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PUBLIC HEARING

before

SENATE ENERGY AND ENVIRONMENT COMMITTEE

on

Senate Bill 2740

(Revises Statewide Mandatory  
Source Separation and Recycling Act)

November 2, 1988  
Council Chambers  
Paramus Borough Hall  
Paramus, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Paul Contillo, Vice Chairman  
Senator William L. Gormley

ALSO PRESENT:

Mark T. Connelly  
Office of Legislative Services  
Aide, Senate Energy and Environment Committee

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



DANIEL J. DALTON  
*Chairman*  
PAUL CONTILLO  
*Vice-Chairman*  
CATHERINE A. COSTA  
WILLIAM L. GORMLEY  
LEE B. LASKIN

**New Jersey State Legislature**  
**SENATE ENERGY AND ENVIRONMENT COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625  
TELEPHONE: (609) 292-7676

October 26, 1988

NOTICE OF PUBLIC HEARING

The Senate Energy and Environment Committee will hold a public hearing on Wednesday, November 2, 1988 at 4:00 P.M. in the Council Chambers, Paramus Borough Hall, Route 17, Paramus, New Jersey.

The subject of the Public Hearing will be:

S-2740                      Revises Statewide Mandatory Source  
Contillo                      Separation and Recycling  
Act.

In addition, the committee will be interested in receiving testimony concerning the implementation of the 1987 "Statewide Mandatory Source Separation and Recycling Act."

Persons interested in testifying at the public hearing should contact Mark T. Connelly, Aide to the Committee, at (609) 292-7676.



SENATE, No. 2740

STATE OF NEW JERSEY

INTRODUCED JUNE 30, 1988

By Senators CCNTILLO, COSTA and AMBROSIO

1 AN ACT concerning commercial recycling activities, amending  
2 P.L. 1970, c. 39, and amending and supplementing P.L. 1987, c.  
3 102.

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

7 1. Section 3 of P.L. 1970, c. 39 (C.13:1E-3) is amended to read  
8 as follows:

9 3. For purposes of this act, unless the context clearly requires  
10 a different meaning:

11 a. "Solid waste" means garbage, refuse, and other discarded  
12 materials resulting from industrial, commercial and agricultural  
13 operations, and from domestic and community activities, and  
14 shall include all other waste materials including liquids, except  
15 for solid animal and vegetable wastes collected by swine  
16 producers licensed by the State Department of Agriculture to  
17 collect, prepare and feed such wastes to swine on their own farms.

18 b. "Solid waste collection" means the activity related to  
19 pick-up and transportation of solid waste from its source or  
20 location to a sanitary landfill facility, transfer station, [disposal  
21 site or to a] resource recovery facility or other disposal site.

22 c. "Disposal" means the storage, treatment, utilization,  
23 processing, resource recovery of, or the discharge, deposit,  
24 injection, dumping, spilling, leaking or placing of any solid or  
25 hazardous waste into or on any land or water, so that the solid or  
26 hazardous waste or any constituent thereof may enter the  
27 environment or be emitted into the air or discharged into any  
28 waters, including groundwaters.

29 d. "Solid waste management" includes all activities related to  
30 the collection and disposal of solid waste by any person engaging  
31 in such process.

32 e. "Council" means the Advisory Council on Solid Waste  
33 Management.

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.

1 f. "Department" means the State Department of  
Environmental Protection.

3 g. "Commissioner" means the Commissioner of Environmental  
Protection in the State Department of Environmental Protection.

5 h. "Solid waste [facilities] facility" [mean and include the  
7 plants, structures and other real and personal property] means  
operated or to be acquired, constructed or operated by any person  
9 pursuant to the provisions of [this or any other act] P.L. 1970 c.  
11 39 (C. 13:1E-1 et seq.) and P.L. 1970, c. 40 (C. 48:13A-1 et seq.),  
13 and licensed under the provisions of P.L. 1983, c. 392 (C.  
15 13:1E-126 et seq.), including transfer stations, solid waste  
17 recycling facilities, incinerators, resource recovery facilities,  
19 sanitary landfill facilities or other plants for the disposal of solid  
waste, [and all vehicles, equipment and other real and personal  
property and rights therein and appurtenances necessary or useful  
and convenient for the collection or disposal of solid waste in a  
sanitary manner] except that it shall not include a recycling  
center.

21 i. "Public authority" means any solid waste management  
authority created pursuant to the "solid waste management  
23 authorities law," P.L. 1968, c. 249 (C. 40:66A-32 et seq.);  
municipal utility authority created pursuant to the "municipal  
25 and county utilities authorities law," P.L. 1957, c. 183 (C.  
40:14B-1 et seq.); incinerator authority created pursuant to the  
27 "incinerator authorities law," P.L. 1948, c. 348 (C. 40:66A-1 et  
seq.); county improvement authority created pursuant to the  
29 "county improvement authorities law," P.L. 1960, c. 183 (C.  
40:37A-44 et seq.), or any other public body corporate and politic  
31 created for solid waste management purposes in any county or  
municipality, pursuant to the provisions of any law.

33 j. "Hackensack Meadowlands District" means the area within  
the jurisdiction of the Hackensack Meadowlands Development  
Commission created pursuant to the provisions of the  
35 "Hackensack Meadowlands Reclamation and Development Act,"  
P.L. 1968, c. 404 (C. 13:17-1 et seq.).

37 k. "Hackensack Commission" means the Hackensack  
Meadowlands Development Commission created pursuant to the  
39 provisions of the "Hackensack Meadowlands Reclamation and

1 Development Act." P.L. 1968, c. 404 (C. 13:17-1 et seq.).

3 [l. "Existing solid waste facility" means that portion of an  
active solid waste facility which, on the effective date of this  
act, possesses a valid approved registration from the department.

5 m. "New solid waste facility" means any solid waste facility or  
portion thereof which does not qualify as an existing solid waste  
7 facility.]

[n.] l. "Public sewage treatment plant" means any structure or  
9 structures required to be approved by the department pursuant to  
P.L. 1977, c. 224 (C. 58:12A-1 et seq.) or P.L. 1977, c. 74 (C.  
11 58:10A-1 et seq.), by means of which domestic wastes are  
subjected to any artificial process in order to remove or so alter  
13 constituents as to render the waste less offensive or dangerous to  
the public health, comfort or property of any of the inhabitants  
15 of this State, before the discharge of the plant effluent into any  
of the waters of this State; this definition includes plants for the  
17 treatment of industrial wastes, as well as a combination of  
domestic and industrial wastes.

19 [o.] m. "Resource recovery" means the collection, separation,  
recycling and recovery of metals, glass, paper and other  
21 materials for reuse; or the incineration of solid waste for energy  
production and the recovery of metals and other materials for  
23 reuse.

[p.] n. "Recycling facility" means any transfer station or other  
25 solid waste facility [utilized to separate or process solid waste  
into marketable materials] at which putrescible or nonputrescible  
27 solid waste is accepted for disposal or transfer and at which  
recyclable materials are separated or processed from solid waste  
29 onsite for the purposes of recycling.

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

35 [r.] p. "Transfer station" means a solid waste facility at which  
solid waste is transferred from a solid waste collection vehicle to  
37 a solid waste haulage vehicle for transportation to a sanitary  
landfill facility, resource recovery facility, or other destination.

39 q. "Recyclable material" means those materials which would

1 otherwise become solid waste, and which may be collected,  
2 separated or processed and returned to the economic mainstream,  
3 in the form of raw materials or products.

4 c. "Recycling" means any process by which materials which  
5 would otherwise become solid waste are collected, separated or  
6 processed and returned to the economic mainstream in the form  
7 of raw materials or products.

8 s. "Recycling center" means any facility, including a scrap  
9 processing facility, designed and operated solely for receiving,  
10 storing, processing and transferring source separated,  
11 nonputrescible or source separated commingled nonputrescible  
12 metal, glass, paper, plastic, wood, rubber, plastic containers,  
13 corrugated and other cardboard, or other recyclable materials  
14 approved by the department, and licensed under the provisions of  
15 section 5 of P.L. 1988, c. (C. ) (now before the  
16 Legislature as this bill).

17 t. "Resource recovery facility" means a solid waste facility  
18 constructed and operated for the incineration of solid waste for  
19 energy production and the recovery of metals and other materials  
20 for reuse; or a mechanized composting facility, or any other solid  
21 waste facility constructed or operated for the collection,  
22 separation, recycling, and recovery of metals, glass, paper, and  
23 other materials for reuse or for energy production.

24 u. "Source separated recyclable materials" means  
25 nonputrescible or commingled nonputrescible recyclable  
26 materials, including but not limited to, paper, metal, glass, wood,  
27 rubber, food waste, office paper and plastic which are kept  
28 separate and apart from residential, commercial and institutional  
29 solid waste by the generator thereof for the purposes of  
30 collection, disposition and recycling; except that source  
31 separated recyclable materials may contain not more than 10%  
32 by weight or volume of non-recyclable materials as approved by  
33 the department.

34 v. "Scrap processing facility" means a recycling center  
35 designed and operated for receiving, storing, processing and  
36 transferring source separated, nonputrescible or source separated  
37 commingled nonputrescible ferrous and nonferrous metal, glass,  
38 paper, plastics or other recyclable materials which are altered or  
39 reduced in volume or physical characteristics onsite by

1 mechanical methods, including but not limited to baling, cutting,  
2 torching, crushing, or shredding, for the purposes of resale for  
3 remelting, refining, smelting or remanufacturing into raw  
4 materials or products.

5 (cf: P.L. 1987, c. 449, s. 1)

6 2. Section 2 of P.L. 1987, c. 102 (C.13:1E-99.12) is amended to  
7 read as follows:

8 2. As used in sections 1 through 24 of [this 1987 amendatory  
9 and supplementary act] P.L. 1987, c. 102 (C.13:1E-99.11 et seq.):

10 "Beverage" means milk, alcoholic beverages, including beer or  
11 other malt beverages, liquor, wine, vermouth and sparkling wine,  
12 and nonalcoholic beverages, including fruit juice, mineral water  
13 and soda water and similar nonalcoholic carbonated and  
14 noncarbonated drinks intended for human consumption;

15 "Beverage container" means an individual, separate,  
16 hermetically sealed, or made airtight with a metal or plastic cap,  
17 bottle or can composed of glass, metal, plastic or any  
18 combination thereof, containing a beverage;

19 "County" means any county of this State of whatever class;

20 "Department" means the Department of Environmental  
21 Protection;

22 "Designated recyclable materials" means those recyclable  
23 materials, including metal, glass, paper, or plastic containers,  
24 food waste, corrugated and other cardboard, newspaper,  
25 magazines, or high-grade office paper designated in a district  
26 recycling plan to be source separated in a municipality pursuant  
27 to section 3 of [this amendatory and supplementary act] P.L.  
28 1987, c. 102 (C.13:1E-99.13);

29 "Disposition" or "disposition of designated recyclable  
30 materials" means the transportation, placement, reuse, sale,  
31 donation, transfer or temporary storage for a period not  
32 exceeding six months of designated recyclable materials for all  
33 possible uses except for disposal as solid waste;

34 "District" means a solid waste management district as  
35 designated by section 10 of P.L. 1975, c. 326 (C. 13:1E-19),  
36 except that, as used in the provisions of this amendatory and  
37 supplementary act, "district" shall not include the Hackensack  
38 Meadowlands District;

39 "District recycling plan" means the plan prepared and adopted



1 by the governing body of a county and approved by the  
department to implement the State Recycling Plan goals pursuant  
3 to section 3 of [this amendatory and supplementary act] P.L.  
1987, c. 102 (C.13:1E-99.13);

5 "Market" or "markets" means the disposition of designated  
recyclable materials source separated in a municipality which  
7 entails a disposition cost less than the cost of transporting the  
recyclable materials to solid waste facilities and disposing of  
9 them as municipal solid waste at the facility utilized by the  
municipality;

11 "Municipality" means any city, borough, town, township or  
village situated within the boundaries of this State;

13 "Municipal solid waste stream" means all residential,  
commercial and institutional solid waste generated within the  
15 boundaries of any municipality;

"Paper" means and includes all newspaper, high-grade office  
17 paper, fine paper, bond paper, offset paper, xerographic paper,  
mimeo paper, duplicator paper, and related types of cellulosic  
19 material containing not more than 10% by weight or volume of  
non-cellulosic material such as laminates, binders, coatings, or  
21 saturants;

"Paper product" means any paper items or commodities,  
23 including but not limited to, paper napkins, towels, corrugated  
and other cardboard, construction material, toilet tissue, paper  
25 and related types of cellulosic products containing not more than  
10% by weight or volume of non-cellulosic material such as  
27 laminates, binders, coatings, or saturants;

"Plastic container" means any hermetically sealed, or made  
29 airtight with a metal or plastic cap, container with a minimum  
wall thickness of not less than 0.010 inches, and composed of  
31 thermoplastic synthetic polymeric material;

"Post-consumer waste material" means any product generated  
33 by a business or consumer which has served its intended end use,  
and which has been separated from solid waste for the purposes  
35 of collection, recycling and disposition and which does not include  
secondary waste material or demolition waste;

37 "Recyclable material" means those materials which would  
otherwise become municipal solid waste, and which may be  
39 collected, separated or processed and returned to the economic

1 mainstream in the form of raw materials or products;

2 "Recycled paper" means any paper having a total weight  
3 consisting of not less than 50% secondary waste paper material;

4 "Recycled paper product" means any paper product consisting  
5 of not less than 50% secondary waste paper material;

6 "Recycling" means any process by which materials which would  
7 otherwise become solid waste are collected, separated or  
8 processed and returned to the economic mainstream in the form  
9 of raw materials or products;

10 "Recycling center" means any facility, including a scrap  
11 processing facility, designed and operated solely for receiving,  
12 storing, processing and transferring source separated,  
13 nonputrescible or source separated commingled nonputrescible  
14 metal, glass, paper, wood, rubber, plastic and plastic containers,  
15 and corrugated and other cardboard, or other recyclable  
16 materials approved by the department, and licensed under the  
17 provisions of section 5 of P.L. 1988, c. (C. ) (now  
before the Legislature as this bill);

18 "Recycling services" means the services provided by persons  
19 engaging in the business of recycling, including the collection,  
20 processing, storage, purchase, sale or disposition, or any  
21 combination thereof, of recyclable materials;

22 "Secondary waste material" means waste material generated  
23 after the completion of a manufacturing process;

24 "Secondary waste paper material" means paper waste  
25 generated after the completion of a paper making process, such  
26 as post-consumer waste material, envelope cuttings, bindery  
27 trimmings, printing waste, cutting and other converting waste,  
28 butt rolls and mill wrappers; except that secondary waste paper  
29 material shall not include fibrous waste generated during the  
30 manufacturing process, such as fibers recovered from waste  
31 water or trimmings of paper machine rolls, fibrous byproducts of  
32 harvesting, extractive or woodcutting processes, or forest residue  
33 such as bark;

34 "Recycling facility" means any transfer station or other solid  
35 waste facility at which putrescible or nonputrescible solid waste  
36 is accepted for disposal or transfer and at which recyclable  
37 materials are separated or processed from solid waste onsite for  
38 the purposes of recycling;  
39

1        "Scrap processing facility" means a recycling center designed  
2        and operated for receiving, storing, processing and transferring  
3        source separated, nonputrescible or source separated commingled  
4        nonputrescible ferrous and nonferrous metal, glass, paper,  
5        plastics or other recyclable materials which are altered or  
6        reduced in volume or physical characteristics onsite by  
7        mechanical methods, including but not limited to baling, cutting,  
8        torching, crushing, or shredding, for the purposes of resale for  
9        remelting, refining, smelting or remanufacturing into raw  
10       materials or products;

11       "Source separated recyclable materials" means nonputrescible  
12       or commingled nonputrescible recyclable materials, including but  
13       not limited to, paper, metal, glass, wood, rubber, food waste,  
14       office paper and plastic which are kept separate and apart from  
15       residential, commercial and institutional solid waste by the  
16       generator thereof for the purposes of collection, disposition and  
17       recycling; except that source separated recyclable materials may  
18       contain not more than 10% by weight or volume of  
19       non-recyclable materials as approved by the department.

(cf: P.L. 1987, c. 102, s.2)

21       3. Section 40 of P.L. 1987, c. 102 (C.13:1E-99.33) is amended  
22       to read as follows:

23       40. a. Any person engaged in the business of solid waste  
24       collection or solid waste disposal in accordance with the  
25       provisions of P.L. 1970, c. 40 (C. 48:13A-1 et seq.) may engage in  
26       recycling or otherwise provide recycling services.

27       b. Notwithstanding the provisions of P.L. 1970, c. 40 (C.  
28       48:13A-1 et seq.) or any other law, the Board of Public Utilities  
29       shall not have jurisdiction over charges or rates for recycling or  
30       services provided by persons engaging in the business of recycling  
31       or otherwise providing recycling services in this State.

32       c. The revenues generated by persons lawfully engaging in the  
33       business of recycling or otherwise providing recycling services  
34       shall be kept separate and distinct from, and shall not be included  
35       within the computation of, current or adjusted tariffs established  
36       pursuant to law for solid waste collection.

(cf: P.L. 1987, c. 102, s.40)

37       4. Section 41 of P.L. 1987, c. 102 (C. 13:1E-99.34) is amended  
38       to read as follows:

1 4i. a. [Notwithstanding the provisions of P.L. 1970, c. 39  
3 (C.13:1E-1 et seq.) or any other law, rule or regulation to the  
5 contrary, no] No recycling center as defined in section 2 of P.L.  
7 1987, c. 102 (C. 13:1E-99.12) shall be required by the department  
9 to obtain a registration statement, engineering design approval,  
11 or approval of an environmental and health impact statement  
13 prior to the commencement of operations.

b. The department shall require the owner or operator of a  
9 recycling center as defined in section 2 of P.L. 1987, c. 102 (C.  
11 13:1E-99.12) to obtain a license under the provisions of section 5  
13 of P.L. 1988, c. (C. ) (now before the Legislature as  
15 this bill) prior to the commencement or continuation of  
17 operations.

[b.] c. No recycling center shall receive, store, process or  
15 transfer any waste material other than source separated  
17 nonputrescible or source separated commingled nonputrescible  
19 metal, glass, paper, plastic, wood, rubber, or plastic containers,  
21 and corrugated and other cardboard without the prior approval of  
23 the department. In no case shall a recycling center receive, store,  
25 process or transfer the equivalent of a truckload of source  
27 separated commingled recyclable materials containing more than  
29 10% by weight or volume of putrescible waste material.

(cf: P.L. 1987, c. 102, s.41)

5. (New section) a. Subsequent to the effective date of this act  
25 and prior to the commencement or continuation of operations,  
27 every owner or operator of a recycling center shall file an  
29 application for a license to operate with the department and  
31 obtain approval thereof.

The department shall, within 90 days of the receipt thereof,  
approve an application for a license to operate a recycling center  
unless the department finds:

(1) The applicant has failed to pay the fee required pursuant to  
33 subsection b. of this section;

(2) The applicant who is required to file a disclosure statement  
35 with the department and the Attorney General pursuant to  
37 section 3 of P.L. 1983, c. 392 (C.13:1E-128) has failed to do so;

(3) The applicant has been denied a license for the collection,  
39 transportation, treatment, storage or disposal of solid waste or  
hazardous waste in this State pursuant to P.L. 1983, c. 392

1 (C.13:1E-126 et seq.), or the license has been revoked by the  
department pursuant to section 9 of P.L. 1983, c. 392  
3 (C.13:1E-134); or

5 (4) The applicant has violated an interdistrict or intradistrict  
waste flow order issued by the department, in conjunction with  
the Board of Public Utilities, pursuant to P.L. 1970, c. 40  
7 (C.48:13A-1 et seq.) and P.L. 1970, c. 39 (C.13:1E-1 et seq.),  
directing the flow of solid waste in this State.

