; provided however, that the
moneys and government securities on deposit with the trustees or
37 escrow agents after the purchase and cancellation of the bonds or
the purchase of different government securities shall be
39 sufficient to pay when due the principal of, redemption premium.

1 if any, and interest on all other bonds in respect of which the
2 moneys and government securities were deposited with the
3 trustees or escrow agents on or prior to the redemption date or
4 maturity date thereof, as the case may be; and b. in the event
5 that on any date, as a result of any purchases and cancellations of
6 bonds or any purchases of different government securities, as
7 provided in this sentence, the total amount of moneys and
8 government securities remaining on deposit with the trustees or
9 escrow agents is in excess of the total amount which would have
10 been required to be deposited with the trustees or escrow agents
11 on that date in respect of the remaining bonds for which the
12 deposit was made in order to pay when due the principal of,
13 redemption premium, if any, and interest on the remaining bonds,
14 the trustees or escrow agents shall, if so directed by the issuing
15 officials, pay the amount of the excess to the State, free and
16 clear of any trust, lien, pledge or assignment securing the
17 refunding bonds.

21. Refunding bonds issued pursuant to section 19 of this act
19 may be consolidated with bonds issued pursuant to section 6 of
20 this act or with bonds issued pursuant to any other act for
21 purposes of sale.

22. To provide funds to meet the interest and principal
23 payment requirements for the bonds and refunding bonds issued
24 under this act and outstanding, there is appropriated in the order
25 following:

a. Revenue derived from the collection of taxes under the
27 "Sales and Use Tax Act," P.L. 1966, c. 30 (C. 54:32B-1 et seq.),
or so much thereof as may be required; and

b. If, at any time, funds necessary to meet the interest,
29 redemption premium, if any, and principal payments on
30 outstanding bonds issued under this act are insufficient or not
31 available, there shall be assessed, levied and collected annually in
32 each of the municipalities of the counties of this State, a tax on
33 the real and personal property upon which municipal taxes are or
34 shall be assessed, levied and collected, sufficient to meet the
35 interest on all outstanding bonds issued hereunder and on the
36 bonds proposed to be issued under this act in the calendar year in
37 which the tax is to be raised and for the payment of bonds falling
38 due in the year following the year for which the tax is levied.

1 The tax shall be assessed, levied and collected in the same
manner and at the same time as are other taxes upon real and
3 personal property. The governing body of each municipality shall
cause to be paid to the county treasurer of the county in which
5 the municipality is located, on or before December 15 in each
year, the amount of tax herein directed to be assessed and levied,
7 and the county treasurer shall pay the amount of the tax to the
State Treasurer on or before December 20 in each year.

9 If on or before December 31 in any year, the issuing officials,
by resolution, determine that there are moneys in the General
11 Fund beyond the needs of the State, sufficient to meet the
principal of bonds falling due and all interest and redemption
13 premium, if any, payable in the ensuing calendar year, the issuing
officials shall file the resolution in the office of the State
15 Treasurer, whereupon the State Treasurer shall transfer the
moneys to a separate fund to be designated by the State
17 Treasurer, and shall pay the principal, redemption premium, if
any, and interest out of that fund as the same shall become due
19 and payable, and the other sources of payment of the principal,
redemption premium, if any, and interest provided for in this
21 section shall not then be available, and the receipts for the year
from the tax specified in subsection a. of this section shall be
23 considered and treated as part of the General Fund, available for
general purposes.

25 23. Should the State Treasurer, by December 31 of any year,
deem it necessary, because of the insufficiency of funds collected
27 from the sources of revenues as provided in this act, to meet the
interest and principal payments for the year after the ensuing
29 year, then the State Treasurer shall certify to the Director of the
Division of Budget and Accounting in the Department of the
31 Treasury the amount necessary to be raised by taxation for those
purposes, the same to be assessed, levied and collected for and in
33 the ensuing calendar year. The director shall, on or before March
1 following, calculate the amount in dollars to be assessed, levied
35 and collected in each county as herein set forth. This calculation
shall be based upon the corrected assessed valuation of each
37 county for the year preceding the year in which the tax is to be
assessed, but the tax shall be assessed, levied and collected upon
39 the assessed valuation of the year in which the tax is assessed and

1 levied. The director shall certify the amount to the county board
of taxation and the treasurer of each county. The county board
3 of taxation shall include the proper amount in the current tax
levy of the several taxing districts of the county in proportion to
5 the ratables as ascertained for the current year.

24. For the purpose of complying with the provisions of the
7 State Constitution, this act shall be submitted to the people at
the general election to be held in the month of November, 1988.
9 To inform the people of the contents of this act, it shall be the
duty of the Secretary of State, after this section takes effect,
11 and at least 15 days prior to the election, to cause this act to be
published in at least 10 newspapers published in the State and to
13 notify the clerk of each county of this State of the passage of
this act; and the clerks respectively, in accordance with the
15 instructions of the Secretary of State, shall have printed on each
of the ballots the following:

17 If you approve of the act entitled below, make a cross (x), plus
(+), or check (✓) mark in the square opposite the word "Yes."

19 If you disapprove of the act entitled below, make a cross (x),
plus (+), or check (✓) mark in the square opposite the word "No."

21 If voting machines are used, a vote of "Yes" or "No" shall be
equivalent to these markings respectively.

1		
3		RESOURCE RECOVERY AND SOLID WASTE
5		DISPOSAL FACILITY FUND BOND ISSUE
7	YES.	Shall the "Resource Recovery and Solid Waste
9		Disposal Facility Bond Act of 1988," which
11		authorizes the State to issue bonds in the amount
13		of \$135,000,000.00 for the purpose of making
15		State loans to local government units for the
17		construction of resource recovery facilities and
19		environmentally sound sanitary landfill facilities,
21		<u>and in a principal amount sufficient to refinance</u>
23		<u>any of the bonds if the same will result in a</u>
25		<u>present value savings; and</u> ² providing the ways
27		and means to pay and discharge the principal of
29		and interest on these bonds, be approved?
31		
33		INTERPRETIVE STATEMENT
35	NO.	Approval of this act would authorize the sale of
37		\$135,000,000.00 in State general obligation bonds,
39		which would be used to establish a revolving loan
41		fund to make low cost loans to local governments
43		for the construction of resource recovery
45		facilities and environmentally sound sanitary
47		landfill facilities. Construction of these facilities
49		would encourage and facilitate the
51		environmentally safe disposal of solid waste.
		² The act also authorizes the issuance of bonds in
		<u>a sufficient amount to refinance all or any of</u>
		<u>these bonds if the same will result in a present</u>
		<u>value savings.</u> ²

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in the ballot. No other requirements of law of any kind or character as to notice or procedure, except as herein provided, need be adhered to.

The votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of the election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there is a majority of all the votes cast for and against it at the election in favor of

1 the approval of this act, then all the provisions of this act not
made effective theretofore shall take effect forthwith.

3 25. There is appropriated the sum of \$5,000.00 to the
Department of State for expenses in connection with the
5 publication of notice pursuant to section 24 of this act.

7 126. Application for project loans shall be filed with the
commissioner. The commissioner shall develop a priority system
for projects to be funded, in part or in whole, from monies in the
9 "Resource Recovery and Solid Waste Disposal Facility Fund" and
shall establish criteria and funding policies for the projects.

11 27. The commissioner shall annually provide the Legislature
with a project priority list for the awarding of loans from the
13 "Resource Recovery and Solid Waste Disposal Facility Fund" for
specific projects and the terms and conditions of each loan. No
15 loan shall be awarded except upon specific project appropriation,
including the terms and conditions of the low-interest or
17 zero-interest State loan, by the Legislature.