9 b. The department may charge and collect, in accordance with  
a fee schedule adopted as a rule and regulation pursuant to the  
11 "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1  
et seq.), such initial and annual renewal fees from applicants and  
13 licensees as may be necessary to cover the costs of enforcing the  
provisions of P.L. 1988, c. (C. ) (now before the  
15 Legislature as this bill). The initial fee shall be calculated on the  
basis of \$100.00 per applicant. The annual renewal fee shall be  
17 calculated on the basis of \$50.00 per licensee.

19 c. The revenues derived from the fees imposed pursuant to  
subsection b. of this section shall be used by the department to  
support State solid waste management enforcement activities,  
21 including the periodic inspection of recycling centers licensed  
pursuant to this act to insure that no recycling center receives,  
23 stores, processes or transfers the equivalent of more than 10% by  
weight or volume of putrescible waste material per truckload of  
25 source separated commingled recyclable material received at the  
facility.

27 6. This act shall take effect immediately.

29

#### STATEMENT

31

33 This bill would revise and supplement the "New Jersey  
Statewide Mandatory Source Separation and Recycling Act," P.L.  
35 1987, c. 102 (C.13:1E-99.11 et al.) to facilitate the growth and  
development of commercial recycling activities in this State.

37 The bill sets forth a uniform set of definitions to distinguish  
between regulated solid waste facilities which also engage in  
39 recycling activities and those unregulated facilities which are

1 primarily engaged in commercial recycling operations.  
Accordingly, a "recycling center," which is not otherwise  
3 regulated by the Department of Environmental Protection or the  
Board of Public Utilities, is defined as any facility, including a  
5 scrap processing facility, designed and operated solely for  
receiving, storing, processing and transferring source separated,  
7 nonputrescible or source separated commingled nonputrescible  
ferrous and nonferrous metal, glass, paper, plastic, wood, rubber,  
9 plastic containers, corrugated and other cardboard, or other  
recyclable materials approved by the department.

11 By contrast, a "recycling facility" refers to a solid waste  
facility permitted by the department under the "Solid Waste  
13 Management Act," P.L. 1970, c. 39 (C.13:1E-1 et seq.) and  
regulated by the BPU pursuant to P.L. 1970, c. 40 (C.48:13A-1 et  
15 seq.) at which recyclable materials which would otherwise be  
disposed of as solid waste are separated or processed onsite for  
17 recycling. However, these recycling activities are incidental to  
the primary solid waste collection and disposal operations of the  
19 facility.

The bill would also require the owner or operator of a recycling  
21 center to apply for and obtain from the DEP an operator's  
license prior to the commencement or continuation of operations  
23 at the facility. Within 90 days of receipt of an application  
therefor, the department must approve the license unless: (1) the  
25 applicant has failed to pay the \$100.00 fee required under the  
bill; (2) the applicant who is required to file an "A-901"  
27 disclosure statement with the department and the Attorney  
General pursuant to P.L. 1983, c. 392 (C.13:1E-126 et seq.) has  
29 failed to do so; (3) the applicant has been denied a license for the  
collection, transportation, treatment, storage or disposal of solid  
31 waste or hazardous waste in this State under the "A-901"  
screening procedure, or an applicant's solid waste or hazardous  
33 waste collection or disposal license has been revoked by the  
department; or (4) the applicant has violated an interdistrict or  
35 intradistrict waste flow order issued by the DEP, in conjunction  
with the BPU, pursuant to P.L. 1970, c. 40 (C.48:13A-1 et seq.)  
and P.L. 1970, c. 39 (C.13:1E-1 et seq.).

The department would be authorized to collect an initial fee of  
39 \$100.00 per applicant and an annual renewal fee of \$50.00 per

1 licensee . The revenues from the fees collected would be used by  
the department to support enforcement activities, including the  
3 periodic inspection of licensed recycling centers to insure that  
these facilities are not unlawfully accepting solid waste.

5

7 ENVIRONMENT

Solid Waste

9

11 Revises "New Jersey Statewide Mandatory Source Separation and  
Recycling Act" to facilitate the development of commercial  
recycling activities in this State.

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APPENDIX:

Statement submitted by Diane C. Mensinger	1x
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\* \* \* \* \*



**SENATOR PAUL CONTILLO (Chairman):** Okay. All right. Shall we get this meeting called to order. It's been, I guess, 20 years since I sat in this chair when I was Chairman of the Board of Adjustment here in Paramus.

We have a sign-up list here of town coordinators that were pre-signed up, you might say, prior to this actual meeting. I'm going to leave a pad on that desk up there, and if anyone hadn't called my office prior to the meeting and is here at the meeting and wishes to speak-- There was a sign-up list outside that apparently people misunderstood, simply as an attendance list. So, I have people here who don't want to speak, mixed in with people are here who do want to speak. So, will you put this out on the table with a pencil or a pen? (referring to Aide)

As you know, New Jersey was the first state in the Union to really implement mandatory recycling. That bill has been in effect for about a year now. The purpose of this meeting is for the people who are in the trenches -- for those of you who are actually trying to implement the law on a municipal level as coordinators, for those who are trying to operate recycling centers, for those who are trying to haul solid waste, for all of us who are trying to find out what the problems are and how we can make recycling a greater part of our daily lives, how we can increase the volume of what we recycle?

I have a specific bill that I've generated. But before we have another public hearing in Trenton, I wanted to hear from the individuals who have to do it. The primary thrust of my bill is going to, again, make recycling easier, to take it out of the control of any bureaucracy or any government agency, to make it operate as private enterprise.

One of the things we're going to do is to expand the scope of recycling. And currently, as you all well know, there are four items that you can recycle: The plastic container,

glass, aluminum, and paper. We're going to change that definition hopefully to say anything can be recycled that's not putrescible and is not toxic. That expands the scope of what we can do tremendously and should increase the volume of what we recycle.

We've been driven to this point by a realization both by myself and those of you in the industry who have come to me and told me there seems to be some bureaucratic institutionalized Machiavellian scheme to stop recycling, and I recognize it as you do. And that those who would bond billions of dollars to build burners and resource recovery plants have not spent one penny to accelerate the logical alternative of recycling. It's disturbing to me from a policy standpoint, and I think we're going to deal with that as we go through this meeting and on into the future. So, do you wish to say anything on the bill now?

SENATOR GORMLEY: Only that Atlantic County Utilities Authority has an excellent recycling program. Aside from that, I can only cite my own county. Somerset County -- they've started a program where they are recycling. They have a recycling center and the Executive Director, John Armstrong is doing an excellent job. They put a whole crew on.

One of the problems is, you know, when we went through that long process of trying to get a bill through -- that you had to live through -- was that it wasn't even as tough as it should be. In Atlantic County, in fact, we're getting some confirmation from some communities, because the county is offering to do the recycling program, which is the inverse. We were afraid that every county would just pass it back onto the municipality. In this particular case, they've started the collection. It's been going on for a couple of months, and it's been somewhat successful. So, that is a case of somebody who's doing the bonding, but also doing the recycling, which is obviously what you're looking for. And what is the goal: To

have that one-stop cross-reference effort. I can only cite a particular county's experience. That's all.

SENATOR CONTILLO: And I want to publicly thank Senator Gormley for making that long trip up from Ocean County -- from Atlantic County. I'm sorry.

SENATOR GORMLEY: You've call me Cape, Ocean, Atlantic--

SENATOR CONTILLO: Well, they are southern counties. It's a long trip on the Parkway. I must say that.

SENATOR GORMLEY: At least you didn't say Baltimore, Senator.(laughter)

SENATOR CONTILLO: And it's not the first time he's come from Atlantic County here to Bergen to help us with our environmental problems. Okay, the first person who has requested to speak is the New Jersey Board of Public Utilities, Murray Bevan and Wayne De Feo, whom we met with last week and they've already suggested some improvements to our legislation, of which quite a bit of has been incorporated. Not all, but quite a bit.

MURRAY E. BEVAN: For the record, Senator, my name is Murray Bevan. I'm Assistant to the President of the Board of Public Utilities. With me today is Wayne De Feo. Wayne is our Deputy Director for the Division of Solid Waste. Prior to coming to the Board, Wayne was the Recycling Coordinator in Somerset County and I think has a number of cogent observations.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Could you turn the mike up a little so that we can hear?

MR. BEVAN: Shall I speak-- Can you hear me now?

SENATOR CONTILLO: Speak into the mike. Are you on?

SENATOR GORMLEY: It depends on which mike.

MR. BEVAN: Is it this one? There we go. That's it.

SENATOR GORMLEY: I've haven't seen as many mikes since Oliver North.

SENATOR CONTILLO: I want you to know that the Mayor

here has buttons that he can shut off any councilman or persons from the public he wants to. That's real power. That's power. (Committee members adjust their microphones) We thought if you had to stand while you spoke, you would be more brief. (laughter)

SENATOR GORMLEY: I like all those mikes. We can refer to them as Colonel North.

MR. BEVAN: I promise that we'll be brief. The Board has been in the business, obviously, of economically regulating the solid waste industry for the last 18 or 19 years. However, we haven't been actively involved, and in fact, really don't intend to be actively involved in the recycling area. However, there have been events in the last several years which have drawn us into this area. It's one of the reasons why we're here to comment today. Obviously, the Mandatory Recycling Law is probably the biggest moving incident that's driven the Board in at least some involvement here. Also, the Board is interested in a per bag or per container rate structure, which we hope will go hand in hand in improving recycling.

And, I believe-- I think that we have seen in the last few years that really the whole system -- the solid waste system, the recycling system, resource recovery, transfer stations -- are really very closely intertwined, and although we don't have jurisdiction specifically over recycling centers, we find ourselves more and more involved. Also -- and this is one of the areas that we do want to comment on in some depth -- we have discovered a disturbing trend in what we believe is in the area of solid waste, but clearly also is recycling, and that is solid waste collectors, solid waste transporters, who are hiding behind the subterfuge, really, of recycling to continue to illegally engage in solid waste collection.

To simply put it, it's a system where the collector slaps the sign, "Recycling" on their trucks, on their roll-offs, put the sign, "Recycling Center" outside of their

transfer station and, in point in fact, claims they are a recycler and continues in the solid waste collection business. The problem that we have as solid waste regulators--

SENATOR GORMLEY: Just for the record, what are they doing beyond recycling?

MR. BEVAN: Well, in fact, they are not recycling. They are still engaging in solid waste collection--

SENATOR CONTILLO: But, can't it transfer? Can't someone who owns a transfer station recycle at that transfer station?

MR. BEVAN: Can't someone who has a-- Yes. Certainly.

SENATOR CONTILLO: So, as to all these questions-- Why is it going wrong?

SENATOR GORMLEY: Just for the record, because I want everybody to know the violation from the beginning of the hearing-- Describe how they are violating the law? Physically, how are they doing it? I mean, you live with it everyday. I'd like to lay it out. What are they doing that's in violation? What did they know, and when did they know it?

MR. BEVAN: In the particular cases that we're most concerned about, Senator, they do not hold a license from the Board of Public Utilities to be in the solid waste business.

SENATOR GORMLEY: In other words, trash haulers?

MR. BEVAN: Right. Either collecting it, handling it, disposing it, transferring it -- forget it. They don't have a certificate.

SENATOR GORMLEY: Can you be involved in the recycling business and not be in violation, in your opinion?

MR. BEVAN: Oh, surely. Yeah.

SENATOR GORMLEY: If there's any pickup of waste, is it possible for there to be a pickup and not be in violation?

MR. BEVAN: A pickup of solid waste?

SENATOR GORMLEY: And not be in violation.

MR. BEVAN: I don't think so. At least if they don't



have a certificate.

SENATOR GORMLEY: Okay. All right. Would you go over how the violations are being committed?

MR. BEVAN: Sure. Typically, these so-called "Recycling Renters" -- and let's deal with the most egregious example -- is probably nothing more than a warehouse, often -- is in the business of collecting solid waste, but uses recycling outside.

SENATOR GORMLEY: Okay, they put "Recycling" on this building.

MR. BEVAN: Right.

SENATOR GORMLEY: How does the waste get to the building? Excuse me for doing the "A and B" stuff, but how does the waste get to the building?

MR. BEVAN: It is collected in vehicles very similar to solid waste collection vehicles.

SENATOR GORMLEY: By whom? The owner of the building?

MR. BEVAN: Sometimes, sometimes not.

SENATOR GORMLEY: When it is the circumstance that it is the owner of the building, are any of these people in these recycling centers licensed as haulers?

MR. BEVAN: Some them may be, some of them may not be. Then we've only got them for one violation. They can surely collect, and if they have a license to collect, they are not violating.

SENATOR GORMLEY: Have you brought charges against anybody?

MR. BEVAN: Yes.

SENATOR GORMLEY: You have a whole list of these?

MR. BEVAN: We have four or five cases in Newark. We have a couple of--

SENATOR GORMLEY: People who have these buildings, they send the trucks out and they are not licensed as haulers. Do they bring it back to the recycling center -- the trash?

MR. BEVAN: Yes. And then to add insult to injury, in the most really significant--

SENATOR CONTILLO: Well, recyclists can't be bringing trash back.

MR. BEVAN: A recyclist could not, but in this scenario that we're talking about, yes.

SENATOR GORMLEY: They can't, but the thing is that they put the sign up, "Recycling" and then that's okay. It's like the sanctuary of a church. Here's "Recycling," now we're going to haul trash. That's the problem you're facing.

MR. BEVAN: Right. And then typically, to complete the violation sort of scheme, they're also not taking the waste to where it's supposed to go, which is typically a county transfer station. They are hauling it directly out-of-state.

SENATOR GORMLEY: So, what they do is they put a sign on a building that says "Recycling." They put a sign on a truck, "Recycling"--

MR. BEVAN: That says, "Recycling."

SENATOR GORMLEY: You have to put the sign on -- I understand that -- and then they just pick up the trash and skip the building and just go where they want to go.

MR. BEVAN: Yes.

SENATOR GORMLEY: Oh. That's a pretty logical procedure.

SENATOR CONTILLO: And you don't have the tools to deal with that now?

MR. BEVAN: I would say that we don't have sufficient tools. No.

SENATOR CONTILLO: You have a person who is illegally involved in solid waste hauling.

MR. BEVAN: The difficulty, Senator, is that then we are placed as a regulatory agency of trying to prove the negative, trying to prove that in point of fact that they are in the business of solid waste. And that can take thousands of

man-hours to documentation.

SENATOR GORMLEY: Has anybody--

SENATOR CONTILLO: Excuse me. How can it take more than an hour, of a person walking onto the property and taking a picture of a pile of garbage and says that this is not a recycling center?

MR. BEVAN: Our first problem is that there's a jurisdictional question as to whether we even can walk on the property.

SENATOR CONTILLO: Okay. We're going to deal with that.

MR. BEVAN: Okay. That would be a major step to say, "Yes--"

SENATOR GORMLEY: Do you think that it's your prerogative to do the enforcement?

MR. BEVAN: Yes. I think that if they are, in fact, collecting solid waste, then, we ought to be doing enforcement, or the State should be. If DEP does it, if the Attorney General does it, that's okay too.

SENATOR GORMLEY: You have to understand-- The State-- Now let me get to the problem. Who should be doing it? I want to avoid the Pontius Pilate area. Who should be doing it?

MR. BEVAN: We've asked to do it, and we'd be glad to.

SENATOR GORMLEY: You've asked to do it?

MR. BEVAN: Yes.

SENATOR GORMLEY: Fine. What will it cost to enhance-- Will the fines pay for the increased cost?

MR. BEVAN: They may well, but I think we're talking about additional investigative expenditures. Probably--

SENATOR CONTILLO: I think the fines will have to go back to the State Treasury. Don't they?

SENATOR GORMLEY: Well, I'm just saying that that's a very valid amendment. If the penalties are going against people to do this.

SENATOR CONTILLO: He's also asked for the prerogative to increase the fines. And he's also asked for the prerogative for an additional assessment.

SENATOR GORMLEY: A separate assessment.

SENATOR CONTILLO: A separate additional total assessment for BPU.

SENATOR GORMLEY: Against everybody, across-the-board?

SENATOR CONTILLO: No. Solid waste.

MR. BEVAN: Against the solid waste.

SENATOR GORMLEY: Not just the violators, but against the industry?

MR. BEVAN: Right.

SENATOR CONTILLO: Yes.

SENATOR GORMLEY: Sort of an (indiscernible) FSLIC.

SENATOR CONTILLO: But the industry should benefit if you can root out the few bad apples and let the rest of the businessmen operate as businessmen.

MR. BEVAN: That's what we believe, Senator.

SENATOR GORMLEY: So, simply stated, the problem is they call themselves recyclers, and they're just trash haulers.

MR. BEVAN: Now let's do another scenario, which may not be as egregious, but is also of concern to us. Recyclers call this the black box solution. It sort of has an ominous name to it -- black box solution. It is the solid waste collector who may also be in the recycling business who says, "Forget about mandatory recycling, forget about source separation. Just dump everything in one big box and we'll separate it for you. We'll sort it out." The problem with that as we see it at the Board, is that first of all, it frustrates legitimate recycling efforts.

Secondly, and Wayne can speak on this maybe in a bit more detail, when you commingle putrescibles with recyclables, you just ruin the value of the recyclables.

WAYNE DE FEO: I don't know if you can hear me, but just to be on the record, when commingled -- recyclables are mixed with putrescible materials, you degrade the value of the product. If you have paper for example that's commingled with food waste and is very wet, the paper has a much lower value. One of the major problems in this is when you're trying to stimulate long-term recycling -- stable recycling -- you have to have secure markets. And obviously, market prices fluctuate a great deal. Currently, paper prices are dropping fairly dramatically. If high quality paper is of a low value, then what could commingled paper possibly be worth if that occurs?

SENATOR GORMLEY: But for that, don't we have to provide a mandate that there must be recycling? Forget about all the other issues. Don't we have to mandate that recycling must occur at the home? Period. Because anything beyond that is commingling. That seems to be an issue where you can say there's no other option but recycling at the site of the generator. That seems to be the way to do that--

MR. DE FEO: --Which is the Source Separation Act, in essence, as it currently makes--

SENATOR GORMLEY: Which is exactly what you're saying and which even goes beyond this question.

MR. DE FEO: That's right. What is difficult, however, is when you have a hauler who is in violation and who comes in and says to a large, let's say, a commercial store, or condominiums, or any kind of homeowners, "Don't worry about the Source Separation Act, we will take care of it. Put it all in a box, and we will take care of it."

SENATOR CONTILLO: If all are recyclables, you have no problems with that. Do you?

MR. DE FEO: No. We're not talking about commingled recyclables. We're talking about the mixing of putrescible materials with the recyclables as well as anything else.

SENATOR CONTILLO: That's clearly against the law

today, and even with minor legislation, it would still be against the law.

MR. DE FEO: That's right. It is an existing problem today, because we are getting people who are offering that solution in light of putting up that sign that says, "I'm a Recycling Center."

SENATOR GORMLEY: How many of those do you have? How many instances do you run into like that?

MR. DE FEO: Off the top of my head, I can think of at least a half dozen in a major situation where a legitimate recycler has actually lost accounts because he's requiring more work of the generator, and a "black box recycler," if we use that term, has come in and said, "Don't do that."

SENATOR CONTILLO: But that same person who's offering that service could be a regular solid waste hauler going to a legitimate licensed transfer station. Do you have an objection to that also?

MR. DE FEO: If he is taking recyclables--

SENATOR CONTILLO: He's taking trash, anyway he wants to call it.

SENATOR GORMLEY: No, but what we're talking about is no matter how they get to the transfer station, at the point of production -- typically the household is an example, or the condominium -- you have to have that separation there of the cans and the bottles and the paper and the plastics, or you don't have it, because you're having that mixture, which effectively spoils the--

MR. DE FEO: That's right. It doesn't mean that the mixed materials couldn't theoretically be marketed. It's just the ability of long-term stability is not there. And that's, of course, I believe, the goal of Source Separation Act -- stable long-term recycling. That's what we need.

SENATOR GORMLEY: And it is required to do it at the home.

MR. DE FEO: At the source of generation.

SENATOR GORMLEY: At the source of generation. And that's where the violations come in.

MR. DE FEO: That's right. That's in particular instances where the sign says, "I'm a Recycling Center."

SENATOR CONTILLO: Well, from a practical sense, how do you deal with a large apartment building? How do you fine them if they mix the cans in the putrescible garbage?

MR. DE FEO: I'm speaking somewhat out of my role, currently.

SENATOR CONTILLO: Okay, but this is what you're talking about, isn't it?

MR. DE FEO: It is a particular problem. It's somewhat out of my current job -- my current role. I can say that you can recycle in large apartments. It's been done. When I was with the county, we did do so. We did have cooperative haulers, in a sense, and to answer your question, where there was a single large dumpster, the hauler in question, in one case that I can recall, refused to pick up the dumpster. He was contacted and he said, "I'm not emptying it. It's in violation. You haven't source separated it. You send your maintenance people to pick through it, and I'll come back." And in turn what did occur in this particular case, the apartment complex called the Board of Health to issue a summons to the hauler. In fact, the Association was issued a summons for not complying with the Source Separation Act. Compliance in that particular complex went up dramatically after that occurred. It's just a step to the side, and I apologize for that.

SENATOR GORMLEY: Well, how about these six incidents? What happened to the six people who've been violating it? I mean, just simply violating the law. What's happened to them?

MR. DE FEO: Part of the problem is that they have taken some materials back to a "Recycling Center," which is in

essence nothing more than a transfer station. Our investigators, as a question of jurisdiction, are precluded from entering the facility to carry on investigative work to prove that there is a problem, in some cases.

SENATOR GORMLEY: Excuse me for simplifying this -- and it's easy for someone to sit here with a mike and overly simplify something which is much more difficult-- You know that there are six people who are allowing the commingling of the trash. You go to the site -- the source -- and you see it. It's there. It's commingled. Stop me if I've being--

MR. DE FEO: Go ahead.

SENATOR GORMLEY: You've seen it. Violation. You don't have to go on the site. You don't have to go get a search warrant for the other site, the "Recycling Center." Why? Is there a jurisdictional question there?

MR. DE FEO: There is-- We did not regulate recycling.

SENATOR GORMLEY: Who's debating it with you, and what has to be straightened out? I mean a jurisdictional question is a vague--

MR. DE FEO: Not being an attorney, I have a difficult time answering some of those questions.

SENATOR GORMLEY: I'm sorry. I'm trying to make this as much "yes and no" as possible.

MR. DE FEO: Sure.

SENATOR GORMLEY: It's commingled at the source. What happens?

MR. BEVAN: If it's commingled at the source, it's a violation.

SENATOR GORMLEY: Fine. What do we do about it if it's commingled? We know there are six that are commingled.

MR. BEVAN: We probably have issued an order to show cause against them. In a couple of cases, we've even attempted to do one better and say that we think this is so egregious that we'd like to obtain temporary restraints from the courts.



SENATOR GORMLEY: And have the courts given you the temporary restraints?

MR. BEVAN: No.

SENATOR GORMLEY: Why not?

MR. BEVAN: No irreparable harm; it's only economic damage. There's no irreparable harm.

SENATOR GORMLEY: It's not irreparable that the trash is mixed and consequently the intent--

MR. DE FEO: No one is being harmed by that in any direct sense.

SENATOR GORMLEY: All right. Suppose we put in the law that the commingling is irreparable--

MR. BEVAN: That would do it.

SENATOR GORMLEY: Mark (referring to Committee Aide), put that in.

MR. BEVAN: We haven't, in point of fact, instituted administrative show-cause orders. The problem is that the process is slow. I think ultimately we'll have some resolution that may well be a revocation of something that will ultimately benefit the State, but it will take time.

SENATOR GORMLEY: Are they continuing these activities?

MR. BEVAN: Yes. They continue the activities until we relinquish their license.

MR. DE FEO: I think at the current point, we don't have the recurring factors (inaudible) the funds.

MR. BEVAN: Well, all right. I think Wayne makes a good point. In point of fact, if they don't have a license, we don't even have a license to pull.

SENATOR CONTILLO: These people are pulling out paper, I assume. They are pulling newspapers. Now, they must be doing some recycling? Everyone does some recycling.

MR. BEVAN: We have seen a very small amount of it, Senator.

SENATOR CONTILLO: There are areas where there's totally no recycling taking place to claim one container.

MR. BEVAN: Right.

SENATOR CONTILLO: But, is that a real problem, or is that just an isolated problem?

MR. BEVAN: We think it's a real problem. And we think to the extent that they are in fact circumventing the solid waste flows and taking waste away from county transfer stations, etc., etc.--

SENATOR CONTILLO: Well, there's two separate things here. One is that they are picking up loads that are a mixture of everything. And by itself, if they had brought them back to a transfer station, recycled what had to be recycled and dumped into the proper place that which had to be solid waste, I don't see it as a major problem.

MR. BEVAN: Yeah. I think we'd be concerned that that's not the most efficient and effective way to do it, but it is going where it is going.

SENATOR CONTILLO: Okay. So, what's your major concern?

MR. BEVAN: The major concern is the more egregious example that we just laid out; the scenario of someone who is not doing any recycling at all, but is hiding behind the subterfuge of recycling.

SENATOR CONTILLO: You're saying they're taking it back to a legitimate transfer station.

MR. BEVAN: If they are doing that, I would grant you that I'm not as concerned about it. It's going where it's supposed to go.

SENATOR CONTILLO: Okay. So, you're talking about someone who is breaking the law in a sense and is bringing it back to a place that is not a legitimate transfer station.

MR. BEVAN: Right.

SENATOR CONTILLO: Well, that's against the law today,

though. I mean, no matter what we do-- I mean, you don't need any additional tools to deal with that, do you?

MR. BEVAN: --Probably need additional investigators in DEP for that kind of thing.

SENATOR CONTILLO: Okay. That's a given. You have that.

SENATOR GORMLEY: So, whether you call it, "transfer station," you know, no matter what you call it, if you don't have this source separation, you still have the problem with both the illegal and "one with the license." But if you don't have source separation, you still have a problem.

MR. BEVAN: The other problem that we have with the combined company, the solid waste collector who's also the recycler is concerned about possible cross subsidization of the solid waste revenues to the recycling company, thus making that entity not able to compete with the legitimate recycler. commingling of equipment, commingling of staff, and commingling of books and records makes it very confusing to tell where recycling ends and where solid waste collection starts, in terms of their corporate records.

So, another thing that we would suggest is, and we really think that it's an extension of the Source Separation Act, that business ought to also separate it's activities. It ought to separate it on its books, the recycling business from the solid waste business. That would give us more of a regulatory tool to be certain that they were, in fact, doing what they claim they are doing.

It would also protect ratepayers on the solid waste end, because they wouldn't be subsidizing it.

SENATOR GORMLEY: Can't you do that by regulation now?

SENATOR CONTILLO: No. They have no control over the recycling--

SENATOR GORMLEY: No. They do it to the other. But they have control over the waste haulers. If they say there

has to be a separate set of books for the waste haulers and they can't be commingled, you can do that by regulation, couldn't you?

MR. BEVAN: We talked about doing that by regulation, Senator, and we can do some of it. But, we felt that the effective route might be to put it in legislative form. If you say no, surely, we won't--

SENATOR GORMLEY: No, no. The point is you have the power to say that there will be a separate set of books on the haulers. You have that power now.

MR. BEVAN: That's correct.

SENATOR GORMLEY: Okay. You have that power now. If you do -- and this is "yes or no" -- if you do, then you can tell them, because you can't have a separate set of books now.

MR. BEVAN: If you, in fact, know that the books are separate, you know that that piece of equipment isn't being used for both purposes.

SENATOR GORMLEY: Well, I don't want it to go through "Who's on first?" But if you can say that you have to have a separate set of books and you're a hauler and you're licensed by us, and it cannot be commingled with any other business, you have your separate set of books.

SENATOR CONTILLO: Proceed.

MR. DE FEO: Senator, the potential problem with that might be, in effect, that you have also the equipment cross use, and in that case, you have the subsidy as well. Suppose that you are going to go out and collect a route and you're choosing -- you're trying to circumvent the rules, just as a point of basis, you go out with a piece of equipment, which a ratepayer has paid for to collect solid waste. You then are running on the side a recycling business, you then have collected some recyclables with that vehicle on a separate run, run it out to another facility, and you have a certain income from that. That equipment life expectancy, obviously will

decrease, because you're using it twice as often. The ratepayer will then be asked to subsidize a new purchase of a new piece of equipment someday, and in that case, you have a cross subsidization also, not just of books.

SENATOR CONTILLO: Well, is that a problem that you have, that haulers are coming to you and asking you for an increase in rates?

MR. DE FEO: I don't believe that that's-- Because of that?

SENATOR CONTILLO: No. Some of the problems that I've heard is the reverse of that. Haulers are coming and want you to reduce the rates, but they totally must maintain this high rate for each container, because that's what the solid waste rate is. And in effect, they could cut down great volumes of it and make it recycling, but, you're not allowing it.

MR. BEVAN: Now, I've never seen the example that you've laid out here.

SENATOR CONTILLO: Okay, we may get some testimony to that effect later on. So, my question then is, is that a real problem where haulers are coming to you, saying that they need more money?

MR. DE FEO: Because of the cross use of the equipment?

SENATOR CONTILLO: Whatever. Yeah.

MR. DE FEO: I have not seen a lot of that, no. But then again, it would be difficult. I don't know that I would submit a petition saying that, "I'm running two businesses and cross subsidizing it. Please give me more money."

SENATOR GORMLEY: No. What they do is they submit a petition totally based upon trash hauling.

MR. DE FEO: Solid waste.

SENATOR GORMLEY: Solid waste. That's all they do.

MR. DE FEO: And we can't differentiate the use, because the books or the equipment is being meshed into two businesses, and there's no way for us to cleanly separate that at this point.

SENATOR GORMLEY: If you can have a separate set of books, what does it take to look over the depreciation of a truck?

MR. BEVAN: A legitimate question.

SENATOR GORMLEY: This is not tough stuff. I mean, you have accountants. How many accountants do you have at BPU?

MR. BEVAN: We have an audit division of about 12.

SENATOR GORMLEY: I'm talking about the depreciation of trucks. That's all we're talking about, isn't it?

MR. DE FEO: That's a simplified example of some of the problems of cross subsidization.

SENATOR GORMLEY: But, that is the major-- In terms of hauling-- that's the major cost. Isn't it?

MR. BEVAN: Trucks, compactors--

MR. DE FEO: Certain maintenance.

MR. BEVAN: You're right. Trucks are primarily--

SENATOR GORMLEY: Compactors are not recycling.

MR. DE FEO: Well, you can use a compactor to pick newspaper, for example, or cardboard.

SENATOR CONTILLO: Plastics.

MR. DE FEO: Plastics. Well, you can only compact as much-- I mean, it can be done. All I'm trying to point out is that there is the risk of cross subsidization of both money and equipment. And the more gray areas that exist, the harder it is to effectively regulate the one.

SENATOR CONTILLO: Of course, if we ever get you guys out of the rate setting business, this problem will evaporate, won't it?

MR. BEVAN: Some believe that. Yes, Senator.

SENATOR CONTILLO: Go ahead.

MR. BEVAN: I don't have much more. Actually. I think we've given a couple of examples of some of the concerns that we have. I think that generally, we've looked over S-2740 and we may have some differences on some of the definitional

sections, but I think we're basically on the same wave length. I think we want to accomplish the same kinds of things.

SENATOR CONTILLO: Particularly, as we discuss the right of entry, the question of licensing may become mute if we deal with your approach. So, we'll probably dovetail that altogether.

MR. BEVAN: Yeah. The last thing I just wanted to pick up on and one of your comments was you wanted this system to work without excessive regulation and excessive bureaucratic involvement. We want the same thing. We don't want to regulate recyclers. They are a competitive business from everything that we see. They don't fit into the conceptual concepts of natural monopolies. And because of that, I think the regulatory suggestions that we're talking about are really coming through the solid waste thing in these combined companies. We are not interested and don't think it's good policy to have us issuing a recycling license.

SENATOR GORMLEY: Unless it's a combined company.

MR. BEVAN: We're not even saying license them. We're just saying separate your books, separate your operations, and we're regulating your solid waste.

SENATOR GORMLEY: The right of entry, what are we talking about there?

MR. BEVAN: We're talking about the scenario that we just laid out of this company that isn't regulated by anybody -- basically it's calling itself a recycler -- and the assertion by that entity that we can't even enter onto their property.

SENATOR GORMLEY: What are examples where the right of entry exists in other areas in the State, with the exception of the casinos, because, we have no rights in my district?

MR. BEVAN: Well, I think you could draw analogies with public health officers--

SENATOR CONTILLO: You asked for them.

SENATOR GORMLEY: I know. Pardon?

MR. BEVAN: The public health officers, municipal, local public health officers. In point of fact, they may be able to accomplish that scenario where we couldn't.

SENATOR GORMLEY: You see, I just want to be accurate in this, because we are talking a search--

MR. BEVAN: The DEP also.

SENATOR GORMLEY: (confers with Aide) I'm sorry. (continuing)--to determine compliance. But, to determining compliance with what?

MR. BEVAN: With the Mandatory Recycling Law, the waste flow--

SENATOR CONTILLO: I think what he's saying is he wants to limit the scope.

SENATOR GORMLEY: See, we're coming at something that you don't want to regulate. But, we're saying we don't want to regulate it, but you want the right of entry.

SENATOR CONTILLO: We want to make sure you're doing that which we don't want to regulate.

MR. BEVAN: No. You're right.

SENATOR GORMLEY: The right of entry is the maximum form of regulation. I mean. Fine, I'm not precluding it. It's just that the conversation goes in one direction. We don't want any power except for right of entry. That's fairly broad.

SENATOR CONTILLO: I have one further question. Does the Board in any way deal with the 901 investigation of the Solid Waste Law?

MR. BEVAN: We don't deal directly with the 901 investigation. We would take a 901 finding into account and the number of administrative actions that we might take, if there was a 901 finding. As yet, there have been very few, as you know.

SENATOR CONTILLO: So, you don't take part in that investigation approval or objection?



MR. BEVAN: No.

SENATOR CONTILLO: Okay. Any more questions?

SENATOR GORMLEY: No. I'm fine. Thank you.

SENATOR CONTILLO: Thank you. I'm going to take these in alphabetical order of the first list that signed up. The town of Bogota. Oh, Mary. Mary, do you want to testify?

M A R Y S H I E L: No. We're just here to listen. We understand there will be another hearing. Then we'll be prepared to present testimony.

SENATOR CONTILLO: Oh, sure, just before we release the bill, then you're going to tell us what you want. (laughter)

SENATOR GORMLEY: Well, I'm endorsing whatever Mary wants. She's the only one who understands this. (laughter)

SENATOR CONTILLO: That's why they took her out of recycling. Okay. Charles Silcock from Bogota. Is Charles here? (negative response) I think you intimidated him, Senator. From Hackensack, Robert Casey, the City Manager. Is Robert here?

G E O R G E D I M A S S I N O: I'm representing him.

SENATOR CONTILLO: Okay. Identify yourself and come forward.

MR. DI MASSINO: My name is George Di Massino Superintendent of the Sanitation Department of Hackensack.

"Dear Senator Contillo, On behalf of the City of Hackensack, I would like--

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Can you speak louder, please and use the mike?

SENATOR CONTILLO: We have an electronics expert here who's going to help us out. I like these buttons where you can shut off anyone you like. Okay.

MR. DI MASSINO: Okay. "Dear Senator Contillo: On behalf of the City of Hackensack, I would like to thank you for the opportunity to review proposed legislation on commercial recycling activities. I think the goal of this legislation is

commendable; however, I believe that it should be amended to specifically exclude activities from inclusion within the parameters of proposed regulations. Preferably, the definition of a 'Recycling Center' should be amended to provide this exclusion.

"The City of Hackensack has a successful drop-off center that is operated in conjunction with the mandatory recycling program. The subjecting of this facility to a NJDEP permit process would accomplish no public benefit and may result in a reduction of services being made available to our citizens.

"I would also comment that the definition of 'source separated recyclable materials' may prove to be unworkable in that it limits to 10% the contamination of recyclable materials with non-recyclable materials. Unfortunately, for some items such as plastics and aluminum, the rejection rate for non-recyclable items may exceed 10% due to public error. Thank you for your cooperation" (laughter) -- "consideration in these matters."

SENATOR CONTILLO: Okay. And from my standpoint, and I think we've discussed this, you can tell Mr. Casey that we agree with what you've said in both specifics; number one, that we do intend to consider, from my standpoint, I intend to eliminate the provision that required a license from any municipal recycling center. And secondly, part of the new bill will allow for up to 10% residue from the recycling operation. So, both of his points are well taken. And we recognize it as a problem and he's very preceptive. Thank you.

MR. DI MASSINO: Thank you, Senator.

SENATOR CONTILLO: Do you have any question?

SENATOR GORMLEY: No, thank you.

SENATOR CONTILLO: From Hasbrouck Heights, Jim Cotter, Superintendent of Public Works. Is Jim here? (negative response) No. From Haworth, Robert Cooper and Mayor De

Rienzo, maybe? (negative response) Well, anyone who wants to speak can sign that yellow sheet and you'll be given an opportunity. From Maywood, Jack Morgan?

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: He just left.

SENATOR CONTILLO: He just left. He couldn't take it. From Oradell, Charlotte Vatchky. (present but not speaking) Okay. From Paramus, Sandy Siegle. Come on, Sandy Siegle. Will you tell us what's happening in Paramus, please? I've been bragging for a long time about Paramus's system. I would hope the whole State emulates them.

S A N D Y S I E G L E: I hadn't realized that this was going to be such a formal presentation. I'm afraid that I didn't prepare for that. I has more questions than I have for--

SENATOR CONTILLO: Okay. The purpose has been for you to tell us what you think has to be changed or adapted.

MS. SIEGLE: Okay. One of the areas of concern-- You realize that I do the tonnage grants for Paramus; what clout can we have with the companies that I request tonnage grant figures from? I'm still waiting for documentation from one of the companies; this is since July. Another company wanted to charge me \$100 for his tonnage grant figures.

SENATOR CONTILLO: You're talking about the commercial haulers?

MS. SIEGLE: The commercial businesses. I mean is there any way that we can say please; besides please -- any clout? One of them is an oil company who absolutely refused to give us any kind of figures and any kind of help.

SENATOR CONTILLO: Have you any idea why he refuses?

MS. SIEGLE: He said he just got a computer and it's very costly for him to give him figures that I requested.