19 28. The commissioner shall, pursuant to the provisions of the
"Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1 et
21 seq.), adopt rules and regulations governing the awarding and use
of loans including, but not limited to, eligibility requirements,
23 procedures for the submission of applications, standards for the
evaluation of applications, requirements for the reporting by the
recipients of the expenditure of funds, and any limitations,
25 restrictions or requirements concerning the use of a loan as the
commissioner may prescribe.¹

27 1[26.] 29.¹ The commissioner shall submit to the State
Treasurer and the commission with the department's annual
29 budget request a plan for the expenditure of funds from the
"Resource Recovery and Solid Waste Disposal Facility Fund" for
31 the upcoming fiscal year. This plan shall include the following
information: a performance evaluation of the expenditures made
33 from the fund to date; a description of programs planned during
the upcoming fiscal year; a copy of the regulations in force
35 governing the operation of programs that are financed, in part or
in whole, by funds from the "Resource Recovery and Solid Waste
37 Disposal Facility Fund;" and an estimate of expenditures for the
upcoming fiscal year.

39 1[27.] 30.¹ Immediately following the submission to the

1 Legislature of the Governor's annual budget message, the
commissioner shall submit to the Senate Energy and Environment
3 Committee and the Assembly Solid Waste Management
Committee, or their successors, and to the Joint Budget
5 Oversight Committee, or its successor, a copy of the plan called
for under section ¹[26] 29¹ of this act, together with such
7 changes therein as may have been required by the Governor's
budget message.

9 ¹[28.] 31¹ Not less than 30 days prior to entering into any
contract, lease, obligation, or agreement to effectuate the
11 purposes of this act, the commissioner shall report to and consult
with the Joint Budget Oversight Committee, or its successor.

13 ¹[29.] 32¹ All appropriations from the bond fund shall be by
specific allocation for each major project, and any transfer of
15 any funds so appropriated shall require the approval of the Joint
Budget Oversight Committee or its successor.

17 ¹[30.] 33¹ This section and sections 24 and 25 of this act shall
take effect immediately and the remainder of the act shall take
19 effect as and when provided in section 24.

21

ENVIRONMENT

23

Solid Waste

25 Authorizes \$135 million in general obligation bonds for
construction of resource recovery facilities and environmentally
27 sound sanitary landfill facilities.

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* * * * *

ASSEMBLYMAN ROBERT C. SHINN, JR. (Chairman): If I may have your attention, we are going to get started on our public hearing on A-3107. It is a bond authorization sponsored by Assemblymen Haytaian, Penn, and Littell. Algis, if you could give us a short version of that bill, I would appreciate it.

MR. MATIOSKA: (Committee aide) Assembly Bill No. 3107 would authorize the issuance of \$135 million in general obligation bonds for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities. This bond act would represent the so-called second generation of resource recovery and sanitary landfill projects.

In 1985, the Legislature passed an \$85 million bond act for resource recovery, which is pretty much depleted. This would represent the second generation of projects, and there is a list of counties which would be eligible for them.

ASSEMBLYMAN SHINN: Okay. We've got a list of people who signed up who wish to testify. We would appreciate it if you would fill out one of our slips, if you do wish to testify.

William Healey? (Chairman consults with aide) I understand we have received Mr. Healey's testimony, which he submitted for the record. Rob Stuart?

R O B S T U A R T: Good morning, Mr. Chairman and Mr. McEnroe.

ASSEMBLYMAN McENROE: Good morning.

MR. STUART: I hope you are doing well today.

My name is Rob Stuart. I am the Legislative Program Director for New Jersey PIRG, the Public Interest Research Group. On behalf of our 70,000 members, I want to thank the Committee for allowing us to present our views on this issue. While we have not taken a formal position -- we are neither opposed nor pro the bill -- we thought it would be appropriate, since this is the second generation, to revisit this subject.

I want to remind the Committee that originally, our solid waste management strategy put reduction, reuse, and

recycling above incineration and landfilling, though given the amount of money that we have appropriated for the latter two, we seem to have turned the hierarchy on its head, and instead of funding those projects which might reduce and reuse the solid waste we are generating, we are crafting technology that may, in fact, lead to increased environmental problems.

It's ironic that, in fact, just at this very time, the Environmental Natural Resources Committee (sic) is considering a \$200 million bond act to preserve Green Acres. Another bond act that wasn't able to make it to the ballot this year because of limited resources, was for safe drinking water and for remediation of those wells that are already contaminated. I think that if we are going to spend money for the environment, we should spend it on things that are going to enhance our situation, not on technology which may, in fact, prove to be flawed and create more environmental problems.

I think there is much more to be done before we make incineration our only means of disposal and, in fact, if we are going to have machines operating, which we are now in the process of getting on-line, then we should enact legislation which has been pending before this Committee, which would set emission standards, as well as set in place legislative mandates as to what should be done with the residual ash that is generated by these plants.

But, there is more. There are laws, again, which have been pending -- bills pending -- which would establish disincentives for over-packaging non-recyclable products, some sponsored by the Chairman, as related to plastic. Others need to be developed which would mandate the reduction and reuse of material by not only consumers, but by manufacturers.

The hour is already late, and I want to be brief, so I will just conclude by saying: We have far too many environmental problems for the Legislature to dedicate another \$135 million of public money to go to find mass burn

incinerators. More desirable waste reduction and disposal options should be implemented immediately. I think the whole issue of incinerators for New Jersey should be revisited, given the evidence which is mounting about the drawbacks, as well as the positive evidence of non-burn solutions. Given that \$168 million has already been appropriated, we need to establish the guidelines for the disposal of the ash that has been created, as well as set those emission standards. We do not want to commit billions to something which might in turn become a financial boondoggle.

I brought with me, and I will submit it for the record if the Chairman is willing, a reprint of "The Rush to Burn: America's Garbage Gamble," which came out last year. I will give you my copy, but I also suggest that all Committee members get it, because it explores incineration from a lot of different angles, and may prove to be very enlightening to the Committee in its deliberations of this whole issue.

ASSEMBLYMAN SHINN: Okay.

ASSEMBLYMAN McENROE: May we comment?

ASSEMBLYMAN SHINN: Sure.

ASSEMBLYMAN McENROE: Mr. Stuart, I want to just mention -- comment really -- on your testimony. You represent a very responsible, respected organization that has considerable influence in public policy questions, and I think that pertains to your group based on your objective and careful analysis of these issues. But you began by saying that you do not have a position regarding the proposed bond act. Then you offered testimony that opposes, really, the construction of resource recovery. You can't have it both ways.

As a public interest group, you really should come out and stand behind your position. That is just a respectful comment by me.

MR. STUART: Right, right. What I meant to say was that on A-3107 we have not taken a position. Our standing

position on resource recovery, both on the State and national levels, is that we oppose the operation and the commitment of dollars for these facilities before Federal and State regulations are in place for dealing with those incinerators, as relates to air and ash. That is our position on incineration. I'm sorry if I misled you.

ASSEMBLYMAN McENROE: Well, do you think there has been a responsible commitment by the Legislature of this State to refine regulations and improve air quality controls relating to resource recovery facilities in New Jersey?

MR. STUART: As I mentioned, there are bills pending -- A-2393 and A-3369 -- which would get the Legislature moving on regulations for ash, as well as for emissions. The Federal government has admittedly not been there when it comes to air and ash. In fact, our sense is that the crisis state we are in has led us down a path which may, in fact, cause more environmental problems, if not dealt with now, than we really anticipated when we were getting into this, you know, a few years ago. I hope I have made myself clearer on our position.

ASSEMBLYMAN McENROE: Through the Chairman, I really think in fairness to your organization, and to the important public question that is on this table, that your organization should be responsible and take a definite position. This is a bill which commits \$135 million of bonded indebtedness to the taxpayers of our State for a technology that, from public review and testimony and policy decisions over the past 15 years, has been generally supported by the public. I just think that when you have a position, and an influential podium from which to speak, we should have it on the table. We should not--

MR. STUART: I agree. I did not plan this to be -- and I don't think it will be -- the end of either ours or the Committee's deliberation of this issue. I think recent events at Warren and at other places around the country may, you know,

cloud that view. We are open to reviewing the evidence, if you are.

ASSEMBLYMAN McENROE: Well, I can't speak for the Chairman, but I certainly am.