SENATOR CONTILLO: There could be more than one reason for his refusal.

MS. SIEGLE: He just refuses. I think many of them are afraid that for some reason or other, we're going to hit

them up on taxes or they are afraid they are making money and hiding it. I don't know what their reasons really are.

SENATOR CONTILLO: Yeah. You know, there's a potential there for a control of the waste flow also. Okay.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Excuse me what wouldn't they give you figures on?

SENATOR CONTILLO: If you wish to testify-- When I'm finished, I'll open it up to questioning. But, I don't want anyone from the audience interrupting the speaker. The only one who can interrupt are the people on the panel.

MS. SIEGLE: The previous year, this particular oil company was very nice. They gave me the documentation I needed. And I made about \$35 on them in the tonnage grant program. That was in '86. In '87, they refused. They refused to give me any figures at all. They wanted to charge me the \$100. It didn't make sense if I was only going to make 35 on them. But, this has come up in other areas, in other counties, and with other coordinators that I've spoken to.

SENATOR CONTILLO: But, you've only had this one single incident here in Paramus, or are there more than one?

MS. SIEGLE: I have this one single incident with this particular oil company and everybody dragging their feet when it comes to giving us the figures.

SENATOR CONTILLO: Okay. We'll look into that, Sandy.

MS. SIEGLE: Is there something that can be done?

SENATOR CONTILLO: Well, we're going to look into how we can require them to. I think we have a legitimate reason for requiring it so we can get some handle on the total amount of solid waste that flows through the county.

MR. MATIOSKA (Staff Aide): But the law now requires that these municipalities submit their tonnage report to the State. So, by implication is--

MS. SIEGLE: May I make a comment on what the gentleman was talking about before?

SENATOR CONTILLO: Excuse me. What Al is telling me is that law requires the municipality to send it.

MR. MATIOSKA: To send the report to Trenton.

SENATOR CONTILLO: So, within that, we will look for some authority for you as a municipality-- It may need a local ordinance that requires it or--

MS. SIEGLE: Well, as of yet, we don't have that kind of local ordinance.

SENATOR CONTILLO: Okay. We will look into that specific question.

MS. SIEGLE: Okay. May I make a comment on these things?

SENATOR CONTILLO: Okay.

MS. SIEGLE: You know, with trash wars. Are we in Paramus, because we pick up our trash and we are also recyclers, do we need a trash hauling license for this?

SENATOR CONTILLO: No.

MS. SIEGLE: Okay. What about our recycling center? Is it suddenly becoming a transfer station?

SENATOR GORMLEY: No. He just exempted it.

SENATOR CONTILLO: I just exempted it without consulting Senator Gormley.

SENATOR GORMLEY: Yeah. I didn't want to turn my head, because he had already agreed to that.

MS. SIEGLE: Okay, because we also have a commingled contract, and our boroughwide program is kicking off November 14.

SENATOR CONTILLO: Would you briefly explain that program?

MS. SIEGLE: The program that we have?

SENATOR CONTILLO: Yes, in Paramus.

MS. SIEGLE: Okay. The Mayor and Council chose to purchase a 65 gallon container, on loan to all of the residents in the Borough. In this container we're going to have-- We have mandated glass, aluminum, tin, and plastic to be picked

up every other week. The alternate weeks, we're having corrugated, which is a mandated item-- Mainly, because we have many businesses in Paramus and it's a good source to reduce our waste stream. So, we're having corrugated and any other recyclable papers, magazines, books, picked up the alternate weeks.

SENATOR CONTILLO: Well, will the municipality pick up the corrugated?

MS. SIEGLE: Oh, yes. And we're doing it for the commercials.

SENATOR CONTILLO: For the commercial--

MS. SIEGLE: We're not picking up for the commercial establishments, but we will, at a future date after we get the residents all set with this program, we will allow them to bring their commercial corrugated down to the recycling center, and we have to get some way of baling it, and a compactor for that.

SENATOR CONTILLO: So, that a single container takes all the permitted recyclables in a single container.

MS. SIEGLE: Right.

SENATOR CONTILLO: May I ask a question? What do you do with the plastic caps on the bottles or the aluminum caps?

MS. SIEGLE: The aluminum caps on--

SENATOR CONTILLO: That goes into the trash? Or does that go into the recycle?

MS. SIEGLE: Well, we have a "Cash-for-Trash" program and I ask all of the residents to please come down. We have a sixty-five member organization. Anything that does not get put into the recyclable container, I will take it cash for trash. It means aluminum gutters, ladders, or windows. All of this.

SENATOR CONTILLO: We had a session in my house last night. And the question was, what do you do with the caps on the plastic--

MS. SIEGLE: I'll take it down, at the cash for trash.

SENATOR CONTILLO: It does not go into the sixty-five gallon drum, though?

MS. SIEGLE: No.

SENATOR CONTILLO: Okay. We had a debate on that.

MS. SIEGLE: It is aluminum. It is aluminum, therefore, I'll take it at cash for trash. I'll take any other aluminum down at cash for trash.

SENATOR GORMLEY: I'm sorry, I'm curious about the-- Are there any questions about the former head of the Board of Adjustment -- his activities in Paramus?

SENATOR CONTILLO: She was a young girl then.

MS. SIEGLE: He's revered in our town.

SENATOR GORMLEY: He was revered.

SENATOR CONTILLO: Did you see that statue as you drove up?

SENATOR GORMLEY: No. I didn't see the statue, but I'll have that statue investigated-- It's really good to see a town have a Coordinator who is as active as you are.

MS. SIEGLE: Gerry Rhodes (phonetic spelling) is the Coordinator. I've just recently been appointed as Assistant Recycling Coordinator. But I've been an Environmental Commissioner, a volunteer job for the last few years.

SENATOR GORMLEY: That's good. It's good that you have that level of interest and it's good to see the town is trying to take on all the responsibilities. By taking on those responsibilities, you eliminate some of the problems that bill has to address.

MS. SIEGLE: And we're also putting in clothes. We figure that's a very large area that most towns have not covered. So, we'll be recycling that in the very near future.

SENATOR CONTILLO: Well, good.

MS. SIEGLE: And thank you, Senator, for your wonderful bill. It is great.

SENATOR CONTILLO: You know, one of the problems with recycling is just that -- that in effect, here you are as the Coordinator; that's a volunteer job. And you know, we have to lift it out of that and make it on a level with the literally billions--

MS. SIEGLE: The Mayor is here.

SENATOR CONTILLO: Well, in a sense, we're spending billions of dollars to develop the burners and we're really not spending the money necessary to do a proper recycling job. I congratulate you for your volunteer support.

MS. SIEGLE: Thank you. Tires, tires. What do we do with tires?

SENATOR CONTILLO: He's going to burn them in--

SENATOR GORMLEY: No I'm not.

MS. SIEGLE: Is he? Is he going to get one of these Oxford furnaces where they use the tires?

SENATOR CONTILLO: Let Senator Gormley tell you, because he's lead the way and I think it's a very innovative and courageous program.

SENATOR GORMLEY: First of all, no one is going to take the Oxford burner. That one just-- We have enough problems with the--

MS. SIEGLE: You need about three miles or whatever.

SENATOR GORMLEY: No. Let me tell you something. That was suggested in or around my county. That went over very well. That was as popular as a hazardous waste site. What we do have, and I have a bill that has actually received bipartisan support, is a surcharge on tires, of a dollar. Because what happens -- and this is one of the problems that was run into with the recycling bill. There were gaps in the recycling bill as tires, batteries, minor technicalities, and what we need is a subsidy to create the market for the tires and to transport them out-of-state where there are centers that will get involved with the recycling of the tires. It's a



dollar subsidy which generates about \$8 million to \$10 million a year for the specific purpose of directing that money towards either creating the market or transporting the tires to states that will take them at certain centers. So, it's a gaping hole in the recycling program, tires, and the Committee has-- See, it's not just the recycling, it's the safety issue, because in rural counties or rural areas of certain counties, there are large tire piles that usually when they catch fire, present a hazard or a danger to many volunteer fire companies in the State. In fact, we have one in our county. And when they start to burn, they burn for about four days. In fact, we had a public hearing on it. Someone brought up the idea, in West Virginia they had a tire fire and they just let it burn for a year. Someone alluded to possibly using that solution in my county. We really do not need it as a tourist attraction, as a burning tire pile.

SENATOR CONTILLO: Well, after you lose all of your money in the casinos, you might want to--

MS. SIEGLE: But presently, we're not picking up. Our residents are allowed to bring the tires down to our recycling center.

SENATOR GORMLEY: What are you doing with them?

MS. SIEGLE: We're paying to get rid of them. It's a service to the residents.

SENATOR CONTILLO: And you wonder where that person is bringing them?

MS. SIEGLE: That's a good question. Probably to the fire. That's why it's being maintained.

SENATOR GORMLEY: They're bringing them down to my county. I want to thank you for-- No. But seriously, there has to be-- Minimumly, that money would go to offset the burden that you face with it, because let's face it, tires are not profitable. Also, when you talk about the midnight hauler phenomenon, tires are just left in the woods all over the State. They are a problem.

SENATOR CONTILLO: I think I've identified where some of the tires are going. There's a spot in Hudson County that runs very close to the railroad station just before you come into Hoboken, and there's a mountain of tires growing there right now. Each morning as I go into Manhattan, I see that mountain growing.

MS. SIEGLE: We've been contemplating a machine -- kind of a tough grinder that can grind tires. We could use that to line playgrounds and, you know, use it in a lot of areas.

SENATOR CONTILLO: You mean use them within the Borough?

MS. SIEGLE: Use it within the Borough.

SENATOR CONTILLO: DEP probably won't let you do it for some reason or other.

MS. SIEGLE: But there's a problem with-- You have the steel-belted radial tires. You know, you throw that out on a playground, and you're going to have--

SENATOR CONTILLO: There's someone who contacted my office who said he had a system for recycling tires. I asked him to come to this meeting and tell us all about it. Apparently, he didn't arrive. Or maybe he is in the audience, I don't know.

MS. SIEGLE: Thank you.

SENATOR CONTILLO: Okay. The next town will be Palisades Park, Richard Shy. (no reponse) Ridgefield Park, Harry Welte? (no reponse) I think people responded to this with the wrong question. Saddle Brook, Spencer Tafuri? (no response) Little Ferry, John Bladek? (no response) Okay. Whatever question was asked them, they answered a different question. Now, Harrington Park, William Covert?

**W I L L I A M C O V E R T:** Good afternoon. I'm William Covert from Harrington Park. I'm dealing with white goods down there. I don't know if you have any input in this.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: We can't hear.

MR. COVERT: I'm from Harrington Park. We deal in white goods and we were cut off at the shredder, and the reason was the PCBs. To date, the shredder has not opened up to accept us. Do you have any input on that with the DEP and Washington, D.C.?

SENATOR CONTILLO: Well, I think that's the problem. The EPA somewhere in the back seems to want to respond to that. Mary, do you want to respond to that? Mary Shiel is representing the DEP today.

MS. SHIEL: (speaks from audience) We've had a couple of meetings with EPA on that. There's some sort of misleading information. We did not shut the shredders and EPA did not shut them down from taking white goods. That came about because EPA had sent a letter to the scrap dealers saying, "We have some indications there are excessive levels of PCBs." And in fact they had found this in the fluff of some shredded material in Massachusetts and in Connecticut. So, the shredders had voluntarily shut themselves down. They were concerned about their liability and excessive levels of PCBs. That happened, I think in July.

In the interim to date, EPA subpoenaed the records of various companies that manufacture white goods, and other types of records. In their initial findings, it appears that there aren't as many PCBs in appliances as we had suspected. It appears that maybe refrigerators and washing machines did not have PCBs in them. Some of the big companies have indicated-- In fact we have a letter on file in our Department from Whirlpool, which also manufactures Sears Kenmore appliances, that they never use PCBs in those types of products. And the PCBs seem to have been predominately used in microwave ovens prior to '79, which probably would have been more commercial than residential. Also, in the ballast of fluorescent lights, there are PCBs. They are not sure about TVs and those types of

products. But, the refrigerators and so forth seem to be products that may not have it.

Now, some of the retailers in New Jersey, the appliance stores, did offer to remove the small capacitors from any appliance or product that may have it, and then take it to the shredder. There was some questions about what would their liability be now that they had accumulated it. But, it would take a lot to accumulate a barrelful of small capacitors. So, I would suspect that some of the shredders may be back on-line accepting that material. Have you contacted them lately?

MR. COVERT: I've offered the shredder operator if I cut the engines out and I certified the load, he still refuses to accept it. After I cut the motors out, I can now sell them -- the scrap. So, I've been calling Washington, D.C. on that and one won't give in.

SENATOR CONTILLO: We're tried to put the pressure on our Congressmen and Congresswomen, because I think they are the ones who will have to put the pressure on EPA to make a clearer statement, although, as Mary indicated, there's nothing in the EPA statement that stops them from accepting it. They were cautioned and they don't want to be stuck with what amounts to a toxic residue which will cost them, in effect, a fortune to dissipate.

MS. SHIEL: (speaks from audience) Well, EPA really doesn't have a lot of leverage on what they can do, because PCBs -- that is a restriction by law -- on the 50 parts per million, and that's under "toxic substance." That's not even under the standard Solid Waste Management RECRA Act. It was specifically put in there by Congress because of problems with PCBs, so they don't have a lot of leeway as to what they can do themselves by regulation. That's part of the problem.

But, I think with the shredders, some of them wanted "forever forgiveness." There has never been any total forgiveness for liability when you improperly handle toxic

materials. It always goes back to the landfill and the generator and so forth. And I don't think they'll ever get that.

SENATOR CONTILLO: No, because there's some potential games the could be played with that; obviously.

MS. SHIEL: That's right and that's what they are concerned about.

MR. COVERT: My assumption of that is that within two or three years, all the appliances with PCBs in it could be disposed of right now, they're going to wherever they are being hauled to -- Ohio.

MS. SHIEL: That's right. That was recognized as a consumer product in '78 or '79. I forget. So it will naturally die out.

SENATOR GORMLEY: So, the things that you're cutting out that definitely contain the elements are now shipped to Ohio?

SENATOR CONTILLO: No. He sells them to a motor place?

SENATOR GORMLEY: No. I'm confused. What do you do with the motor?

MR. COVERT: I take it out of the washing machine. I still can't get rid of that washing machine. But up until last Thursday, we made contact with a baler in Jersey and I'm now hauling it to South Jersey and paying half the price that--

SENATOR GORMLEY: The tires? Where's it going in South Jersey? Give me the names. (laughter) No, don't. I'm going to join with Ohio and file a suit.

MS. SHIEL: (speaks from audience) Senator, that's being recycled. If he's taking this motor out, there's no reason why the shredders up here shouldn't take--

SENATOR CONTILLO: But you said fluff in the beginning there, because you think that PCB became contaminated fluff, but you don't think the fluff itself was responsible for holding the chemical?

MS. SHIEL: Well, the fluff is a result of shredding the appliances, the automobiles, and so forth. What you have left over is dirt and glass, PCBs-- Anything that the shredding industry cannot sell is called fluff. It's called fluff because there's a lot of plastics in it, and it makes this fluffy-like yarn type material, but it's mixed with dirt. Then that goes to Atlanta and that's where the problem is being identified. But there's a question of how do you sample? Did you get 50 parts per million because it all concentrated in this one part of the fluff and you said that was it? Or did you take a look at the whole bag of fluff and say, "Is it 50 parts per million in terms of this whole bag?"

SENATOR CONTILLO: That chemical is coming from the electrical motors of compressors, not from anywhere else in the system?

MR. COVERT: Just the capacity. What I'm saying is--

MS. SHIEL: As far as we know. There seems to be some talk of maybe in normal bags, but it's not clear.

MR. COVERT: If the shredder will accept a certified load, I get rid of the bigger part of the washing machine. If I take the motors out and I can scrap them, now I'm still recycling. I talked to the recycler down here -- the shredder operator -- but he will not accept a certified load. I offered to pay him the man's pay to stand here and check every washer and dryer and he hasn't done that.

SENATOR CONTILLO: Sounds like a power game.

MR. COVERT: But that takes care of the PCBs. It's not going to the landfill yet. I also would like to echo Hackensack's comments there about the--

SENATOR CONTILLO: Don't get off this subject. Someone has been waving his arm at me for a half hour. Do you want to add to this subject?

C H A L E S E. G A S I O R: Yes.

SENATOR CONTILLO: Would you identify yourself?

MR. GASIOR: Yes. Chuck Gasior, Administrator and Recycling Coordinator of Park Ridge. I was at Cook College today at a seminar on recycling and Joe Carpenter, who is in the Office of Recycling, said that the EPA has now issued a letter saying that PCBs are not in these appliances -- that they are thought to be in microwaves and the fluorescent starter piece.

SENATOR CONTILLO: That's what Mary just said.

MR. GASIOR: Now the EPA has written a letter to them and that letter will now go to the scrap dealers, and now it's up to them to reverse their policy. The EPA is saying that the PCBs are not in appliances.

SENATOR CONTILLO: Did someone from EPA tell you this?

MR. GASIOR: No, the New Jersey Office of Recycling.

MS. SHIEL: They did issue a letter.

SENATOR CONTILLO: Do you have a copy of that letter?

MS. SHIEL: I have one in my office, yes. They did issue a letter and that has been sent to the scrap people. They have taken a position that they still want amnesty on the fluff issue.

SENATOR CONTILLO: Could you forward a copy to the Committee?

MS. SHIEL: Yes.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: The scrap dealers are still conferring among themselves. They have not yet taken a position on what their response to this letter is going to be. It has not changed the situation yet.

SENATOR CONTILLO: I have a funny feeling they have a separate agenda, though; that the dealer has a separate agenda and they may be using this. But, we'll look into that.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: That could be, but nevertheless, we were relying upon them to tell us that they could give them the appliances and if they say no, there's nothing they can do.

MR. COVERT: My only other comment was about the proper--

SENATOR CONTILLO: I've just been told that any comments from the back won't get through to the transcribers. So, why don't we take turns and we'll run it through the mike here.

MR. COVERT: I, too, run the transfer station in words, like it's mentioned in here; and I'd like the Borough to be exempted from that such wording.

SENATOR CONTILLO: You don't mean transfer stations, do you?

MR. COVERT: Well, we dump from one truck into another container. I'm not picking up--

SENATOR CONTILLO: Your recycling center?

MR. COVERT: Recycling center, yes.

SENATOR CONTILLO: Yeah, you could be a transfer station. Okay, I have no problem.

MR. COVERT: Thank you.

SENATOR CONTILLO: I understand you're doing a great job up there. Teaneck, Helene Vaccaro? (no response) Ridgewood, Russell Cunningham? (no response) Out of Bergen County Utilities Authority, Richard Wierer? (no response) Okay, Durene Buckholz, you want to bring us up-to-date?

**D U R E N E M. B U C K H O L Z:** What I just handed you is a position paper on behalf of the Bergen County Utilities Authority which I have put together. I'd like to thank you for the opportunity you've given us to review Senate Bill No. 2740. What I would like to do for the people in the audience is to read my position paper.

The BCUA does confirm the need to set forth a uniform set of definitions to distinguish between regulated solid waste facilities which also engage in recycling activities and those unregulated facilities which primarily engage in commercial recycling options. However, the Authority is concerned with



the possibility of overregulating these centers, which may result in hindering the growth of recycling resources at a critical time in the development of county and municipal recycling programs.

The license application required to be filled out by the recycling centers with the NJDEP should require information such as the type of recycling services provided and markets utilized, and should not be such an intensive process as to inhibit the growth of the recycling industry. A sensitive balance needs to be struck which requires major recycling centers involved in recycling on a commercial basis to obtain NJDEP approval, while small local and county recycling facilities or depots remain exempt. In order to strike this balance, facility size, capacity, and tonnages handled must be reviewed. A limitation should be set which employs common sense as to whether a recycling center is required, to obtain State level approval. As we have seen with leaf composting this season, municipalities often have very limited sites available for solid waste purposes and, therefore, should not be held to the same permitting and approval process for a small local depot as a large commercial recycling facility would be subject to.

The municipalities are working diligently to implement recycling programs and should be assisted in their endeavors on both the State and county levels. Small depots or recycling centers operated by local and county government do not handle the types nor quantities of recyclables a major commercial facility would. Therefore, the BCUA does not believe a sweeping approach for the licensing and approving of all recycling centers is in the best interest of New Jersey's recycling program, and requests consideration to be given for the exemption of publicly owned and operated facilities from such a licensing process.

SENATOR CONTILLO: Yeah, that's done.

MS. BUCKHOLZ: That's the legislation as presently written?

SENATOR CONTILLO: Yeah. We have amended the legislation to exempt the local recycling centers.

MS. BUCKHOLZ: Okay. We don't have a copy of the amended ones.

SENATOR CONTILLO: Absolutely. We never intended it, anyhow.

MS. BUCKHOLZ: Good. To continue: Providing continuous service to counties and municipalities is vital to the success of recycling programs. The present status of the proposed bill requires recycling centers presently operational to obtain a license prior to the continuation of services. The BCUA believes it would be advantageous for those centers which are presently operating to be granted a certain time period within which they must obtain a license. These operating facilities should be permitted to continue operation while obtaining license approval.

Lastly, the proposed legislation currently states: "In no case shall a recycling center receive, store, process, or transfer the equivalent of a truckload of source separated commingled recyclable materials containing more than 10% by weight or volume of putrescible waste material." Certain consideration should be given in those instances where transferred and/or received at a recycling center, and in those instances where the contaminants or processing residue is stored until a sufficient amount is collected for proper disposal in accordance with the District's Solid Waste Management Plan.

SENATOR CONTILLO: You're talking about storage of the residue at a recycling center?

MS. BUCKHOLZ: Yes. Sometimes a recycling center doesn't know that they have accepted a contaminated load until

it's been dumped on their premises or brought back to their facility.

SENATOR CONTILLO: From a recycling operation, if there's a good possibility that there will be a residue that is neither toxic nor putrescible-- We may have to deal with that type of residue and storage problem differently than you would some other product. The paper that comes off of bottles and plastic containers may accumulate. I mean, there's really no danger in leaving that there until a reasonable amount accumulates. So I see that as one problem, as opposed to the hamburger or the food waste that gets thrown in with loads inadvertently. That becomes a problem if you store that for a week.

MS. BUCKHOLZ: Sure. I think there needs to be consideration to those recycling industries which do provide municipalities with roll-off containers or drop-off centers which are not manned and therefore, when they come to pick up the roll-off and bring it back to their center, until they drop that load on the floor, they do not know if it does contain 10%. And if they do find out then, they've already received and transferred that material.

SENATOR CONTILLO: Okay. And that's one of the things that we're trying to work on now. Currently, there's no variation. We thought we'd put 10% into it to make something. You know, you could take 20; you could take five. I mean, where do we pick the right number?

MS. BUCKHOLZ: Right. But there just needs to be some considerations for those instances where they don't know if it's a contaminated load until it's gotten back to the processing facility.

SENATOR CONTILLO: Okay. You brought up a couple of good points.

MS. BUCKHOLZ: Thank you very much for giving us this opportunity.

SENATOR GORMLEY: It's nice to see you and the Authority having a calm conversation.

SENATOR CONTILLO: Could you outline for me the Authority's points or program for encouraging recycling in this county?

MS. BUCKHOLZ: (speaks away from microphone) Well, we have a very intensive technical assistance program for municipalities as well as a publicity program for municipalities. We've heard from Atlantic County where they've taken it upon themselves -- and like in Camden County -- where the county itself has taken on the recycling processing program. Up here in North Jersey, we are very fortunate to have private industry who've just taken a strong interest in recycling. Therefore the county did not feel it was not necessary for them to get in and monopolize the business. We've given it, the recycling business, the opportunity to grow. We have developed a cooperative marketing program through the interest of the municipalities which would enable them to, on a countywide basis, market commingled recyclable materials, which include glass, aluminum, tin, and the plastic containers.

So, we've done, more or less, what Camden County has done; given the opportunity to the private industry instead of the county.

SENATOR CONTILLO: I think eventually, we'll have to get to the point where it's probably not going to be permitted to bring any load to the transfer station that has not been recycled.

MS. BUCKHOLZ: You're absolutely correct.

SENATOR CONTILLO: It's good to see them not wanting to monopolize something.

SENATOR GORMLEY: I knew he had to do it. I knew he just couldn't control himself.

SENATOR CONTILLO: She used the word, "monopoly." That's the "M" word.

SENATOR GORMLEY: The "M" word? The "M" word. Oh, God.

SENATOR CONTILLO: What did you use, the "A" word?

SENATOR GORMLEY: Authority.

SENATOR CONTILLO: Yeah. He coined the "A" word. Okay what do we have here? Moving along, let me finish this typed list -- I have two lists to go. The Recycling Center of New Jersey, Chris Yonclas. Chris, do you want to say a few words?

C H R I S T O P H E R Y O N C L A S: Thank you, Senator. My name for the record, is Christopher Yonclas. I'm a private consultant that represents not only recycling centers in New Jersey, but a transfer station called Recycling and Salvage Corporation, a venture company which is trying to develop a business strategy within this recycling maze. I've provided you, Senator, in my October 26 letter which you may decide to make part of the record or you may not-- But I'll make some comments about your bill and how it affects people like ourselves that are trying to develop recycling strategies.

Foremost, I think I'll address two issues that have bothered me which I've spoken about before, and that deals with, as I understand the law, whatever residue you allow in commingled recyclables. Vis-a-vis the current laws, it will require then that if solid waste is hauled in a vehicle, it must have a DEP registration number. That's what the DEP is telling us now. If a load comes in with 99% recyclables and contains 1% residue, that vehicle needs to be registered. Then the DEP says to the BPU that they are in violation, and you're in violation. You need a tariff to haul that.

SENATOR CONTILLO: The existing law today?

MR. YONCLAS: The existing law today. So, as I see your proposal, the 10%, or no matter what you put in a recyclable box, if it contains solid waste, the existing law says if you haul solid waste, you need to be a registered

hauler and then we're back into the BPU format again. They then have jurisdiction over haulers who are then licensed New Jersey haulers.

SENATOR CONTILLO: You mean, even if say, 9% (sic) of what's in there is not recyclable items?

MR. YONCLAS: The question again is, if 90% of the material is recyclable, there's a 10% residue. The law, as I understand it -- and we've been told by the Department of Environmental Protection and their enforcement group -- says that that vehicle has to be registered with DEP. And if it's registered with the DEP, the law then says it has to be registered with the BPU. If I'm interpreting the law wrong, that's what I mentioned in my letter-- we get a lot of conversation from a lot of different people, and why I suggested in my letter that the DEP be forced to issue the guidelines. It's been 18 months since your bill became enacted into the law, and it's time for them to belly-up, either by prodding or by suing them, or by some means and say, "This is what we mean by your law," and clarify the language.

SENATOR GORMLEY: What do you think the percentage should be?

MR. YONCLAS: I'm going to address that percentage in my discussion. I will answer that, but I want to go to the other point in your definition of a recycling facility which says, "It is a transfer station that can handle recyclables." Recycling and Salvage is the first that I know of that has petitioned the BPU for a tariff that will be a sliding scale so that its function can vary between being a 100% transfer station and a 100% recycling center; that it wants to be able to work with a commercial generator, to allow for recycling to take place on a variable scale.

SENATOR CONTILLO: But the man you want to direct that to, has left.

MR. YONCLAS: I know that. But they are unable to

respond to that kind of inquiry, because your definition says as an adjunct, a recycling facility will be transferring and not necessarily doing recycling. But I submit to you that when you hear other testimony about commercial recyclers, not the residential, because commercial generators have an entirely different need than recycling, you just have to walk down Hackensack on the main street and see the containers that sit behind the stores and you would ask them to have various containers or various things or commingled recyclables in a box which the DEP-- Again, since recycling centers in New Jersey have been sited, their inspectors have come on the site and they have seen a 100% dry load with less than 1% putrescibles, 5% to 6% of plastic hangers and they have said that whole load is solid because it contains plastic hangers, and styrene plastic hangers is not a recyclable.

SENATOR CONTILLO: We've dealt with that in the future.

MR. YONCLAS: You've dealt with that in the future. But right now they are enforcing that and saying that that load should have gone to the transfer station.

SENATOR CONTILLO: Who's enforcing that?

MR. YONCLAS: The DEP and the BPU. My point in my letter before is they have a vested interest in the initiation of transfer stations and the waste to energy facilities not to promote recycling. They are taking an idealistic view of recycling; that it should be done at the source and that we should all be good boys like in Holmdel, or I wash my bottles and put them into six different containers and every Thursday I take them out to the curb. That's fine for a resident, but a commercial generator -- Caldors, Sterns, Marshalls, the big department stores that have pilferage and they have leakage, stealing -- and we'll be addressing that -- can't do all those things. So, it's imperative that we get some relief.

SENATOR GORMLEY: Why can't they do it?

MR. YONCLAS: Why can't they do it? We're going to

address that. We brought someone who deals with them every day. Rick Bisesti will be speaking about his view and how the generators feel. They probably can do, but again, all the constraints and space-- I'll let him address the issue.

Now back to your question of how much should be it? We have no feel for whether it should be 30%, 40%; we think it should be a sliding scale depending upon the type of generator. And again, there are a lot of different factors that will affect it. I also mentioned in my letter, in my statement to the press that there ought to be more market development. I come from 20 years of market development where I have worked for corporations that have done nothing but develop new markets for products and taken existing products and tried to develop new markets. There's a special skill in making plastic hangers disappear, polyester film disappear, or things that are part of our industrial waste stream which need to have a market development focus on them. There are very few commercial haulers that will pay to have a consultant or market development person come on board to help them process these materials. They are going to be part of our waste stream, and they really don't have to be.

SENATOR CONTILLO: Process, or find markets for them?

MR. YONCLAS: Find markets for them.

SENATOR CONTILLO: Okay. There is money in the bill. There's a philosophical direction to develop markets. The counties just said that they are working on developing markets and, of course, the State is also involved in developing markets. So, I'm not sure what you want us to do?

MR. YONCLAS: Well, I think that there ought to be funding. I guess from what we see, there ought to be a more integrated approach between the Department of Environmental Protection, the DEP, and the hauling community to talk about ways of maximizing -- pulling up the recyclables out of the waste stream. There is indifference from the tire centers.



There is a company now that is planning to permit and build a tire shredding company in Camden, New Jersey by October of this year, where they will shredding and sending--

SENATOR CONTILLO: Yeah, but they only are going to be shredding. They are not going to be burning.

MR. YONCLAS: No, but that is a processing center to take and shred and go to people who need the BTU content -- just like a lot of the solid waste in New Jersey can be turned into RDF and sold elsewhere as a fuel rather than put it into an incinerator of New Jersey.

A lot of our liquid hazardous waste is blended as fuel and shipped to Pennsylvania for burning in cement kilns -- its BTU content.

SENATOR GORMLEY: Who's buying RDF from New Jersey?

SENATOR CONTILLO: That was my question.

MR. YONCLAS: Who is buying RDF?

SENATOR GORMLEY: It would appear as though there is a market for RDF produced in New Jersey. Who is buying it?

MR. YONCLAS: Right now, there is no commercial RDF plant being produced in the State of New Jersey. The only RDF plant that I'm aware of is out in Duluth, Minnesota, which is part of this Western Superior Utilities Authority or Sanitation Authority that takes RDF in combination with sewage sludge and burns it in a fluidized bed incinerator. But that's not to preclude the point that the market development effort could use RDF technology and promote the development of RDF, not as a dry process, but my background in chemical engineering tells me that there are processes out there, like the "black box" system which was used in Miami, that can develop a wet process, hydro-pump the fibers out, and convert it into high BTU contents -- 9000 pounds per BTU.

SENATOR GORMLEY: Excuse me, that's not the Dade County plant, is it?

MR. YONCLAS: No.

SENATOR GORMLEY: Because the Dade County plant is a disaster.

MR. YONCLAS: It was a disaster down there. The hydro-pumping technology allows itself to pull out the residue from the bottom where it should have gone out to the top, but I think that was a design flaw. So, I think there are opportunities to use market development techniques to solve the solid waste crisis and improve recycling.

SENATOR CONTILLO: Isn't Assemblyman Shinn opening up in Burlington County the first steps of a RDF plant as an option?

SENATOR GORMLEY: He's opening it up as an option, but they still have to find a market. There was a test burn by Atlantic Electric of RDF, and it was found to be incompatible with their particular generator.

MR. YONCLAS: Well, we've been doing some marketing development on our part and there are coal companies and utilities that have burn facilities which can be-- I think the technologies have been identified; that RDF cannot be burned in a standard incinerator. It has to use the fluidized bed system, because it needs to break up the particles. And there are, in our judgment, opportunities to convert coal fired plants to fluidized beds and get utilities who will be interested in buying RDF in conjunction with coal in various plants in the United States.

SENATOR GORMLEY: This is a field, but it's all one big cycle. What is the cost and who would pay?

MR. YONCLAS: The cost of this material-- I think that the RDF plant is being proposed in Pennsylvania. There are three plants under--

SENATOR GORMLEY: No. The ratio of the RDF, I would say, is about 25% of the cost of the resource recovery plant. The question is, what is the cost to the utility to transform their burner?

MR. YONCLAS: I think it's going to be less than the cost of building a \$400 million plant. And in fact, they already have the utility-- In my way of thinking, it doesn't make sense to put in the State of New Jersey, a multitude of generating plants to buy electricity when there exists idle capacity with the current generators that are in the State -- even though there's a PURPA law. You're going to be generating more electricity than you need to.

SENATOR CONTILLO: I've let this go way too far field. It's fascinating, but let's go back on--

MR. YONCLAS: Let's go back. Okay. So, I guess the purpose that I wanted to bring up is that we found, as a recycler, a couple of problems with the definitions in terms of how they are going to create regulatory problems with the BPU and the DEP. And I would encourage the Senator to work to promote recycling at all possible speed and not wait until your bill gets enacted into law. There has to be a sense of urgency to promote recycling. The last comment that I made in my letter--

SENATOR CONTILLO: And specifically, how will we promote recycling without waiting for the new law to take effect?

MR. YONCLAS: I think what we have to do is create a more -- rather than -- an idealistic view that this is the only way that source separation will work in recycling; to allow for a task force or an industry -- regulation type people -- to get together and allow for some creative approaches to force recycling.

SENATOR CONTILLO: Well, give me a creative approach and maybe we can incorporate it in the bill. If you have specifics, at least forward them, discuss them.

MR. YONCLAS: I would be happy to.

SENATOR CONTILLO: Because I, for one, am frightened of sending out a commission to study something because you're

not going to hear back from them for the next decade.

MR. YONCLAS: Okay. I would be happy to provide you with written comments about how working within industry can promote recycling at this point in time. But, I guess the issue is that you become-- There's such a vendetta-- Not a vendetta, but there's such a task force out there trying to say we want to stop all of these illegal black box people from operating and breaking the recycling law. When indeed, if you look at some of the contracts that the haulers have with the generators, there is a requirement to source separate, there is a requirement to pull the putrescibles out, and there is a requirement that they do comply with the intent of the law, although they may not be 100% in compliance with the law, in terms of the residue.

SENATOR CONTILLO: You're talking about what the Board of Public Utilities brought up -- or the representatives of the Board -- where they objected to the fact that some of the haulers will pick up containers that have recyclables and putrescibles or recyclables and non recyclables in them.

MR. YONCLAS: They object to that, because and not all of the industry is behaving in a proper business-- And we can empathize with their problem. What we're suggesting is that their investigators say, by their interpretation of the DEP laws, are zero percent of a residue and everything has to be source separated and hauled selectively in different containers.

SENATOR CONTILLO: But they object even to a person who has a transfer station doing that.

MR. YONCLAS: Yes, they do.

SENATOR CONTILLO: And I don't. If you only have a recycling center, yeah, okay, that's a legitimate complaint. But if you have a transfer station, I don't see why we should be overly-- It seems picky to worry about. But the Board is concerned that the law says that you must source separate and those, in effect, are not source separating. I guess that was

before you came in when they must have been talking about that. Their problem is that when you mix anything and you don't source separate that, in effect, you've violated the law; even if you bring it back to your transfer station and separate it there. I think they are getting a little bit far afield of what we intended.

MR. YONCLAS: Well, I guess my closing comment, because I've taken up enough of your time, is that there is a regulatory vacuum in terms of the definition of how you can operate. If you follow 100% of the attentive law that has to be source separated at the source and they can't be commingled, and you can't haul-- From a linguistical standpoint, the law and the practicality and the cost to the consumer is very difficult to rationalize. And what we need is a better understanding of how-- You know, people are going to be reluctant to invest, if they don't understand where the regulations and what regulatory vacuum-- I can understand the shredders saying, "If the law is there and I have perpetual harm in terms of PCBs, why even bother? I'll force the issue."

SENATOR CONTILLO: On the other hand, you give them carte blanche now where they could throw in all the stuff of PCBs and you'd never know the difference, is a dangerous option, too, you know.

MR. YONCLAS: Yes. And the last point in my letter was I would propose a mandatory downsizing of the incinerators in New Jersey as a way of forcing recycling to take place faster. Bergen County, I understand, is talking to Hudson County and other various counties about an option. I think the example that Essex did in building a plant for 2750 tons a day, but yet putting a hardware in the (inaudible) for an extra burner is the way that New Jersey should probably approach it. A downsizing plan is a mandatory part of the permitting process in forced recycling, because from what I see in my limited four years in the field, the actual count of what they think is in

the county is not substantiated. I think it varies, and to build a plant based on what you think the waste is going to be without real hard data, is an economic risk.

SENATOR GORMLEY: But also, isn't it a problem -- and you bring a very good point up -- but isn't it also a problem to think that you can recycle at certain levels?

SENATOR CONTILLO: No. He wants the pressure on that end.

MR. YONCLAS: I want the pressure on that end.

SENATOR CONTILLO: And I agree with him. The problem is the pressure is coming the other way, Bill, where they sized the plant in Bergen for almost 4000 tons a day. And now they've gone into sheer panic because they are afraid that we're going to recycle it down to 3000 or 2000 tons a day. I think it's a direct result of the recycling efforts in some of the activities that we've partaken in; that they are starting to talk to other counties now, because they realize there's going to be extra capacity here in Bergen County.

I've gone to the Authority meetings and asked them to tell me how they arrived at the size, and what did they take into consideration for recycling? Finally, Malcolm Purdy, the engineer, is now going to make a new study as to size. So, in other words, instead of the pressure being -- make sure you keep the waste flow up to 3000 or 4000 tons a day, he's suggesting you limit it to 2000 and tell the powers-that-be to get down to that size.