MR. STUART: Okay, terrific.

ASSEMBLYMAN SHINN: I hate to get into extended dialogue when we have public hearings, but I usually do. I guess the problem I have is-- I know you are strongly behind recycling, as well as I. However, at best, if we reach 25% in two or three years, that is almost approaching the ideal, with a curbside collection program. We are short of landfill capacity in this State, and this bond act would permit the construction of landfills, and would relate to that. We need disposal capacity, and the worst environmental threat, I think, we can foresee in this State, aside from the litter of our parks and Green Acres, is trash on the streets. I personally feel that we are closer to that than everybody realizes, because I don't think our out-of-state disposal is going to hold up as long as we had hoped it would.

When that happens, and if we are ill-equipped because we are somewhere vacillating between technologies and holding up financial support, you know, I think we are going to look like we didn't address the problem as a Legislature, and I think we are trying to do that. I feel the Committee is open to technology that is proven; that it really has to deal with the technology that is in place. I think the position of the Department-- Although I don't always agree with the Department, basically their technology is recycling, landfills, and resource recovery. Different forms of that have been approved as plan amendments in various counties' plans.

Our particular county looks at a version of that, creating a fuel. That was approved as a plan amendment. So, the Department is not close-minded. I think we are all open to technology that is going to be the least environmental harm

answer. We have to go through a progression to get there, and we have to have capacity and disposal facilities in the meantime. I think that is where this Committee is really coming from. I am not trying to speak for the Committee, but I think we are all concerned about the environmental impacts. We have more people in the State to consider the environmental impacts from per square mile than any state in the Union. But trash on the street is the worst possible situation we could arrive at. The littering of our park system-- We are hearing it from Newark in the north, and from Cape May in the south, and from everywhere in-between. That is a result of lack of facilities and high disposal costs.

I think the only way we are going to come to grips with the problem is enforcement and providing funds to bring facilities on-line as quickly as we can. I hate to get at loggerheads arguing over technology, I guess, before we bridge the capacity shortfall and can move forward, hopefully together, on trying to bring facilities on-line to deal with the potential issue of trash in the streets, which is something I think we have a real potential of coming to grips with in the not-too-distant future.

MR. STUART: I don't want to prolong the debate, but I do want to encourage it, and I will do that privately. My only point was that, given our hierarchy, or accepted hierarchy, we seem to be focusing very much at the bottom. I think if we spent, not equal money at all, but equal time on some of the measures which would reduce the trash in the first place -- mandate reuse -- we would be a step closer to solving the problem. At this point, even though more of us are concerned about the need to recycle, we still produce more trash here than we did last year, and it is per capita. So we need to be going at both directions.

I guess what I was suggesting -- and I did not mean to be so negative -- was to say that there has not been as much of

a commitment or as much energy towards the former, as opposed to the latter, on the part of the hierarchy.

Thank you.

ASSEMBLYMAN SHINN: Thank you, Rob. Joe Fischer?

J O S E P H F I S C H E R: Good morning. I have several comments to make.

ASSEMBLYMAN SHINN: Please tell us who you are representing.

MR. FISCHER: Okay. I am representing myself.

ASSEMBLYMAN SHINN: Okay.

MR. FISCHER: I am a private citizen in New Jersey who is studying, to the best of my capacity, the issues of municipal waste. I have concerns over the State's stance toward incineration, the scheduling and possible implications with regard to recycling, and other alternatives. I have studied it in terms of the economics, and I am concerned with this bill in that it does not differentiate between the alternatives as far as resource recovery goes, and the economical implications of each alternative. Okay?

The referendum, as it is stated, does not, in my opinion, provide the taxpayer sufficient information to make a rational decision. The resource recovery definition can include incineration, as well as composting, and they are very different animals in terms of the economics; economics as far as the capital costs per ton and the operating costs per ton. I would suggest, to make it fairer to the taxpayer to make a decision -- and perhaps this is an off-the-wall consideration -- perhaps you could have two referendums, one indicating that if the \$135 million was spent for garbage incineration, i.e., waste to energy, that \$135 million could provide up to -- could cost so many dollars per ton, and the operating costs could be so many dollars per ton, whereas if it were a co-composting facility, the estimates are that it would cost so many dollars per ton for capacity, and the operating costs would be so many dollars per ton.

As a voter, I don't think a New Jersey citizen can say, "Well, yeah, let's spend \$135 million," and then allow someone to say, "Well, this is our priority." I think the priorities need to be established before a taxpayer can say, "Yeah, \$135 million, no problem."

ASSEMBLYMAN SHINN: Yeah, essentially that is a pretty complicated process. Each county has its own solid waste plan which does the economics, the health risk assessment, and the environmental impact statement. The Department reviews that, holds a public hearing on the county's plan, and then prioritizes and recommends needs for capital for different facilities to bring them on-line.

MR. FISCHER: I am aware of the process as you describe it. What concerns me is the ambiguity, in that resource recovery facility economics and the implications of the choices within that category are very different. The capital costs per ton can be a fivefold difference.

ASSEMBLYMAN SHINN: You're saying landfilling versus resource recovery?

MR. FISCHER: I'm saying garbage incineration, i.e., waste to energy, versus co-composting or composting. Okay? When you put resource recovery, you always seem to include a mechanized composting facility, but very few counties -- I believe there is one -- have facilities which are operational and working well, as I understand it. And then, most of the other counties are going for incinerators. It just seems-- That, to me, is an unfortunate decision. I think if the economics were studied more carefully, there could be a greater tendency to go for composting and co-composting.

If it is acceptable, I would like to provide some data -- information -- to that effect, as part of the written record.

ASSEMBLYMAN SHINN: In my particular county, the solid waste amendment chose co-composting, sewerage sludge, and the vegetative (indiscernible) part of the solid waste stream as its technology.

MR. FISCHER: Yes?

ASSEMBLYMAN SHINN: And I'll tell you, there are several pitfalls in that process. First of all, marketing the compost. You are coming out with 300,000 or 400,000 tons a day -- or 300 or 400 tons a day of compost, and the marketing of that material is not without problems. First you've got to get control of a sludge stream--

MR. FISCHER: Right.

ASSEMBLYMAN SHINN: --so you have to control all of the sludge out of the county 201s, to make sure you have something to compost with a solid waste. That's a real problem. I think there have been a couple of experiences in New York where they had a compost process without sewerage sludge. That doesn't work at all. It is a complicated process for a county to go through. Personally, I think it is a good technology. I think it is worth all of the effort. One of the problems in choosing these technologies that come out with a product, is that a market for the product does not exist, so you not only put a county against dealing with a technology whose numbers look attractive on the surface, but you end up with a tremendous volume of product, for which there is no market.

Then you get into the question, "Which came first, the chicken or the egg?" This Committee spent a lot of work on trying to develop markets for recycled or compost or wood chips or anything that comes out of the waste stream that does not have to be landfilled. That whole marketing effort we are going to do a lot more with, but it is a real problem. When you come out with hundreds of tons of a product, you are either going to have a new mountain in the State of this product, or you are going to find a way to deal with it and market it.

I think it is probably a positive thing that not too many counties have chosen that technology, because we will have enough product out there, probably in the next five years, to

help in the marketing and to get it tested in markets and find out what we are going to do with it. As we develop that market-- I agree that that technology should be further implemented, but to drive everyone toward one technology for which there is no market-- Now, we have a market for steam, and we have a market for electricity, so they are not a problem. But when you get into the lower categories, even newsprint, because of supply and demand, is getting a little shaky as a market again. Then you add glass and cans. Aluminum is no problem. It doesn't look like it is going to be a problem on the horizon, but when you get down into the various lower levels of product, you come up against this wall of marketing. At least being able to move the material off the site at maybe a zero cost isn't even there.

Those are some of the problems that you sort of run headlong into. A lot of counties are searching for answers in that area, but when there isn't one clearly on the surface, you sort of shy away from that technology, because you have another problem with this big pile of material that you can't find a home for.