SENATOR GORMLEY: I understand that. That is an approach. I'm not trying to be facetious. It's simplistic and if it doesn't work, then we'll--

MR. YONCLAS: No. I think you're going to end up with 21 counties in waste districts in the State of New Jersey. If you are looking at that total entity-- What prevents waste from flowing is interdistrict agreements. But there's no reason why plants can't move-- Again, I'm looking at the BTU.

Garbage is nothing more than energy, and there's nothing wrong with it moving to-- If it doesn't work in one county, it can go to another county, in terms of extras.

SENATOR CONTILLO: That's what he's afraid of, because he's in the county that would end up taking it as landfills.

MR. YONCLAS: No. Not as the landfill; as resource recovery.

SENATOR GORMLEY: Well, I guess we're very fortunate, because in our particular case, we have a combined program. So, the goals are not exclusive, because it's all under one entity. And that balance, I assume, lends at least to the appearance of greater credibility.

SENATOR CONTILLO: Okay. Thank you.

MR. YONCLAS: Thank you.

SENATOR CONTILLO: Now we have Refuse/Environmental Systems, Richard Bisesti. Richard, would you like to say a few words?

R I C H ' A R D B I S E S T I: Good afternoon, Senators. My name is Rich Bisesti and I operate a solid waste management company. We're a consulting group. And we manage solid waste programs for about 1000 commercial generators within the State of New Jersey. My company is a Massachusetts corporation and a lot of the business that we have is within the New York, New Jersey area. I'd like to talk to you about the generators concerns in recycling.

Let me give you some specific examples. The Caldors, the Sterns, the Macys, the Lord and Taylors, the A&Ps, the Grand Unions -- they've experienced within the past year a per haul cost increase that has gone from \$300 a haul -- and I'm talking about a 40 yard container compacted -- from \$300 a haul to in some cases \$1600 a haul. Now that's by and large due to tariff increases -- BPU sanctioned tariff increases -- from the solid waste hauling community.

Let me take you back a little bit to my perception of the best way to attract commercial recycling within the State. Let's take a department store where you have a variety of different human beings trying to operate and work in that store.

SENATOR CONTILLO: What's the relationship? Is it two-and-a-half yards to a ton, or is it two-and-a-half tons to a yard? Which way?

MR. BISESTI: Well, they talk about three compacted yards to a ton.

SENATOR CONTILLO: Oh, is that what it is? Okay.

MR. BISESTI: Three point three is one of the numbers, but if you use three, I think you're in good shape.

SENATOR CONTILLO: Okay.

MR. BISESTI: If I have to ask a commercial generator to remove five or six different recyclable items at, say, store level, this is what he incurs. He has to number one, place containers outside the building to do this. He has to train all his people to do this. So, now he has to take his cardboard and put in one container, he has to take his plastic and put it in another container, and he has to take his glass and put it another container. Okay? Every time he opens the back door, he creates a problem with shrinkage. People will steal items every time they go outside the store. So, that's one of his fears, the generator.

The second and the biggest fear is he's gone from \$300 per haul to \$1600 per haul under a solid waste BPU approved tariff. So, if he can recycle and he can commingle all of the recyclables -- less putrescibles -- within a 40-yard container, and be picked up by a recycling company, then that recycling company is not under BPU jurisdiction. That recycling company does not have to work under a tariff that says to the generator, "You have to pay me \$1600 to pick up this load." It then becomes a number that the generator through my company or the generator himself can negotiate with the recycler.



So, he's now got a container of commingled recyclables, less putrescibles. And the problem herein lies, out of that load, how much of those items within there are recyclable? Ten percent, 20%, 90%, 80% 70%? In some cases, it can be as much as 99%. In other cases, it can be 60% depending upon the waste flow. So, when that container is then brought to a recycling -- and I don't know what the term is -- center facility without a transfer station, especially in this State--

SENATOR CONTILLO: What stops you just from bringing it to a transfer station now and separating it there?

MR. BISESTI: Again, we go back to BPU jurisdiction and is there more than 10%? Is there a DEP license to haul under a recycling hat, consequently?

SENATOR CONTILLO: No, but you can operate this as a solid waste hauler. You can bring that load to your transfer station, but you're required to pay the \$1600 on the tariff that BPU sets up. Is that correct?

MR. BISESTI: No, not at all.

SENATOR CONTILLO: No?

MR. BISESTI: Not at all. What I want to see the commercial generator be able to do is to commingle the solid waste, less the putrescibles in a container -- one container; have a hauling company under a recycling banner.

SENATOR CONTILLO: But what's to prevent you from doing that now as a solid waste hauler bringing it to your transfer station?

MR. BISESTI: BPU intervention based upon the amount of solid waste or a sandwich or some putrescible or over 10% or whatever other--

SENATOR CONTILLO: They make you charge up to \$1600 if there is other materials?

MR. BISESTI: No, not at all. They are claiming that this is not a legal process.

SENATOR CONTILLO: Because you are not source separating?

MR. BISESTI: Correct.

SENATOR CONTILLO: Have they corresponded with you?

MR. BISESTI: I've had conversations with them. They haven't written to me.

SENATOR CONTILLO: But, have they corresponded with you to tell you this?

MR. BISESTI: Not in a letter, Senator. No.

SENATOR CONTILLO: Okay.

MR. BISESTI: But what I'm trying to get everybody to understand today is that the generators, the commercial generators, would be much better off if they were allowed to commingle in one container, eliminate the putrescibles, have that container then hauled to a -- and you tell me what it is -- recycling center, a recycling facility, a transfer station.

SENATOR CONTILLO: I guess I don't want to keep interrupting. I'm still puzzled as to why you can't, as a solid waste hauler -- and maybe someone else will tell me -- bring that same load to a transfer station and separate it there and bring whatever you can't recycle to the dump and recycle the balance?

MR. BISESTI: I guess I'm puzzled too. I guess I'm as puzzled as you are because we're being told that that is not a legal process. And I think that Chris Yonclas and maybe Jonathan could give you better insight on that. But, all I'm trying to do today is to get everybody to understand that from a commercial generator standpoint, that is the way to recycling, in my opinion, in the State of New Jersey. Let that transfer station, let that recycling center, recycling facility, remove those recyclables. Whatever the residue that's left over, then let that come under the jurisdiction of the BPU as far as waste flow is concerned, but allow the recycling company to do that for the generator, and allow the recycling company to give the generator a number that he can live with, instead of \$1600.

SENATOR CONTILLO: If he's the recycler, I understand that problem. If he wants to be called the recycler, therein lies the problem. If he's a regular solid waste hauler, it seems to me he can do that now and bring it to his transfer station. But if he wants to be a recycler, he's out of the purview of the Board of Public Utilities Commissioners, and different rules are in place. Do you want to further muddy this?

MR. YONCLAS: Yeah. The problem that you have is that a hauler-- He deals with 200 haulers, and the 300 haulers in the State of New Jersey are all over. And he tries to get them to compete with the lowest price. So, if the hauler does not have its own transfer station, he then has to go to a licensed transfer station. A licensed transfer station has not been allowed to have a tariff that distinguishes itself, the difference between solid waste and a mixed sliding scale recyclable; the point I raised before. So, unless he goes to an illegal transfer station, he can quote whatever rates he wants. And that's the BPU's black box. There are 15, 30 illegal transfer stations operating--

SENATOR CONTILLO: Will you define an "illegal transfer station" for us?

MR. YONCLAS: An illegal transfer station is a transfer station that has not gone through the county process to be included in the solid waste district, that is not obtained as a transfer station.

SENATOR CONTILLO: Well, that's every station in Bergen.

MR. YONCLAS: It's not been included in its solid waste plan--

SENATOR CONTILLO: That's every station in Bergen.

MR. YONCLAS: --and approved by the DEP--

SENATOR CONTILLO: All right, that's every station in Bergen.

MR. YONCLAS: --that doesn't have a DEP permit, an operating permit, with an operating plan and conformance to the DEP regulations for solid waste transfer stations.

SENATOR CONTILLO: That's a different problem.

MR. YONCLAS: Well, they are the same things, because they are integrated. A DEP permit is part of the process that says that you have to be written into the county plan as a transfer station.

SENATOR CONTILLO: Well, I would say there's a dozen or a half a dozen permitted transfer stations right now in Bergen, but none of them are in the Bergen County plan.

MR. YONCLAS: As it was amended. But if it goes back, it would have had to have been, as I understand it, if it was before the solid waste enactment laws. In order for it to receive a DEP permit, it had to have been included in the solid waste plan for the county.

SENATOR CONTILLO: But many of them are existing transfer stations that have--

MR. YONCLAS: Before. And that's why it's a-- Or they operate under an illegal--

SENATOR CONTILLO: So, there's two separate problems.

MR. YONCLAS: They operate under an illegal recycling center that accepts putrescibles, and recycling centers can't. That's the other point.

SENATOR CONTILLO: So, what you're saying is if the hauler doesn't have his own transfer station, he must bring that load, in some cases, 80% or 90% of which could be recycled, to the designated or the county transfer station where it's all shipped out. Because here for instance, in Bergen, there is no recycling program at the transfer station.

MR. YONCLAS: Correct. And that's when you corrected the dilemma.

MR. BISESTI: Now, let me ask you a question, Senator. If a generator was to commingle, take the

putrescibles out of the waste stream, commingle the recyclables in one container, have a hauling company then pick up that container and bring it to a transfer station, remove the recyclables from load, recycle whatever the recyclables are, ship to market, and then take the remaining -- the residue according to waste flow doctrine, and send it back to whatever county, is that a process that is an acceptable process today?

SENATOR CONTILLO: That's what we're dealing with in the law. Right now, you can't have any residue. We're saying in the absence of any rational program, we said 10% just to have some residue. What you're looking for is--

MR. CONNELLY (Committee Aide): (confers with Chairman) Once you source separate, you start taking stuff like that-- Essentially you're engaging in unlawful solid waste collection disposal. No two ways about it.

SENATOR CONTILLO: The other problem comes in: What does he do with the residue? They want you to return it to the county of origin in many cases, which is another lunatic rule.

MR. BISESTI: Which is crazier.

SENATOR CONTILLO: Yes, of course, because see, why are you any different than a processor who processes aluminum siding? Why can't you then have that as a residue from your process and bring it to the plant? I think we have to deal with that also.

MR. YONCLAS: That's correct.

SENATOR CONTILLO: But, then you see, when you do that, you mitigate against enlarging the 10% now.

MR. YONCLAS: Okay, the other point that you have to be cognizant of is that you're going to be in violation of State statutes. If that residue then remains on the property for more than 24 hours, it should be a transfer station, because you don't know what the residue is going to be.

SENATOR CONTILLO: Okay, but the residue, understand that-- We discussed that before. I think if the residue is

non putrescible and it's not toxic, I think we have to deal with the storage in a different way than we do with the storage of the putrescibles and toxics. That's got to be the--

MR. YONCLAS: But, it's still going to represent health and safety hazards, because part of the recycling will have, unless they are fully washed out, they are going to have the worst experiences: you're going to have bees, you're going to have liquor, and you're to have OSHA problems because you're going to have ethyl alcohol and methyl alcohol as part of the process. So, I think what we're going to find is that unless the recyclables are washed, you're going to create an OSHA problem at the recycling centers, because of the residual, alcohols, you know, bugs--

SENATOR CONTILLO: You may have to put in as part of your recycling process a washing process or a sprayer. You know, there is going to have to be some economic decisions made. But, we'll try to deal with those problems.

MR. BISESTI: And another question is how do you address the 10%? What do you do with that?

SENATOR CONTILLO: My 10% was not designed to really to help you with your black box. It was designed for a person who's really in the recycling business, who's going to have an incidental residue from the broken bottles that he can't send somewhere; the bottles get broken and the colors get mixed; workers who throw their hamburgers in there, the occasional bag that shouldn't have been thrown in there. That's what my 10% is gauged at. You have presented us with an entirely different problem here where you're going to say, take it as it comes. You may have 10%, or you may 90% of putrescible waste--

MR. YONCLAS: Well, not putrescible, because I think-- You have to eliminate the putrescibles. You have to take the putrescible waste out of that commingled--

SENATOR CONTILLO: Non recyclable then.

MR. YONCLAS: No. I'm saying that within a

generator's waste stream, okay--

SENATOR CONTILLO: What do we care what percentage of your residue is there as long as it's simply non recyclable, but not toxic and not putrescible? You're saying we shouldn't care what percentage is residue, then?

MR. YONCLAS: Yeah.

SENATOR CONTILLO: And it's a good question. Why do we care? Why do we care, Mary?

MS. SHIEL: (speaks from audience) Why do we care?

SENATOR CONTILLO: Why do we care what the residue of a load is, whatever percentage of it is?

MS. SHIEL: Well, if you have too much residue, then you're really handling trash. You're not handling recyclables.

SENATOR CONTILLO: As long as it's not toxic and as long as it's not putrescible, why do we care what the percentage is?

SENATOR GORMLEY: Then you will never be able to process it. That's why.

MS. SHIEL: But then you really reduce your marketing potential of your materials. The more trash you get in there, the less marketable your materials are. And you're really circumventing the Recycling Act. Its source separation is the key to this Act working. It really is.

SENATOR CONTILLO: You're talking to me like a bureaucrat now.

MR. BISESTI: Well, listen, source separation--

MS. SHIEL: No, no. He can do exactly what he wants to do except he's saying keep out the putrescibles. Well, go into a department store. I mean how much putrescible waste is coming out of a department store? Not much. Now, if you have a separate container for the putrescibles, what you do is you have a separate container for garbage and trash. And he can have a separate container for recyclables. The law allows commingling other recyclables. It's right in there. But he

wants to bring in trash and then he wants to separate trash from what we can market that day, and then the rest goes wherever it goes.

SENATOR CONTILLO: Okay. What's wrong with that? Tell me what's wrong with that?

MS. SHIEL: We could sit down.

SENATOR CONTILLO: Well, you think about it and do me a favor, I'd like to hear from you prior to my next--

MS. SHIEL: And then where is this trash going?

SENATOR CONTILLO: Wait. Okay, think about it and tell me about what's wrong with it prior to my next public hearing. Not at the hearing, but prior to it.

MS. SHIEL: Okay, but ask where their trash is going?

MR. BISESTI: I'd like to answer that.

SENATOR CONTILLO: Okay.

MR. BISESTI: I'd like to answer that, Mary. I'd like to try to get you to understand where I'm coming from. The commercial waste stream, by and large, is 60, 70, 80% recyclable products. Would you disagree with that? I mean, that's the commercial waste stream. Unless you're in a supermarket, and I don't think I'm talking today about supermarkets. I'm talking about commercial accounts. I'm talking about the department stores, the strip malls. Those are recyclable products. So, you may have 30% that are not recyclable products within that waste stream. I certainly wouldn't be upset if we said, "Okay, let's take the sandwiches that the employees throw away, and let's take out the cafeteria food waste that we have, and let's take out all of that and put that in a separate container so that nobody gets upset and says that we are creating a less recyclable load if we put putrescible waste in it. Okay?

So, take that out. And now, what do you have? You have a recyclable load. It could be 70%, 60%, or 90%, depending upon the waste stream. Let the garbage company pick



up those putrescibles separately. Let a recycling company -- and I'm saying a recycling company because if we use a recycling company, then we don't have to charge tariff rights -- let a recycling company pick up that commingled, solid waste recyclable less putrescible container and haul it too. And again, you fellows will have to help me; transfer station, recycling center, recycling facility -- but a location that you can then take out the--

SENATOR GORMLEY: No, no. Excuse me. Why can't it be all source separated? I don't understand the problem. The person in the recycling business picks up everything that has been recycled. So, we're talking about--

MR. BISESTI: The problem, Senator, is cost. The problem is shrinkage. The problem is labor. The problem is all of these. Those are generator problems.

SENATOR GORMLEY: I'm not disagreeing with you. I'm saying it makes your job easier. It might cut down the volume, but you would pick up what they have recycled. I mean, doesn't it make it easier for you if we--

MR. BISESTI: Not at all, because if you have 100 people trying to do all of this at a store, they're going to make mistakes. They're not going to do it right. It's so much easier to just put all of the solid waste in a container, take the putrescibles out, bring it to a transfer station, take out the recyclables. There's residue left. Whatever that residue is left over -- listen, I don't know -- then let the BPU deal with it. Does it make sense for the BPU to say to take that residue back to the county of origin?

SENATOR GORMLEY: The problem is if you allow for an exception, as I see it, then you have a loophole. I'm not talking about the good haulers. We're not talking about the people who are sincere. But once you have a loophole of sorts -- uh-oh, you have to make sure that it's balanced and that it's not used as a gaping hole to get away with something. So,

you're saying for these commercial businesses, it's too expensive for them to recycle at the site -- to source separate. It's too expensive.

MR. BIESTI: Yes. That's exactly what I'm saying.

SENATOR GORMLEY: Okay, so your businesses have said that to you?

MR. BIESTI: Yes.

SENATOR GORMLEY: All right. Could we have a list of--

MR. BIESTI: Would you like me to read a letter?

SENATOR GORMLEY: No. Could we have a list of the businesses?

SENATOR CONTILLO: You have a letter from Sterns?

MR. BIESTI: I have a letter from Caldor. It says, "Dear Bisesti: As you know, our biggest concern, naturally, is the escalation of waste removal expenses we have experienced in both New York and New Jersey. Source separation on-site through additional containers would only increase these costs as well as increase shrinkage at store level, which as you know, could drastically affect the bottom line. I am sure that any additional containers would not only increase their expense, but also cause problems due to the limited labor force and physical space available for the containers."

"Lastly, there seems to be a great deal of confusion within the State and local townships as to the interpretation of the recycling laws as they apply to commercial accounts. I sincerely hope you can address all of the above issues on our behalf in the near future."

SENATOR CONTILLO: Mary, could you meet with those people from Caldor and go over it with them?

MS. SHIEL: (speaks from audience) Sure, but I think you could call businesses in this State that have done the separation and have made an effort to do it. It's a mind-set where the business operations have decided to do separation. They're complaining about their high disposal cost. You know

how to eliminate your high disposal cost? Start separating.

SENATOR CONTILLO: But what do we care if they pick up that container and--

MR. BISESTI: I don't know. That's what I don't understand.

MS. SHIEL: We don't care. What this gentleman wants to-- What he should do-- He wants two containers. He brings one for putrescibles, and one for trash and recyclables. Let's have two containers: one for recyclables and one for trash and putrescibles and let them separate them. If the ordinance requires that the commercial business separate corrugated and high grade office paper -- the law allows the commingling collection of those source separation materials -- he could come in and do that.

SENATOR CONTILLO: Why not put the trash in with the putrescibles?

MS. SHIEL: But that's not what's happening. They're going around, they're telling businesses that they are not -- that they don't have to source separate. That's not what the law requires. And they must abide. The only one that can exempt them--

MR. BISESTI: But maybe the law--

MS. SHIEL: The only one that can exempt them from the source separation requirement is the municipality. The municipality has the authority in the recycling matter to say to its commercial businesses: "If you have another way to recycle, you can do it, but you must recycle material that was designated in the county plan and you must provide and the recycling information to us and verify that these materials will actually be recycled." It can be done. But the municipality must give that--

SENATOR CONTILLO: Look, we don't have to solve the problem tonight, but I'd like to lay it out, though. That's really what I'm trying to do, focus in on a problem.

MR. BISESTI: I have one more comment. Aren't we trying to create a situation within the State of New Jersey that promotes recycling?

SENATOR CONTILLO: Absolutely.

MR. BISESTI: And aren't we trying to say to commercial generator as well as everybody else in the State: "Look, we want to promote recycling. We understand your costs have gone from here to here. Okay, so let's find some way to promote the recycling within the State and alleviate your high costs and make it as easy as possible for you, and don't worry about what the law and how the right laws regarding BPU jurisdiction on this and containers on that and municipal coordinators -- and everything else"?

SENATOR CONTILLO: There are a lot of municipal coordinators in the room now. I'll let you take that back.

MR. BISESTI: I hear you, but I just want to make that point. I think if we can make this as simple as we can for the commercial generator, that's the intent, and that should be the intent of the recycling program.

SENATOR GORMLEY: It is.

SENATOR CONTILLO: Okay, thank you.

MR. BISESTI: Thank you.

SENATOR CONTILLO: The next person I have on the schedule from Wood-Ridge is Regina Caputo. Is Regina here? (negative response) Okay. Chris already spoken. Rich has spoken. Jerry Lobosco.

J E R R Y L O B O S C O: I am the president of a recycling company that's been in existence since approximately 1918. I'm also speaking for the New Jersey Paper Recycling Association. We, presently -- the Association -- represent paper dealers that recycle somewhere between 100,000 and 200,000 tons of paper per month. It seems that whenever a bill is written, we always seem to take the brunt of everything. In your bill, everything is previously regulated except the recycling center,

which presently takes this quantity of paper out of the garbage flow. And it appears that this bill is directed towards us since the garbage haulers are already licensed by the BPU or the DEP. We've just eliminated all the municipal recycling centers and by going through your definition, what remains is: One, the recycling center, such as myself, such as Garden State Paper, Newark Boxboard, Marcal Paper; they all fit in the definition of recycling centers. These are people who have really done one hell of a job over the past 100 years trying to keep the garbage down to start off with. And it seems all this bill is doing is further encumbering our job. If we go back, as Senator Gormley said, if we concern ourselves with getting as much source separated material right from the start, we don't need all of this regulation. We don't need people chasing trucks around. You have your recycling coordinators in the communities whose job it is to make certain that the all the industry and commercial establishments follows the law in that particular community, in that particular county. All you have to do is follow the existing laws. We don't need anything additional.

You mentioned in your bill how a license can be denied. From the way I read it, and I'm not an attorney, I went through it this morning and I found that you have certain guidelines; that if an individual or a company fell within these guidelines, they would not be permitted a recycling center license.

SENATOR CONTILLO: There's one problem. If one of the owners, operators, or people who finance it, have a criminal background--

MR. LOBOSCO: No. I'm not criticizing it. I have no problem with what you--

SENATOR CONTILLO: There's no other restriction on a license. However, that section is going to be either watered down or eliminated.

MR. LOBOSCO: The question I ask is not for fear of having a license denied, because I'm not fearful of that; what happens if I do have a license, how can that license be revoked from me? That's where my concern is. If all of a sudden I have three too many trucks running down the street, and I have a complain from-- Fortunately I'm in the City of Paterson. I don't have any problems.

SENATOR CONTILLO: Do you run the recycling center that's in West Paterson or Paterson?

MR. LOBOSCO: Paterson. I have nothing to do with--

SENATOR CONTILLO: Are you strictly paper or is it primarily paper?

MR. LOBOSCO: We handle about 90% paper. Of that paper about 70% of it is newsprint, 20% of the residue is corrugate, and the balance is high grade and no metals.

SENATOR CONTILLO: There are other recyclers in the State who deal not with a lot of papers, but they deal with all the other recyclables. One of them, you know, is the fellow in West Paterson.

MR. LOBOSCO: I really don't know.

SENATOR CONTILLO: He's a recycler. Well, you asked me who else is involved in the bill. That type of recycler is the type of recycler we want to encourage, because he's taking in all the residential recyclables.

MR. LOBOSCO: I have no problem with that. But, what I'm saying is what is the necessity to license it?

SENATOR CONTILLO: I'm saying to you, one more time, that that section will either be watered down or eliminated. We may simply require a registration so we know who's recycling or we may depend on the right of entry to cover all those places. The reason for a license, was because there are a number of bad apples in the business who can't pass the 901 investigation, and this would give us a device to prevent them from opening a false recycling center.

MR. LOBOSCO: And going back to my original contention, if you had source separated it, even if it's commingled, you don't have a problem. If JC Penney-- I don't recall who is the recycling coordinator in Wayne right now. But if the recycling coordinator in Wayne went to JC Penney and said, "You have to source separate the four designated materials or the three designated materials or given an exception," -- because 80% of your waste is only cardboard or clipboard," -- saying, "If you recycle all of this and all you need is two compactors outside, one for all your cardboard or papers, and one for your trash," you don't need to worry about where the two containers go. You know that the one container is going to a recycling facility, because there is no garbage in it, and you know that the second one either has to go to a legal transfer station or a legal dumpsite because there's nothing else in there.

The key to it is source separation. I beg to differ with the gentleman who spoke before: We have not had any difficulty with our commercial accounts in having them source separate. The problem you have is if you try to say, "Here's the blanket plan. Everybody has to fit in." If you take time to sit down, discuss the problem with each of your commercial accounts, you can work out a plan with them where they can source separate.

SENATOR CONTILLO: But you deal primarily-- You're telling me that you deal primarily out of that newsprint?

MR. LOBOSCO: That's newsprint, high grade corrugate. But our predominant thing is we handle many of the municipalities, many of whom are here tonight. We do handle the commercial sector, not as high a percentage volume wise, but probably time-wise, it's just as much as the other. The thing is, you have to sit down and talk to these people, find out what their problem is, and rationally solve it. I think the other thing that's ironic, is that we're here discussing a

law today on licensing recycling centers when the paper market is literally collapsing about us. The Taiwanese are not buying or are buying very little. The Koreans are not buying or are buying very little. It's fortunate that the freight rate going into Italy is so advantageous at this point that we can ship wastepaper from Port Newark to Livorno, Italy cheaper than they can ship it from Germany to Italy. At this present time, that's where we're competing, and that's basically the only sound export market in existence right now for newspaper corrugate.

SENATOR CONTILLO: Do you pay for your newspaper?

MR. LOBOSCO: At the present time we do.

SENATOR CONTILLO: I suppose we'll get to the point eventually where as long as you charge less than \$100 a ton, they'll still be delivering it to you.

MR. LOBOSCO: No, no. We pay. At the present time, we are purchasing newsprint in corrugate from the municipalities.

SENATOR CONTILLO: All right, but the market is flexible in the sense that eventually people will be willing to pay you to take the newsprint, as long as it's less than it costs to dispose of it. And that's the flexibility of the paper.

MR. LOBOSCO: Let me put it this way: I think that's coming up. That is a very realistic possibility within the next 90 days. If the market conditions are not changed, we are, in our company, tentatively kicking around figures of charging municipalities somewhere in the neighborhood of \$10 to \$20 a ton to dump newspaper in our facility. So, that we can market it or move it to either domestic mills or export mills so that we can economically stay in business.

And I just think that going into licensing at this point for legitimate recycling centers is just adding an additional burden to the problem that we already have. That's basically all I have to say. Thank you.



SENATOR CONTILLO: Thank you. Jim Mauer from the Borough of Montvale.

T I M M A U E R: It's Tim Mauer from the Borough of Montvale. I also am the Chairman of the Bergen County Advisory Committee for Recycling. Senator, I'd like to-- Initially, when I came here I was going to speak about the regulation of recycling centers from municipalities. Since you've already amended that, we can pass on that. What are you doing in terms of the small junkyards? I'm not clear as to what the bill means or its intent on that.

Where I'm coming from to explain my point is that there are a lot of municipalities and Recycling Coordinators who are scurrying around trying to find markets, ways, you know, of disposing of certain recyclable items. I think there is a concern that too much regulation with regard to the small junkyard etc. may end up discouraging certain markets, for example, the guy that's taking your automobile batteries, etc. And, you know, I'd like some input on that.

The other thing that I was concerned about-- The initial bill theoretically is going towards tonnage figures, source separation. And I would like to say that I can't speak for all recycling coordinators, but as time goes on, it's going to be more and more difficult for these municipalities to meet certain goals that they've got. The young lady from Paramus was alluding to the fact that there was a difficulty in getting commercial tonnage figures. It may be partially addressed by a municipal ordinance. However, I feel that if there was some regulation upon certain haulers, to require them to supply the commercial entities with the figures, it might make both the commercial people's job and the recycling person's job a lot easier. I feel that a good deal of the recycling problems in the commercial entities in terms of documentation, comes from the fact that the scavenger is not necessarily on top of the documentation aspect. This bill may not be the place to put

it, but I really feel that this is something that should be done.

SENATOR CONTILLO: We agree with you.

MR. MAUER: I think lastly, the other thing that I am concerned about is the fact that there's been in conversation from both the commercial sector and the dais back and forth with regard to the transfer station, the sanitation, and the recycling center. And if the spirit of the law at present, while we're talking about source separation-- But we're still dealing with percentages or tonnage figures. The percentage figures, with regard to putrescibles and municipal waste and documentation, run hand-in-hand in some areas. If I can give an example, we have in Montvale numerous commercial businesses. Many of them -- waste stream -- is maybe 70% or 80% office high-grade paper. They have a private carter. This carter has gone to them and said, "We will address your recycling needs by giving you a commingled figure." This carter may or may not be taking this directly to a market, depending on how he feels his load is, or he may be taking it right to a transfer station.

SENATOR CONTILLO: Commingled-- Do you mean trash and recyclables, garbage? I don't know what you mean by "commingled"?

MR. MAUER: Well, when he is talking to the commercial entity, he is talking commingled paper and cardboard. In fact, when you're dealing off the dock of the particular company, the paper, the cardboard, and trash is altogether. He then takes it to a separation point, separates it, whether it be a transfer station or whether it just be,-- you know-- And now he is sending the figures up. If this is acceptable, then I wonder, on a municipal level, what difference it is -- as if our municipal scavenger, who is able to extrapolate corrugated, for example, out of his waste stream and recycle it?

And why then can't municipalities-- I understand the

spirit of it -- source separation. But, in effect, he's working as an agent for municipalities. I mean, we have all the residents acting as agents by running out in various means with pails and buckets, and bundling, and non bundling. In many instances you have a scavenger who's doing the same thing. And yet, the township, for example Montvale, doesn't require the separation of corrugated, municipally or residentially from our recycling entity, although we do have figures that say that maybe we will have to try to address this, because it's addressing maybe a ton or two a week. But, he is addressing it. I am saying that maybe we should be able to capture that figure for our recycling efforts on the municipal level. And I don't see any--

SENATOR CONTILLO: That which is done by the commercial?

MR. MAUER: No. That which is being done by the residential hauler. In other words, in the perfect scenario, all Montvale recyclables as defined by ordinances have been put out by the curb and are picked up by our DPW. All right? However, one of the items, residentially, which we do address, is corrugate. This is going in with the trap. Now, if you follow the hauler to his transfer station, when he dumps his load out onto the floor, the corrugated is being separated. It's being baled and it's being shipped.

SENATOR CONTILLO: Because it's a very high percentage of the load in commercial. There's a very low percentage in the residential.

MR. MAUER: But, it's still being done residentially. That's my point.

SENATOR CONTILLO: Yeah, but it's a very small percentage, I think.

MR. MAUER: Well, when you're dealing with small municipalities, if you can get that tonnage figure--

SENATOR CONTILLO: You can have them put it out with

the cardboards and newspapers. You can have them put out corrugated and newspapers. That's what you want to do as a municipal ordinance.

MR. MAUER: But if he's going to do it, why can't you specify that for your residential hauler to give you that figure? Who better than your residential hauler knows your waste stream? I mean, if you do it on the municipal level, it's got to happen. You've got to haul it, you've to get a scale, etc., etc. But, if you put it in your municipal contract for him to supply you with the figure--

SENATOR CONTILLO: I'm sure if you put it in a municipal contract, he would have to do it. But you're suggesting that we do it as a State law?

MR. MAUER: Well, I'm saying that these people should, if they are recycling these things -- that the townships, the municipalities should be getting the credit for it. I'm not seeing this type of thing in the bills. And hopefully, when incinerators--

SENATOR CONTILLO: But you can deal with it as a municipality by putting that in the contract when you write your bid for your outside scavenger. You can write into your contract anything you please.

MR. MAUER: Senator, we can write until the cows come home when we deal with northern New Jersey trash haulers. The fact of the matter is that it doesn't matter a hill of beans in many instances. I mean, we have on the county and State levels regulations regarding the trash industry, and you'll read that so and so is doing this, and so and so is doing that, but when you get to the bottom line, nothing seems to be going the right way. Sure, I mean, I could chase around as a recycling coordinator and look into the back of a garbage truck and cite the garbage hauler for not removing some of the recyclables. He's supposed to police that force. But they don't. But the other agencies are suppose to police that force, but they don't either, Senator.

So, what I'm saying is that since this bill, and everything is predicated on the tonnage figures, that maybe some consideration to the municipalities and some help for the recycling coordinators be given, with regard to keeping an open eye to putting requirements at the State level, on the haulers to supply either the municipalities or the commercial entities with the figures that they have generated. Don't forget, most municipalities up in this area may address a lot of this on a part-time basis. And if you're supposed to be dealing with an outreach to your commercial sector and your residential sector, and all of a sudden you end up chasing around regulations, and they're filling out reports and worried about licensing and things like this, you're really not being able to handle this in a professional and businesslike manner. I think that we come to you basically for help. That's all I have to say.

SENATOR CONTILLO: Thank you, Tim. Any questions?

SENATOR GORMLEY: No.

SENATOR CONTILLO: We have a couple of more speakers. We have from Garden State Paper, Diane Mensa?

D I A N E C. M E N S I N G E R: Mensinger.

SENATOR CONTILLO: Mensinger. I can't read anything.

MS. MENSINGER: I'm sorry. I probably didn't write it too clearly.

SENATOR CONTILLO: I'll put my reading glasses on.

SENATOR GORMLEY: You wrote it just fine. It's his problem. He just can't read.

MS. MENSINGER: Oh, he just can't read? That's terrible. Good evening. My name is Diane Mensinger and I'm representing Garden State Paper. I would like to give you a brief description of Garden State Paper and apprise you of our commitment to the State of New Jersey and comment on Senate Bill No. 2740.

First a brief description of Garden State Paper. Our eastern regional headquarters are located in Elmwood Park, and

our mill is located in Garfield, New Jersey. We also have a subsidiary called GSP Recycling Corporation which processes the newspaper print for our mill. Our mill in Garfield was opened in 1961 with the sole purpose of using recycled newspapers to make 100% recycled newsprint paper. Our mill uses over 260,000 tons of recycled newspaper annually in manufacturing over 220,000 tons of newsprint paper. Our newsprint paper is used by North Jersey publishers and printers such as The Newark Star-Ledger, The New York Times, the Asbury Park Press, the Herald & News, and commercial printers such as Redmond Press which print many local weekly papers.

SENATOR CONTILLO: And it's a very high quality. I can attest to it.

MS. MENSINGER: Thank you.

SENATOR CONTILLO: I've been there.

MS. MENSINGER: We have estimated that in 1988 Garden State Paper used about 170,000 tons of recycled newspapers from New Jersey and we have made commitments to the Office of Recycling that we will take up to 230,000 tons of recycled newspapers in the next couple of years once we get going.

Now some comments on Senate Bill 2740. Overall, Garden State Paper supports this bill. This bill addresses some real problems facing recycling coordinators in New Jersey and we understand and want to help in any way that we can to make recycling work. However, we do have several concerns that I would like to bring to your attention.

First the definition for disposition of designated recyclable materials limits the storage of recyclables to six months. Ideally, Garden State Paper would like to be able to use all of our recycled paper within six months, but that's not practical. Our quality standards do dictate that we use all stored bales within a year. But we, as well as many paper manufacturers, have always maintained at least a three months supply of raw material, which is recycled newspaper. Combining

our daily flow of paper from municipalities and our warehouse stocks is a constant balancing act. However, we do try to maintain the lowest amount of stored paper in our warehouses that we can.

Right now we have three warehouses packed full of bales of paper, and we're in the process of securing a fourth warehouse because of the tremendous oversupply of recycled newspaper in New Jersey. Right now, Garden State Paper has over 50,000 tons of paper stored in our warehouses. And we're doing our best to maintain our open door policy for municipalities. But it would be very difficult for us to exist under a provision allowing us only to store a six month supply of paper. I understand that you want to preclude the possibility that a company could collect recyclables, store them and then leave them.

SENATOR CONTILLO: Such as tires.

MS. MENSINGER: Yes. That's a perfect example. Therefore, I'd like to suggest adding to this definition that indoor storage of bales or outside storage of containerized bales of recycled newspapers not be subject to this definition.

SENATOR CONTILLO: It makes sense. The definition of newsprint covers this?

MS. MENSINGER: I have this all written. I gave a copy to you.

SENATOR CONTILLO: Okay. I'd like to see that.

MS. MENSINGER: Secondly, the definition of "market." Make a cost evaluation between recyclables sent to a market and disposed of as solid waste. We realize that this is one of the original definitions, but I'd still like to make a comment about it. Two things are occurring now in New Jersey: Counties rather than municipalities are getting more and more involved with recycling, and Garden State Paper is doing business farther and farther away from our mill and recycling centers.

An economic definition of market may not be the best way of defining a market because the cost avoidance factor could become equal to or more than the cost of recycling materials. By that I mean the cost of transporting and charging someone to bring the newspapers.

SENATOR CONTILLO: I see that as a distinct possibility. I would only have a problem with your storage if it was storage that originated out of the State. In other words, if you were bringing materials from another state and storing it here, I might look at it differently than storage as a public service to those municipalities within striking distance of your plant. So, my question to you would be, where does that paper come from that you store?

MS. MENSINGER: Up until this time, a lot of it has come from out-of-state. And we have redefined our marketing areas. And we had a sister company in Dublin, Georgia that is putting a new machine in. And all of the supply that was coming to us from down south--

SENATOR CONTILLO: It's coming up here?

MS. MENSINGER: It was coming up here. We have turned that over to them.

SENATOR CONTILLO: You will or you have?

MS. MENSINGER: They pretty much-- They are going to buy the recycling company that is part of-- It's called Mason-Dixon.

SENATOR CONTILLO: Okay. We'll work on that.

MS. MENSINGER: But we still are taking paper from New York State and we're taking paper from Connecticut, because we do still have recycling paper centers in those states.

SENATOR CONTILLO: Why don't you store in any other-- You only store here in Jersey?

MS. MENSINGER: It's because it's closest to the mill. So, if we need it, we can go pull it out. It's also a convenience because we can maintain the warehouses and make



sure we go in and rotate the stock. We will not use paper that's over 12 months olds. So, we need to be able to keep rotating it and know where it is.

SENATOR CONTILLO: Okay.

MS. MENSINGER: Finally the definition of a resource recovery facility intimates that paper could be used for energy production. Garden State Paper recognized that energy production is a worthwhile project, and that at some point, paper will very likely be utilized in energy production also. We suggest incorporating into the definition the generally accepted disposal hierarchy of--

SENATOR CONTILLO: Thank you. Senator.

SENATOR GORMLEY: Excuse me. I have to get back to Atlantic City.

SENATOR CONTILLO: It's only 150 miles away.

MS. MENSINGER: No, that's Cape May that's 150. He's closer than that.

SENATOR GORMLEY: There's a plane at Teterboro. I'm not that courageous.

MS. MENSINGER: We suggest incorporating into the definition the generally accepted disposal hierarchy of "reduce, recycle, incinerate, and landfill." Recycling programs, as well as the industries that use recycled materials must be assured that their raw materials will be available to them. Manufacturers using recycled materials in their process need to know that before expanding or locating in New Jersey.