MR. FISCHER: I agree with you 100%. I would turn that argument and reflect that argument toward incineration, where there is a negative cost -- where there is a negative benefit. It is not a question of marketing something that might have a value or might not have a value, in terms of paper should the market fall out of newsprint. Then, it costs you; there is a cost. But still, in various studies -- some of which I would like to provide summaries of -- it shows that recycling, even when there is a negative cost for disposal, actually has a value in terms of reducing landfill.

As far as incineration goes, you have the ash. Try as people will to find uses for the ash-- I went to a national meeting in September and listened to people give all of the ways they were going to use our high electricity -- our

technology -- as they are in Japan, and turn ash into glass. It costs \$100 to \$150 per ton, in addition to the cost of incineration. The liability of using it in bricks and cinder blocks and so on and so forth-- I could go on and on. There are not yet, and there may never be, good solutions to dispose of all of the ash that will be generated.

ASSEMBLYMAN SHINN: I have to say something on behalf of ash, too, because I think the technology behind making ash marketable isn't as mysterious as we might hope to relay. Atlantic Electric reinjects its fly ash in an atomized coal furnace -- a high-temperature atomized coal power generating facility -- and it sells every drop of ash that comes out of that facility either for roof shingle grit or for sandblasting ships. That black material you see on roof shingles is actually incinerator ash out of a high-temperature incineration process. They do not dispose of any of their ash. They don't pay to dispose of it; they sell every bit. It is actually a vitrification process.

But, it is a marketable product. It is being marketed in this State. You know, that is achievable. Because of the temperature involved for vitrification, it usually involves a secondary treatment. But that technology is not that far away as far as being do-able. It is being done in the State. It is something that can be done. It is an added cost. It may cost \$150 a ton to do it, but--

MR. FISCHER: If it costs \$150 a ton, is that economical for the 5000 tons a day that may be a product of incineration in New Jersey by 1994?

ASSEMBLYMAN SHINN: The answer to that lies within the oil prices, and I think you are going to see oil prices gradually increase, and that will increase the dollars available to deal with ash. So, there are so many areas of impact on the whole resource recovery area, we could have a long chat about it. But I just wanted to point out that there

are facilities in this State that are selling every bit of ash they produce.

MR. FISCHER: Which facility is that?

ASSEMBLYMAN SHINN: That's Atlantic Electric.

ASSEMBLYMAN KARCHER: What are they burning?

ASSEMBLYMAN SHINN: Atomized coal -- a cyclone furnace.

MR. FISCHER: Where is that?

ASSEMBLYMAN SHINN: It's on the border of Atlantic and Cape May Counties.

MR. FISCHER: Okay. I find that the vitrification process is very expensive with the material I have seen.

ASSEMBLYMAN SHINN: Yeah, there is a--

MR. FISCHER: I wonder how you compare that to just acquiring primary material. All this is-- We are really digressing. Let me just make a few more comments.

ASSEMBLYMAN SHINN: It's just that I guess I am somewhat like Assemblyman McEnroe. Some of the statements led me to further dialogue.

MR. FISCHER: Okay. One other point I would like to make is: The information I have seen indicates that the garbage incineration waste to energy capital costs are greater than the cost of just incinerating material and having a fuel base electric plant. I think it is just unfortunate that this technology is marketed as it is, and that taxpayers and bondholders have to accept this as a technology which is efficient, when capital-wise it does not appear to be efficient. Okay? I would urge you to consider giving the voters of New Jersey a better informed choice. Let the voters decide, do we want to develop a bond issue? Do we want to have a bond issue for this type of technology, or this type of technology, or this type of technology? It may be cumbersome on the ballot, but I think it would be a fairer approach. As it stands now, I could not vote yea or nay for this, without knowing, well, is this money going to go toward garbage

incineration? Is it going to go for landfilling? Is it going to go for sanitary landfills, and are those landfills going to be used for municipal waste as is, or are they going to be used for ash?

ASSEMBLYMAN McENROE: Mr. Chairman, just one comment. Public Question No. 4 on the ballot November 8 was overwhelmingly approved by the voters by three and a half to four to one. That is an effort -- and a requirement now -- that any statewide public question be published in newspapers in each of the counties across the State. Now, it doesn't directly address your question, but it gives you the opportunity to inform the public relative to the question, because the question will be required to appear again in the newspapers of all of the 21 counties, so there will be opportunity--

MR. FISCHER: Yes.

ASSEMBLYMAN McENROE: --rather than at the last moment. The requirement is that this be published 60 days prior to consideration by the voters, so you will have a two-month period there, in a sense, to instruct voters as to other technologies available, rather than a direct command that it be resource recovery and a sanitary landfill. So, it helps your position. It does not address your concern with technology, but it at least gives you the opportunity of addressing your concern with that stated technology.

MR. FISCHER: Perhaps I am not getting one of my points across, and I think it is my major point. You are asking citizens to make a choice, and the choice they are making is undefined at the time they say yes or no. In paragraph 26, it says: "The application for project loans shall be filed with the commissioner. The commissioner shall develop a priority system for projects to be funded." So, the Commissioner of DEP can say, "Well, we want to fund such and such technology, and we don't want to fund such and such

technology." So, the voter will say, "Well, yeah, I think that is a good idea, because I believe in composting," or, "I think that is a good idea because I believe in incineration." That is not the decision he is making. He is only making the decision for the State to go ahead with the funding. Okay? The decision he may think he may be making, he is not actually making.

ASSEMBLYMAN McENROE: I know that, but what I am saying is that at least we now have a formalized opportunity for someone, in a sense, who has a position other than what is embodied in the public question to have a period of two months--

MR. FISCHER: Right.

ASSEMBLYMAN McENROE: --to instruct and educate the voters as to other alternatives, or other positions that can be considered. In other words, to encourage them to vote no, if that is--

MR. FISCHER: But there is no way-- This may be a good bill in some people's minds if the Commissioner chooses one technology. It may be a bad bill in some voters' minds if he chooses a different technology, and the vote is not correlated to what he thinks he is getting, or what he would like to get.

ASSEMBLYMAN SHINN: I think one point we have to make is, this is sort of an incremental process that has been ongoing since-- Well, it has been in various stages since 1975, which was the introduction to the Solid Waste Management Act. There has been a lot of interaction between the counties and the Department. There have been public hearings. There have been struggles in counties over siting and implementation and so on and so forth. I think to come up every year for a ballot question and basically test the public's attitude on six different technologies, is not really going to get us facilities on-line.

I think the question really relates to the fact that the State needs "X" number of dollars as its next increment to bring facilities on-line to deal with the State's solid waste problems. Those decisions are vested in 21 counties and the Department, with the Legislature supplementing those decisions. It can't be put up for grabs basically to -- I hate to characterize it this way -- a public whim every ballot year, because all of a sudden we are against resource recovery, and do we throw out those 12 counties, or 13 counties that have resource recovery technology? "You are not going to get funded this year. We are going to fund Burlington County's compost facility." You know, I think you have to have more stability in the overall solid waste planning than that type of fine public sentiment testing.

I think it has to represent a long-term planning effort and an incremental funding, more than a public selection of the technology that is going to happen this particular year. I think you are going to see great variation in an individual year on the public's attitude on a specific technology. But to put the county in that position of not being able to be funded because in this year the public voted for composting, which may or may not be ultimately a better process in the final analysis-- I don't see how you would ever implement solid waste plans reasonably on a long-term basis that way.

I agree, and it would probably be politically a very popular thing to do, if we could put all checklists on the ballot of technologies that the public-- But that would be letting the public do the State's solid waste planning, rather than DEP. We could probably get in an argument on that, too, but I think we have to have-- We have put the counties through this misery, and they are pretty much coming to implementation -- to grips with a solid waste plan statewide. To jeopardize the refunding of them based on the Department's recommendation,

in the process you are talking about-- I have a little problem with -- and I am not trying to put the public out of the process-- I think we have to at least demonstrate to the counties that as a State we have continuity, and that we can at least assist them in low-interest loans and bring their plans that the Department has endorsed over the years on-line.

I just wanted to share that with you.

MR. FISCHER: I hear you, and I understand what you're saying. I agree with what you are saying as far as implementations. I would encourage you to look at the capital costs and operating costs per ton of the alternatives and, rather than think in terms of how many dollars the State needs to continue its program, what is the cost-effectiveness? How many tons does it need to deal with, and what is the most cost-effective way of dealing with that? I think there are very fine disposal alternatives for composting. In the long run, there will be more outlets and markets developed for the products of composting and recycling, than for incineration.

I think I have spent enough time up here. A lot of other people would like to talk. I would like the opportunity to provide some written material within the next couple of days.

ASSEMBLYMAN SHINN: What county do you live in?

MR. FISCHER: Hunterdon.

ASSEMBLYMAN SHINN: Very good. Are you on their SWAC?

MR. FISCHER: I attend the SWAC meetings. I am not a member.

Thank you very much.

ASSEMBLYMAN SHINN: Thank you. Walt Sodie?

W A L T E R S O D I E: Good morning, Mr. Chairman, members of the Committee. My name is Walt Sodie. I am with Comtran Communications, and representing the Township of Bridgewater. Bridgewater has been designated as the site of a resource recovery incinerator by the County of Somerset, which designation Bridgewater opposes for some reasons which would

not be pertinent before this Committee, but I would like to just briefly cover them for background for my remarks.

Bridgewater already is the site of several waste disposal facilities, including a sludge incinerator operated by the Somerset/Raritan Valley Sewerage Authority; a second sludge incinerator plan for the same area; and a trash transfer station and recycling center. The other area of opposition that would be pertinent to this Committee that Bridgewater is advancing, is that you are dealing with a technology that scientifically is not fully proven, and that economically could be disastrous for New Jersey and its counties, as well as its people.

Now, for just a snapshot of what we might expect as we bring more incinerators on-line, we have the experience and the example of what is happening in Warren County right now. They have the first fully operational incinerator on-line in New Jersey. Now, on the question of technology regarding the Warren incinerator, there are at least two problems that have been documented already that we know about: The emissions are failing to meet the DEP standards for sulfur dioxide a good part of the time, and the incinerator ash is testing toxic about 30% of the time, meaning that that portion of the ash has to be disposed of in a toxic waste landfill, at a substantially higher cost than standard landfiling.

The problem with the ash is dust driving up the already high cost of operating the incinerator. Now, we have figures showing the disposal of the ash contaminated with toxins is costing Warren County \$219.14 a ton. This includes shipping and the dumping fees for that toxic ash only -- extremely high costs by any standards.

An additional factor in Warren is the well-publicized fact that their incinerator cannot be operated at the proper temperature or efficiently without adding newspaper and other recyclable materials to the waste stream. Now, this places the

incinerator at cross purposes with the State's mandatory recycling program. I recognize that it is not the largest incinerator we are going to bring on-line. It is very modest, in fact, a moderate-sized incinerator, compared to some of those that are going to come on-line later, but it does not mean that the same problem will not occur with some of the larger incinerators.

Now, even without Warren's problem with the ash toxicity, incineration is the most expensive form of garbage disposal when you factor in the ash landfilling and the cost of state-of-the-art pollution controls. Quite apart from Warren County, there are many additional concerns about potential effects on the environment and on human health. Your concern, since this is a bond issue -- a bill involving a bond issue before you -- may be more with economics. Well, we contend that as long as these concerns exist on the environmental front, the economic underpinning of our investment in incinerator technology stands at great risk.

The Federal EPA's -- the Environmental Protection Agency's -- Science Advisory Board has issued a series of reports since 1985 that should prompt us all to take a much harder look at the full-fledged incinerator program proposed by our Department of Environmental Protection. The latest report was presented to the agency on April 26 of this year -- to the EPA. Now, among the key components on that report was emphasis on the current lack of scientific knowledge concerning municipal waste combustion and the need for better analyses to enable scientists to estimate the health and environmental risks caused by such incineration.

A second report released on the same day, by the same Board, said that the EPA's research budget of only \$2 million a year for garbage incineration studies was grossly inadequate, and I quote now, "considering the large number of uncertainties associated with this technology." We are not talking about a

fly-by-night environmental group. This is the EPA's Science Advisory Board. And, yes, we will acknowledge that in all of these reports that have been presented at the EPA, you probably -- or undoubtedly, let's say -- could find information that may support incineration as well. But what this proves is only one thing: We do have a serious division within our scientific community over many of the aspects of incineration.

An economic and natural resource concern involving incineration that we normally do not hear very much about is the vast amount of water that these machines consume. A burner with a 1000 ton per day capacity, which we will be bringing on-line in New Jersey according to the current blueprints, uses about one million gallons of water a day. Gentlemen, with many New Jersey communities still rationing water regularly in the summertime, I have to question whether these incinerators are a necessity or get more into the category of being a dubious luxury?

Finally, I would like to ask the members of the Committee to reflect on what documentation you have seen from the New Jersey DEP that refutes the arguments of incineration opponents. My guess is that it is not very much, if any at all. Documentation we are talking about. What we have seen in this campaign to site incinerators is an unprecedented shifting and transfer of responsibilities. Rather than documenting and supporting the case for incineration, DEP has somehow gotten away with shifting this responsibility to opponents of incineration. Bridgewater believes that what is really lamentable about this, is that the Legislature has allowed DEP to get away with it. The Legislature has permitted the Department to adopt and pursue this policy with both economic and technological concerns unanswered, and to force that policy on the counties which have been given the responsibility -- the ultimate and unfair responsibility -- of siting resource recovery incinerators within their borders. It is DEP that has forced the counties to do this.

I dealt with this question for the better part of 15 years as a radio news director -- my former career. And I have never in all of 20 years of covering public decision-making seen a process that has been reversed by a major Department -- one of the largest departments of State government -- and being thrown on the lower departments of State government, or I should say of government units in New Jersey -- the counties namely -- that have to provide the answers and have to take the flak.

Now, yes, what you are doing in considering this bill is considering something that ostensibly would help the counties by providing funding. You have heard testimony already about alternate technologies. I don't think you need any from me on that subject. There are others that have not been discussed. But I think this Committee could take a step in making the issue of solid waste disposal more equitable by refusing to release this bill. We understand that Assemblyman Rocco is about ready to submit a bill of his own that would call for a one-year moratorium on the placement or advancing the progress on further resource recovery incinerators in the State of New Jersey. I think it would be a fair step to wait and see what support Assemblyman Rocco could attract. You may know that Assemblyman Rocco has had an piece published in a number of the State's large newspapers with his views on hazardous waste -- I'm sorry, on solid waste incineration. We think that the view in the Legislature, once some of these arguments are heard, may begin to shift somewhat away from the stand in favor of incineration that we have seen up to now.

Gentlemen, thank you very much for your courtesy in hearing these remarks.

ASSEMBLYMAN SHINN: Lou DeAngelo?

L O U D e A N G E L O: (speaking from audience) I support the bill. I don't want to testify.

ASSEMBLYMAN SHINN: Okay. Jack Quinn?

J A C K Q U I N N: (speaking from audience) I am not testifying on this one either.

ASSEMBLYMAN SHINN: Okay. Dave Pointman? Dave, are you testifying on this bond issue bill?

D A V I D P O I N T M A N: (speaking from audience) No, we're not.

ASSEMBLYMAN SHINN: Okay. Frank Brill?

F R A N K B R I L L (speaking from audience) No.

ASSEMBLYMAN SHINN: Okay. Pat Griffin?

P A T R I C I A L. G R I F F I T H: It's Griffith -- i-t-h.

ASSEMBLYMAN SHINN: Okay, sorry.

MS. GRIFFITH: My name is Patricia L. Griffith. I live in Camden, New Jersey. I am with a group of people called Citizens Against Trash to Steam. We call ourselves CATS. I am here to oppose A-3107.

I am here to testify against placing a bond issue question on the ballot on November 8, 1989 for consideration by the voters and residents of New Jersey for resource recovery money. This is basically the statement I would like to make.

As a native New Jerseyan, I must say I am opposed to any means which would help the incinerator industry prosper in New Jersey. I am opposed to an industry that only seeks to make money -- profit -- from the people -- residents -- of New Jersey, without any consideration of the future health of its citizens or the environmental impact this industry will have on New Jersey, or the United States as a whole.

We have been sold a false bill of goods by the incinerator industry. This industry has not lived up to its promises. Some of the promises are as follows: Cost-effectiveness: Not so. Vermont recently closed its incinerator after three months of operation. The ash being found to be hazardous, was correctly sent to a hazardous waste landfill in Buffalo, New York. Because of the high cost of ash disposal, the incinerator in Vermont closed bankrupt.

Warren County, New Jersey's state-of-the-art incinerator has had to replace a main water pump eight times, at a cost of \$200,000 each time. Approximately 225 to 250 tons of their ash has been classified as hazardous. The cost, I have been told, to dispose of this ash was approximately \$300 per ton -- it might be less than that -- because Warren County did not have a contract with Model Cities SCA Landfill before operation began.

Recently, Philadelphia closed its two incinerators because they were no longer cost-effective, because of ash disposal costs. Two barges of Philadelphia's ash sailed the seas for months -- this cargo of Philadelphia ash -- with no place in the world that would accept it, once they were properly informed of what the ash was. You may recall that the Panamanians were told that the incinerator ash was fertilizer, and the West Africans were told that the ash was material for making building blocks. It was reported in The Wall Street Journal that the official who permitted the ash to be deposited in a West African nation was subsequently jailed.

We have also been told that incinerators pose no health hazards to the population. I believe that disposal of incinerator ash, which has heavy metals and dioxin in it, is a health hazard. Ash must be landfilled. I have been told that Congressman Florio once said: "There is no such thing as a safe landfill." And I believe that statement.

I do not know of one landfill that does not leak, nor one that will never leak. Our water supplies are threatened every day by landfills and their contents, and to fill landfills or monofills with ash, ash that I believe is hazardous because of the known substances found in it, is unjustifiable.

In 1985, if I recall, there was a referendum or bond question on the ballot in New Jersey. I remember saying, "Yes," to resource recovery. I thought to myself, "Resource --

trash that can be reused. Recovery -- getting it out of the waste stream. This sounds like a good idea. Someone is really thinking about eliminating wasteful landfilling of reusable materials." In October 1987, I found out that I was misled by a term which did not fit the definition that might be found in Webster's Dictionary. Resource recovery does not mean burn, destroy, melt down by 65%. Resource recovery means to recover or collect our resources. I believe you can no longer sustain the road to mass burn incineration. I believe that to ask those in New Jersey to further pay for something they don't want, don't know anything about, or something that will hurt them and their pocketbook, is unconscionable and wrong.

I know I speak for hundreds of people from the City of Camden. In fact, approximately 2500 of them signed a petition against incineration. I know I speak for the 1000 people in Gloucester City, New Jersey, who signed a petition within a three-day period opposing incineration. I know I speak for what is right and for the right future of New Jersey, which does not include incineration as a means to alleviate a so-called trash crisis.

Incinerators do not destroy trash, and do not meet today's standards for a clean environment, a safe environment, an environment that will be liveable for the future. I say, do not ask the residents of New Jersey to say, "Yes," to resource recovery. I say it is time to tell the truth; tell the people of New Jersey that you want to burn trash in their neighborhoods and counties; and then ask them if they think we should support this.

Thank you. I would also like to say, you were saying that we are running out of landfill space in New Jersey, which is probably true.

ASSEMBLYMAN SHINN: Past tense. We have run out of landfill space.

MS. GRIFFITH: Oh, okay. I think you are also going to be introducing legislation to allow DEP to declare a landfill emergency, or something like that, so they can-- You are also looking into the feasibility of reusing old landfills.

ASSEMBLYMAN SHINN: Under a health risk threat, trash on the streets. Under A-462, it gives the Governor and the Commissioner emergency powers, eminent domain, etc., to go into the county where the shortfall exists, and take emergency remediation, including taking the county siting study and opening raw land sites. They also have the option of opening closed landfills, where it will be beneficial for the ultimate closure of that facility by adding additional revenue for the proper closure of that facility. They are among the remedies they have under this emergency plan to solve the trash on the street problem.

MS. GRIFFITH: What do you mean by trash on the street, people dumping illegally?

ASSEMBLYMAN SHINN: Trash on the street where no one collects it. Philadelphia, about a year and a half ago, I guess, went under no collection of trash, and they had rodent infested--

MS. GRIFFITH: So this would only happen if people-- Say, maybe there was a strike. I think that happened because there was a strike.

ASSEMBLYMAN SHINN: That happened because there was no place to dispose of their solid waste. They closed their incinerator. The volume of waste that went to that incinerator did not have a new home, and that trash built up ultimately to no collection. Right now--

MS. GRIFFITH: I don't remember that. Go ahead.

ASSEMBLYMAN SHINN: I followed it because we had a contractual agreement with the City of Philadelphia--

MS. GRIFFITH: I remember trash being in the street. Well, I live in Camden. I am--

ASSEMBLYMAN SHINN: --and I sort of keep track of what is happening with their trash.

MS. GRIFFITH: --right across the bridge.

ASSEMBLYMAN SHINN: But that has happened in New Jersey, on a limited basis, because of the price of disposal. We had one of our towns where there was trash on the street, but not to the extent where it presented a health hazard. But if we have closure of out-of-state facilities to this State, prior to bringing new facilities on-line, the result is trash on the street. Then you have rodent infestation, you know, and the things that go with it.

MS. GRIFFITH: You're talking about other states closing their landfills. I know that in Pennsylvania, the environmentalists are working to have Pennsylvania not accept ash at all, because they want ash to be classified as hazardous. Pennsylvania, as you know, does not accept hazardous ash. It will only take supposedly nonhazardous ash.

CATS have been coming from the City of Philadelphia. They had a press release on February 18, 1988. Part of it -- and I haven't been able to ask them if this is true or not-- They said that the new GROWS Landfill in Bucks County, with a capacity of 6000 tons, will be ready by July 1988 to accept Philadelphia's trash. GROWS has just signed a 25-year contract with Mercer County in New Jersey for about 1000 tons per day, at \$47 a ton. Do you know anything about this?

ASSEMBLYMAN SHINN: I know there are several Jersey counties that have contracted with Pennsylvania and Ohio. I don't know the specifics.

MS. GRIFFITH: It is a 25-year contract.

ASSEMBLYMAN SHINN: That is not unusual.

MS. GRIFFITH: Are you saying it appears that everybody has been closing their doors to us, and this might be your reasoning for having resource recovery?

ASSEMBLYMAN SHINN: There are a lot of things that affect contracts. Number one, the environmental constraints at that landfill. Let's suppose DER closed that landfill for environmental reasons, which is entirely possible. What happens to that contract?

MS. GRIFFITH: Well, are you concerned about what might happen if the DER closes landfills to New Jersey's ash from its 19 incinerators?

ASSEMBLYMAN SHINN: Yeah. I am concerned that we are totally relying on out-of-state capacity -- Pennsylvania, Ohio, West Virginia -- disposal capacity. New Jersey got very sensitive about importation of wastes, and ultimately planned away importation of waste into New Jersey. Pennsylvania is doing the same thing that we did 10 years ago, or eight years ago, in our planning effort to limit the importation of waste. So, our future, at best, is several years away -- we hope three or four years -- until this State becomes self-sufficient. As long as we are dependent upon another state for our disposal capacity, and we know they are tightening up that capacity by volume, by the actions of DER, we know we have to rely on our own facilities.

MS. GRIFFITH: You didn't answer my question. Are you concerned about what might happen if Pennsylvania closes its doors to our ash; if they finally determine that all ash is hazardous? That is what they are trying to do over there. In fact, it was turned down last year, but I am sure it will be--

ASSEMBLYMAN SHINN: Well, generally your parameters on ash-- Your bottom ash is disposable at a landfill; fly ash is not. That is generally the separation. You know, the ash has to meet certain--

MS. GRIFFITH: Are you saying that fly ash does not have to go to a landfill?

ASSEMBLYMAN SHINN: I'm saying that fly ash is usually disposed of in other than normal solid waste landfills. It usually goes to a secondary--

MS. GRIFFITH: Do you mean that usually it is hazardous? Is that what you're saying?

ASSEMBLYMAN SHINN: It usually meets the hazardous category. It has to go into a different type of landfill.

MS. GRIFFITH: Would you agree it is a fact that hazardous waste landfills are more expensive?

ASSEMBLYMAN SHINN: I agree, yeah.

MS. GRIFFITH: Which would--

ASSEMBLYMAN SHINN: The percentage of fly ash is small compared to the volume of bottom ash. Keep that in mind in your numbers.

MS. GRIFFITH: What is the percentage?

ASSEMBLYMAN SHINN: I don't have the specific percentage. It really depends on the type of process. But as a rule of thumb, it is--

M A R Y S H E I L: (speaking from audience) 10/90. (next sentence indiscernible; no microphone)

ASSEMBLYMAN SHINN: 90/10?

MS. GRIFFITH: Well, aren't we mixing our ash? Don't they normally just mix it together? I don't think we are being regulated.

ASSEMBLYMAN SHINN: There are facilities that reinject fly ash in the process, but they are usually high temperature--

MS. GRIFFITH: I think Fort Dix is the only incinerator in New Jersey that separates their ash and disposes of it.

ASSEMBLYMAN SHINN: We only have two running. There are Warren and Fort Dix, and I know Fort Dix separates its fly ash.

MS. GRIFFITH: Right.

ASSEMBLYMAN SHINN: Their fly ash goes to a hazardous waste facility.

MS. SHEIL: Warren is capable of separating it, too. It is designed for either combined or-- Right now, they are combining--

ASSEMBLYMAN SHINN: See, what you risk in combining your ash is raising the parameters of your bottom ash, even by dilution, to the point that you may have trouble.

MS. GRIFFITH: Well, I am here to say that I think I agree with Joe Fischer. Incineration is not very cost-effective. Therefore we, the taxpayers in New Jersey, will be forced to shoulder this cost. It is getting very hard to live in the State of New Jersey with its taxes; very hard. That is why I oppose this.

Thank you.

ASSEMBLYMAN SHINN: Thank you. Is there anyone else who wishes to testify before this Committee? Yes?

MS. SHEIL: Assemblyman, I would just like to bring to your attention that there are some inconsistencies perhaps in the bill with lines -- page 1, lines 24 through 26, and the definition of resource recovery facilities.

We have, in the past, used these bond moneys for composting facilities. I know Burlington is on our list, as well as other types of recycling facilities. You could correct that by just deleting from "designed" on line 24, to "solid waste" on line 26. Then it would be consistent throughout the rest of the bill.

ASSEMBLYMAN SHINN: Eliminate the word "designed" on line 24.

MS. SHEIL: Delete: "designed to simultaneously dispose of, and recover the energy contained in solid waste." If you just delete that, and just have the words "and resource recovery facilities," you will stay consistent with your definition of resource recovery facility on page 4. That would allow for the moneys to be used for other types of facilities, which we have done in the past.

ASSEMBLYMAN SHINN: Yes. I think it is always the intent to open up the different technologies.

MS. SHEIL: It would be unclear whether or not we could find those other ones with that statement in there.

ASSEMBLYMAN SHINN: That would even question the funding of landfills.

MS. SHEIL: Well, no, I think it specifically says, "environmentally sound sanitary landfill facilities" before it, and "resource recovery facilities." But the definition of resource recovery facilities is somewhat inconsistent.

ASSEMBLYMAN SHINN: Yeah, okay. Can we do that, Algis? (Chairman consults with aide at this point) Thank you.

Is there anyone else wishing to testify on this bill? Yes? Did you fill out one of our sign-in sheets?

R A Y K A L A I N I K A S: No, I didn't. I came in late. I am Ray Kalainikas, from Dover Township, down in Ocean County.

Assembly Bill No. 3107--

ASSEMBLYMAN SHINN: Please give us your name, and could you spell it?

MR. KALAINIKAS: Ray Kalainikas, K-A-L-A-I-N-I-K-A-S.

ASSEMBLYMAN SHINN: And you are representing?

MR. KALAINIKAS: Myself.

ASSEMBLYMAN SHINN: Okay.

MR. KALAINIKAS: I see it states that Assembly Bill No. 3107 would authorize, after voter approval, \$135 million in State general obligation bonds, to be used "for the purpose of providing funds for low-interest and zero-interest loans to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities."

My understanding is that resource recovery facilities always comes down to incineration processes, for all practical purposes. Would I be correct in stating that?

ASSEMBLYMAN SHINN: Not necessarily. It could include refuse dry fuel facilities, compost facilities, co-composting facilities. So, it depends on what the county submits in its solid waste management plan to the Department. Historically, there have been amendment approvals by the Department that

included other resource recovery "technologies" other than incineration and steam or electrical generation.

MR. KALAINIKAS: But, if this is put before the voters, will the voters be made aware, in the statement itself, that this will include incineration?

ASSEMBLYMAN SHINN: That it will include incineration?

MR. KALAINIKAS: Yes, because resource recovery is kind of a cover phrase that is often used for incineration. Many times when voters have a question before them, they are not aware of all of the implications of the question. They are often voting for something they would normally be voting against, if they were aware of certain implications.

Down in Ocean County, I requested the freeholders to put the incineration problem on the ballot. They refused to put the incineration question on the ballot, so we had to go to municipalities and ask various individual municipalities to put it on the ballot. In the last election -- November 8 -- some 19 municipalities had put the mass burn incineration question on the ballot, and the overall vote came out to be 38,000 against incineration and 30,000 for. So the sentiment, or the will of the people expressed, seemed to be against incineration. I am wondering if this Committee is willing to consider putting the whole issue of incineration on the State ballot. It seems we can only get it on the few municipal ballots. Certainly, in Jackson Township, where the toxic waste incineration was put on the ballot, overwhelmingly people said, "We do not want it."

Whenever the people have the right to say yes or no on an issue, I think that is consistent with our form of government. The basic principle of a republican form of government -- with a small "r" -- is, the elected official, or the government official, must seek out the will of the people, and then proceed to execute the will of the people. I think the people, while recognizing that their representatives make

the everyday decisions of government, they have the right, at any given time, to say, "We will make the decision." Even if a referendum is non-binding, it expresses the will of the people on the issue. And if the government official, or the elected official is listening to his or her own form of government, they must adhere to that will expressed, provided it does not go contrary to the Bill of Rights.

I would submit to you that if this whole issue were put on the ballot, people would say no to incineration. And if we honor our own form of government, we would have to go a different route other than incineration.

ASSEMBLYMAN SHINN: It would be like putting going to war on the ballot, though. Nobody wants to go to war, but sometimes you have to fight a war.

Put three questions on the ballot: Do you support building resource recovery facilities or incineration facilities?

MR. KALAINIKAS: That has to be made clear.

ASSEMBLYMAN SHINN: Do you support additional landfills? And, do you want your trash picked up? A and B will get you a no vote, and C will get you a yes vote.

MR. KALAINIKAS: I'm saying--

ASSEMBLYMAN SHINN: The question is, how does government implement dealing with its solid waste problems, which admittedly have a bad image, by public referendum? I submit to you that after we go through that whole exercise, with all of the questions on the ballot, landfills will get a no vote; incineration will get a no vote; but picking the trash up will get a yes vote. The problem is, how do you digest those three in a public policy setting?

MR. KALAINIKAS: I guess what I am saying is, the public is saying, "We want to go toward recycling as far as we can, before we consider other alternatives." I have made the suggestion in Ocean County that recycling -- the burden of

recycling -- should be placed on retailers and manufacturers, not on consumers, where the taxes pay for the business.

In other words, if I were to take my-- Suppose I were to take a paper bag of goodies from Foodtown or Acme home with me, and if I were to put back in that bag the glass, the plastic, and the metal, and take it back to Foodtown or Acme, and I have to basically, at that store -- source separate at the store -- they are having the responsibility of paying for the recycling. The manufacturer has the responsibility. I am not talking about a deposit. I am opposed to the deposit bill. There should not be any money in terms of collecting money for it. It should simply be the responsibility of retailers and manufacturers to do the recycling, not the consumer. When the consumer is given a product in glass or plastic, the cost really should go back to the retailer and manufacturer, as far as disposal, not to the consumer. This has not been addressed. I realize this has not been addressed.

ASSEMBLYMAN SHINN: One of the issues you are bringing up I think we talked about extensively earlier in the hearing. It is that this planning process-- When a county develops its own plan through a series of hearings and research and they do an economic feasibility analysis for their own bonding capabilities, and they do health risk analysis and environmental impact statements, this plan grows up through a county freeholder setting, and basically--

MR. KALAINIKAS: But without the support of the people. This is what has happened in Ocean County.

ASSEMBLYMAN SHINN: Well, the people elect the people who make the plan. If they do not like the plan that is put together by their freeholders, in some cases they have changed the members who sit on that board. That is sort of the process that occurs. That is why historically trash was at the municipal level. Because of trying, I guess, to get away from the proliferation of landfills, we moved it up a level of government to the freeholders.

That was 1975, and by this time plans are supposed to be implemented. Obviously, they are not. But, to come in at the eleventh hour and say, "Okay" -- to all of the counties which have spent hundreds of millions of dollars -- "your planning is out the window. We are not going to fund any more money for what we approved. Now we are going to go to plan B," is not really fair to the implementation of the solid waste plans by the counties. You would just see counties throwing up their hands, and saying, "Let somebody else do it." So--

MR. KALAINIKAS: I think it is fair to say that this action is not representative of the will of the people. Simply voting people in and out of office has been effective over the years, but in the last 200 years, government control of our lives, and government control basically of our incomes, has increased, in spite of people objecting, which means that until people have a right to vote on issues, we really do not control our own government. It is myth to think that simply voting people in and out of office is really going to change many things. We have discovered through experience that that does not work. We have to control issues.

ASSEMBLYMAN SHINN: Do you have a curbside collection recycling program in Ocean County?

MR. KALAINIKAS: Yes, with regard to certain items. Many of us are not happy with it. That is simply a token. Actually, it is really very inconvenient. It really forces people to go in the direction of mass burn because of the kind of inconvenience they are propagating with regard to recycling. They are making recycling very inconvenient. They are not getting very serious about it. And they are constantly pushing for mass burn. I suspect that is throughout the entire State, because that is the way the State is pushing.

I guess the bottom line is, people have to have the right to vote on the issues, not just candidates any more, because that doesn't work. We really--

ASSEMBLYMAN SHINN: This is a people problem. Believe me, elected officials aren't putting all the trash on the curb. The people are putting the trash on the curb. The people are the market for the plastics they complain about. If you didn't buy them, and the people in the stores didn't buy them, we wouldn't have the problem of disposing of them.

ASSEMBLYMAN KARCHER: I don't think that is fair, Mr. Chairman.

ASSEMBLYMAN SHINN: It is fair.

ASSEMBLYMAN KARCHER: If corporate America didn't insist on packaging everything that way-- What alternatives do most people have? I will take you to a shopping center today. You show me what the hell the alternatives are. So, don't blame the people. It is corporate America that insists upon packaging that way that has forced people, if they want to eat-- They don't even have a choice.

ASSEMBLYMAN SHINN: I submit to you that the corporations--

ASSEMBLYMAN KARCHER: Find me a shampoo. If you want to wash your hair -- you and I don't have much left any more--

ASSEMBLYMAN SHINN: You have a lot more than I do, I'll tell you that.

ASSEMBLYMAN KARCHER: Find me a shampoo in America that is not packaged in plastic.

MR. KALAINIKAS: That's true.

ASSEMBLYMAN KARCHER: You know, I could go from the beginning of the morning -- which is what we do every day -- and you find me what the alternatives are that are packaged--

ASSEMBLYMAN SHINN: If the consumer said, "I am not going to buy that in plastic--" There wouldn't be plastic around if the consumer-- The consumer drives that market, is the point I am trying to make. We have not rebelled in the marketplace.

ASSEMBLYMAN KARCHER: You and I might disagree about that, but I think we could empirically demonstrate -- if you and I were to test that -- that it is not consumer driven. It is corporate America profit driven.

MR. KALAINIKAS: That's true.

ASSEMBLYMAN KARCHER: That is how it is driven. It is not driven by the consumers. Consumers have no alternatives. It is corporate America that has jammed this down our throats.

ASSEMBLYMAN SHINN: I just feel, in this whole issue, that it is very easy to blame the other guy, but when we get right down to the trash-- You know, trash never had a lobbyist, and it is unfortunate because it has always been at the bottom of the barrel. It is the first thing you cut in a budget -- if you want to lessen a budget. No one feels it instantly. It is the easiest thing to track, because it all goes out from a home to a curb, and there is the problem. How you resolve that problem-- It is not saying that everything you have done up to this point is wrong. If you are going to promote recycling, you know, I am all for it. I believe in countywide curbside collection programs, and I think there is an answer there. But, we've got to get participation -- statewide participation.

Mary can tell you. She spent a good many years in recycling. It's pathetic; it's pathetic. Now it is getting better because of the barges floating around without a home, and the dolphins washing up on the beach, and all of our ocean pollution problems. There is getting to be more participation out there, but we haven't really addressed it as a problem from an individual standpoint on a statewide basis. I think we are getting closer; that we have scratched the surface, in my mind.

MR. KALAINIKAS: I guess all I am saying is, corporate America would not give us the shampoo in plastic if corporate America knew it would have to take the plastic bottle back and recycle it. That is why I'm saying, put the onus of recycling

APPENDIX

Testimony of:
Mr. William R. Healey
Director, Governmental Relations



NEW JERSEY STATE
CHAMBER OF COMMERCE
GOVERNMENTAL RELATIONS OFFICE
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Members of the Assembly Solid Waste Committee, the New Jersey State Chamber of Commerce is pleased to give its support to Assembly Bill A-3107, which would authorize a total of \$135 million in bonds for the construction of both resource recovery facilities and environmentally sound landfill facilities.

This legislation is yet another important step toward New Jersey's goal of solid waste self-sufficiency by 1992, which The Chamber has pledged its full support to, working with its members and others in New Jersey's business community.

At the beginning of this legislative session, The Chamber outlined an ambitious agenda concerning New Jersey's environment. Solid waste disposal is one of our most pressing problems. The State Chamber, working together with other organizations, has pledged its support to a three-tiered approach to solid waste management: resource recovery, landfilling of those wastes which cannot be recycled, and an aggressive recycling program. Construction of resource recovery facilities, in our opinion, offers the greatest promise for a permanent solution to our solid waste dilemma.

Much progress has been made since the approval of a similar bond issue in 1985. Residents of the state are beginning to see results, with Warren County's resource recovery facility coming on line during the summer of 1988. Other facilities are now under construction in other areas of the state.

Making an additional funding commitment toward resource recovery is important recognition of the fact that our neighboring states, who are now accepting up to 60% of New Jersey's solid waste, will not let that situation continue forever. Even if they did, our state must continue to follow the course of total self-sufficiency concerning solid waste. The New Jersey State Chamber is committed to working toward this goal with its members. Our past habits are changing, and must continue to change. Efficient solid waste disposal, anchored by the three-part approach of resource recovery, landfilling and recycling, is a goal that all New Jerseyans must continue to challenge and meet.

Toward that end, we lend our support to A-3107, which will encourage the construction of additional modern solid waste facilities.