The Garden State Paper Company has and is continuing to make commitments to recycling and to New Jersey. We want to ensure that paper is not incinerated first. We would like to guarantee that recycling comes before incineration, especially if the costs become equal.

SENATOR CONTILLO: I would have to assume that's going to be almost a economic decision.

MS. MENSINGER: That's why we're going to have something--

SENATOR CONTILLO: You don't want to see that.

MS. MENSINGER: Because you're very close to getting to the point where it will be equal, probably in the first quarter of '88.

SENATOR CONTILLO: If you have to pay \$100 a ton to dispose of it, then you will be in line with charging--

MS. MENSINGER: But then, one of the things--

SENATOR CONTILLO: --up to that price. The people leave it with you--

MS. MENSINGER: Yeah. But one of things is we're taking paper from southern Ocean County, and a round trip is about 190 miles for us. If you just used a nominal amount of money per mile, like two dollars transportation charge, that already is up to \$380, I think. You can very quickly get to the cost -- the break-even point.

SENATOR CONTILLO: Okay. You may try to convince the entire Committee at the next public hearing about that.

MS. MENSINGER: Okay. We do have some figures.

SENATOR CONTILLO: I've just been informed that the judge and all the criminals are waiting to get in here. So, if you can accelerate--

MS. MENSINGER: Okay. At this time, Garden State Paper is in the process of establishing two new recycling centers in New Jersey and both of these are going to be very large. One is going to be about 25,000 and one about 45,000 square feet. And these are going to be municipally oriented centers. The largest center will employ the most modern technological devices that we can for sorting. It'll have waist high sorting systems.

With the commitment that Garden State Paper has made in terms of new recycling centers, employing new people, utilizing new technology, we purchased a tremendous amount of

transportation equipment, and we've done a lot of improvements in the mill. We want to assure you that Garden State Paper cares very much about being successful in New Jersey and ensuring that mandatory recycling is also successful.

SENATOR CONTILLO: Thank you.

MS. MENSINGER: Thank you.

SENATOR CONTILLO: There are two other speakers on the list. Vince Dotoli. And I have one more after him. Is Charles Silverstein here? (negative response) Charles is not here. You'll be the final speaker unless anyone wants to add to this. June, you want to say a few words? (negative response) The original recycle queen of New Jersey. Mr. Dotoli?

V I N C E N T J. D O T O L I, E S Q.: Thank you, Senator. I hope everyone can hear me. Next time I won't request to speak last. I wanted very much to have Senator Gormley hear these comments, maybe I'll have to send them to him.

For the last 17 years, I've represented numerous solid waste facilities in New Jersey, including solid waste landfills, transfer stations, and recycling facilities in South, Central, and North Jersey. Prior to that time I served as legal counsel to the New Jersey Board of Public Utilities Commissioners for a period of five years.

Although New Jersey has had mandatory recycling since 1987, there are businesses operating in the State which have been actively involved in recycling for many years prior to the time that the Legislature decided, in the public interest, to make recycling mandatory. These businesses were involved in recycling, not because the law said that they had to be involved in it, but because it was a proper and efficient use of resources. By recycling, these businesses were able to preserve landfill space and conserve raw materials, and the benefits of these businesses' recycling activities have been realized by society for many, many years prior to 1987.

Much of this recycling activity takes place at DEP licensed transfer stations located within the State of New Jersey. And, if I may, Senator, just digress for a moment and point out for the record that the New Jersey Administrative Code, specifically at section 726-2.11(10) does provide that transfer stations may designate a separate area, separate from the tipping area for the handling of bulky items and recyclable materials. So, I think there is absolutely no question that licensed transfer stations can and do recycle and handle recyclable materials.

SENATOR CONTILLO: And should.

MR. DOTOLI: And should, and they are permitted under the law. However, what concerns me at the present is not just the mandatory recycling legislation, but also the general regulatory atmosphere within the DEP, the BPU, and in some instances, the counties, which impact either directly or indirectly on recycling activities. These DEP licensed transfer stations which have been engaging in recycling activities have developed over the years a level of expertise and knowledge which is very valuable.

They have found which equipment is most efficient, has less down-time, and is least costly to operate. They have found the best way to handle each material. They have located markets for the end product. This experience and knowledge is not developed overnight, but rather through a lot of hard work and effort over a period of time.

Many of these DEP licensed transfer stations have large investments in their operations and have been designed to serve more than one county. This brings me, Senator, to a particular point of your proposed amendment to the Mandatory Recycling Act, identified as Senate Bill No. 2740, which I believe will have a very detrimental effect on the recycling effort in New Jersey.

I know that a lot of concern exists within the State over what governmental officials believe to be an abuse of this system wherein they believe that unlicensed transfer stations are being operated under the guise of recycling centers. Obviously, we've heard that tonight. As a result of that, it appears that there is a move towards bringing the recycling industry under DEP regulation. I note in particular, section 5 of Senate Bill No. 2740, which indicates that subsequent to the effective date of the amendment, and prior to the commencement or continuation of operations, every owner or operator of a recycling center is to file an application for a license with the DEP and obtain approval. This section also goes on--

SENATOR CONTILLO: Mr. Dotoli, you have convinced us. We are going to either water it down or eliminate that section.

MR. DOTOLI: Okay, thank you. I will then eliminate those points of my--

SENATOR CONTILLO: And we had made that discussion prior to the public hearing. I'm glad we did. You're absolutely correct.

MR. DOTOLI: Okay. I have other problems which I'd like to bring to the attention--

SENATOR CONTILLO: He wants me to tell you about the second part. You heard us discuss giving BPU the right to enter onto a property. And we felt we wanted to license them so that they could enter and then certify the danger of doing recycling. We've eliminated the licensing requirement, but we are going to extend to someone, probably the Board of Public Utilities Commissioners, the right to enter onto the property to determine that you are indeed recycling.

MR. DOTOLI: I really don't think that's necessary, Your Honor -- Senator -- for this reason. I'm used to courts--

SENATOR CONTILLO: That's very nice. I appreciate it. That'll get you get everything. But if we don't accelerate this, Your Honor will be here and I don't know what his disposition towards us is going to be.

MR. DOTOLI: I'll make it very brief. As I testified at a prior hearing, there's no question that presently under the law and under the Solid Waste Utility Control Act you do have a circumstance whereby unquestionably you have to have a license called a certificate of public means and necessity to, in fact, collect solid waste. There's no question that if there is a suspicion that someone is operating a solid waste collecting business or a solid waste disposal business without that license, he can get a search warrant. A search can be made. No one has to tell the Attorney General of the State how to practice law. He can then go to an appropriate court and obtain an injunction if there is a violation. Again, it's unfortunate that time does not permit. I certainly would like to have had the opportunity to address the statement made by the Board of Public Utilities.

SENATOR CONTILLO: I'm not going to cut you off. You can complete your testimony.

MR. DOTOLI: But what I'm saying, in effect, is that I don't feel that is necessary. Again, I think that unfortunately between the DEP and the Board of Public Utilities we certainly can regulate the recycling industry to death. And I fear that that, in effect, will happen, because I think that we're dealing with the problems that affect maybe .001% of this State. But I think the Board of Public Utilities and the Department of Environmental Protection is most content to be devoting 95% of their time to what amounts to, I submit clearly, .001% of what they see to be problems, which I do not see to be problems because again, if anyone is violating the law, then let the law enforcement officials shut them down. Let the law enforcements officials take them to task, and don't burden the recycling industry with a few enforcement problems and regulate this industry to the detriment of every resident, every taxpayer in this State.

Another problem that we have, and I think that it's a problem that has not been addressed-- In many of these transfer and recycling facilities that we have today in New Jersey, we have very sophisticated and very mechanized equipment. And many of these facilities do take in waste from four different counties, five different counties. Some of them take waste from as many as six different counties. And the DEP today requires that if you are going to take waste from a certain county, you must segregate that waste so that any residue that goes back from that transfer station must go back to the county of origin.

Therefore, what, in effect, the DEP's rules and regulations and basic policy is establishing now, is that if you are a licensed transfer station and you're a licensed facility, you're doing transfer and recycling, and you're servicing more than one county, you must segregate and separate the various materials that come in, so that the particular material that is residue goes back to the county of origin. If I have an envelope here or a piece of paper, and it was generated in Bergen County and my facility is in Essex, that particular piece of paper must go back to the county of origin which would be Bergen County. Now I submit to the Board, Senator--

SENATOR CONTILLO: Are you talking about a recycling center, now, or a transfer station?

MR. DOTOLI: I'm talking, Your Honor, about a transfer and recycling facility.

SENATOR CONTILLO: The recycling part of it we're going to take care of. If you're a recycling center, we're going to consider you simply a business or a fabricating plant, and your residue will be dealt with like any other plant at a recycling center.

MR. DOTOLI: Yes.

SENATOR CONTILLO: But I don't think we've dealt with the transfer station on the same level.

MR. DOTOLI: I agree with you, Senator; that certainly with a recycling center--

SENATOR CONTILLO: But not with the transfer station?

MR. DOTOLI: Right. If I have a recycling center and I'm operating here in Bergen County, I have a process here, I have a business. I'm, in effect, doing the process. The residue that is generated there clearly goes to wherever waste generated in Bergen County goes. But, now I'm talking about--

SENATOR CONTILLO: Who do you think would object to that?

MR. DOTOLI: I don't know. I think that you might get objections in the Department of Environmental Protection with regard to this. We may not have that, I don't know, but I'm trying to address the circumstance where we have many--

SENATOR CONTILLO: It's important. Mary, without an answer now, but think about would the DEP object to us permitting recyclers to dispose of their residue as any other manufacturer would dispose of his residue within the county where it's generated? Don't even answer me now. Do you understand the question?

MS. SHIEL: Yes.

SENATOR CONTILLO: Okay, thank you.

MR. DOTOLI: Now, the problem I addressed is a serious problem for transfer and recycling facilities. Transfer stations, which are licensed by the Department of Environmental Protection to take in solid waste, take solid waste in. They transfer some of it, they recycle some of it, and if they are working in various counties, if their trucks go out and they pick up waste in various counties -- some pick up waste in four, five, and six counties -- they have to, in effect, segregate that waste. And I submit to you, Senator, it is virtually impossible to do because all of our sites are limited by space, equipment, time, and personnel constraints and limitation.



However, the problem is this: If we were to take that waste into a particular disposal facility, whether it be a county transfer station or a sanitary landfill, we have the problem that the DEP inspectors are there. They go through the load, and they say, "We have now a waste flow violation and we may have a situation where a particular transfer recycling facility has attempted to segregate waste by reason of the mechanical forces of the equipment." You have various papers that get hung up there. They may come out in another load with regard to another county of that particular part of that load and they go to a transfer station or a sanitary landfill in another county, and therefore, we have a waste flow violation.

And I think the very serious part of your bill that I'm now addressing is that part that says that you cannot operate a recycling center if you have been violated for a waste flow violation. I think that is a serious problem, because you can have a situation whereby someone wants to get into the recycling business. He's committed a hundred OSHA violations and he's committed all other kinds of other violations. But you take, in effect, a transfer and recycling facility operator, and because he has tried to run his business in an effective and efficient matter and because it is totally impossible for him to make sure that every envelope that he picked up in Bergen County goes back to Bergen County, even though Bergen County is getting the same amount of waste it may not be the identical waste, but it's the same amount of waste, he should not be penalized by not being able to operate a recycling facility or continue to operate a recycling facility because, in fact, he's attempted to operate his business in an efficient manner and in a manner that he has been doing for the last 20 years.

SENATOR CONTILLO: Again, Mr. Dotoli, you have convinced us because apparently that section relates to the licensing. And if that section on the license is going to be

removed, so will those problems. But, you've identified them as we have earlier today as something that we did not want to do.

When we talk about waste flow violations, we don't put them in the same category as those that I would restrict from doing the recycling or have had criminal background. Those are the ones that we want to deal with with the 901 investigation. The wasteful violations are really contrived violations at best.

MR. DOTOLI: Yes, yes. No question about it, Senator. I'd like to then conclude by just saying this. I understand the intention of Senate Bill 2740 is to prevent what is seen by some individuals as an abuse of the non regulations of recycling. However, what has happened with the regulation of the solid waste industry over the past almost 20 year is, I believe, that:

- 1) The abuses which the solid waste industry regulation was intended to address have not been addressed.

- 2) The burden which the regulations have placed on the industry has driven many, many small businesses out of the industry to the extent that at this time there are probably well less than half the number of solid waste businesses that were in business prior to the time of the regulation.

- 3) The cost of the regulation, both in terms of expenditures by government and expenditures by the private sector to comply with the requirements of the regulation have been and continue to be astronomical and these costs are ultimately borne by the citizens of the State of New Jersey.

In summary, with the solid waste industry, the cost of regulation has been extremely high and the benefit to the public non-existent or, depending upon how you look at it, even negative. An example of this is that the regulation of the solid waste industry in the State of New Jersey kept landfill charges artificially low, acting as an incentive for our landfills to be filled up with out-of-state waste and

forcing New Jersey to now send its garbage out-of-state where it is disposed of at an extremely high cost.

This governmental interference is not what I would hope for the recycling industry. I would hope that everyone here in their various capacities will look closely at not only Senate Bill 2740, but the various regulations which affect, either directly or indirectly, the recycling industry, and consider the impact on the ultimate goal, which is to increase recycling to as high a level as possible, which will in turn reduce the reliance upon out-of-state disposal, reduce the number and size of the resource recovery facilities which will need to be constructed within the State, and will, thus, greatly reduce the negative impact of the handling of solid waste on the citizens of this State. Thank you.

SENATOR CONTILLO: Thank you. I just want to comment that the other agency, the HMDC, the Hudson (sic) Meadowlands Development Commission, was invited to this hearing, and one of their primary charges, of course, is dealing with the solid waste of this tri-county area. Their cavalier attitude is displayed again by their absence here this evening. Does anyone else wish to add to this? If not, the hearing is closed. Yes, sir?

R A Y L A E G E R: My name is Ray Laeger. I'm the Recycling Coordinator from Elmwood Park and I believe the reason I wasn't called was because I was busy talking in the hall and I didn't sign the book.

There was a mention awhile back about the problem with the disposal of the scrap tires. And I believe you said that somebody was supposed to be here this evening to speak on that?

SENATOR CONTILLO: I invited them.

MR. LAEGER: Well, there is an outfit operating now in the State of New Jersey, the one and only -- that's Newark Tire Industries, NTI. They operate in Port Newark. They take scrap tire. They operate 24 hours a day. And that's an outlet for

anyone who wants to get rid of their scrap tires. Also, if anyone is interested in speaking to me, I handle anywhere between 2000 to 3000 scrap tires a week. I'm in the disposal business, also. If anybody cares to talk to me, I can eliminate their tire disposal problem.

SENATOR CONTILLO: You pay for them or your charge them?

MR. LAEGER: I charge them.

SENATOR CONTILLO: How much?

MR. LAEGER: How much? Well, anywhere from \$1.25 to \$1.50 a tire.

SENATOR CONTILLO: Okay. Thank you.

**(HEARING CONCLUDED)**



**APPENDIX**



INFORMATION PRESENTED BEFORE A PUBLIC HEARING

ON SENATE BILL 2740 CONDUCTED BY

SENATOR PAUL CONTILLO

NOVEMBER 2, 1988

PARAMUS BORO HALL

4 PM - 7 PM



GOOD AFTERNOON, I AM DIANE MENSINGER REPRESENTING GARDEN STATE PAPER COMPANY. I WOULD LIKE TO GIVE YOU A BRIEF DESCRIPTION OF GARDEN STATE PAPER, APPRISE YOU OF OUR COMMITMENT TO THE STATE OF NJ, AND COMMENT ON SENATE BILL NO 2740.

FIRST, A BRIEF DESCRIPTION OF GARDEN STATE PAPER COMPANY. OUR EASTERN REGION HEADQUARTERS ARE LOCATED IN ELMWOOD PARK NJ AND OUR MILL IS LOCATED IN GARFIELD NJ. WE ALSO HAVE A SUBSIDIARY, GSP RECYCLING CORPORATION, WHICH PROCESSES THE RECYCLED NEWSPAPER FOR OUR MILL.

OUR MILL IN GARFIELD WAS OPENED IN 1961 WITH THE SOLE PURPOSE OF USING RECYCLED NEWSPAPERS TO MAKE 100% RECYCLED NEWSPRINT PAPER. OUR MILL USES OVER 260K TONS OF RECYCLED NEWSPAPERS ANNUALLY IN MANUFACTURING OVER 220K TONS OF NEWSPRINT PAPER. OUR NEWSPRINT IS USED BY NORTH JERSEY PUBLISHERS SUCH AS THE NEWARK STAR LEDGER AND THE NY TIMES, THE ASBURY PARK PRESS, THE HERALD & NEWS AND COMMERCIAL PRINTERS SUCH AS REDMOND PRESS WHICH PRINT MANY LOCAL, WEEKLY PAPERS.

WE HAVE ESTIMATED THAT IN 1988, GARDEN STATE PAPER WILL USE 170K TONS OF RECYCLED NEWSPAPER FROM NJ. AND WE HAVE MADE COMMITMENTS TO THE OFFICE OF RECYCLING THAT WE WILL TAKE UP TO 230K TONS OF RECYCLED NEWSPAPERS FROM NJ.

2x

AND NOW SOME COMMENTS ON SENATE BILL 2740. OVERALL, GARDEN STATE PAPER COMPANY SUPPORTS THIS BILL. THIS BILL ADDRESSES SOME REAL PROBLEMS FACING RECYCLING COORDINATORS IN NJ. WE UNDERSTAND AND WANT TO HELP IN ANY WAY WE CAN TO MAKE RECYCLING WORK. HOWEVER, GARDEN STATE PAPER HAS SEVERAL CONCERNS THAT WE WOULD LIKE TO BRING TO YOUR ATTENTION.

FIRST, THE DEFINITION FOR DISPOSITION OF DESIGNATED RECYCLABLE MATERIALS LIMITS THE STORAGE OF RECYCLABLES TO SIX MONTHS. (SEE P 5 LINES 29-33)

IDEALLY, GARDEN STATE PAPER COMPANY WOULD LIKE TO USE ALL OUR RECYCLED PAPER WITHIN SIX MONTHS BUT THAT IS NOT PRACTICAL. OUR QUALITY STANDARDS DO DICTATE THAT WE USE OUR STORED BALES WITHIN A YEAR. BUT WE, AS WELL AS MANY PAPER MANUFACTURERS, HAVE ALWAYS MAINTAINED AT LEAST A 3 MONTH SUPPLY OF RAW MATERIAL THAT IS - RECYCLED NEWSPAPER. COMBINING OUR DAILY FLOW OF PAPER AND WAREHOUSE STOCKS IS A CONSTANT BALANCING ACT. HOWEVER, WE DO TRY TO MAINTAIN THE LOWEST AMOUNT OF STORED PAPER IN OUR WAREHOUSES THAT WE CAN.

WE HAVE THREE WAREHOUSE PACKED FULL OF BALES OF PAPER. AND WE ARE IN THE PROCESS OF SECURING A FOURTH WAREHOUSE BECAUSE OF THE TREMENDOUS OVERSUPPLY OF RECYCLED NEWSPAPER IN NJ. RIGHT NOW, GARDEN STATE HAS OVER 50K TONS OF RECYCLED NEWSPAPER STORED IN OUR WAREHOUSES

3x

AND, WE ARE DOING OUR BEST TO MAINTAIN OPEN DOORS FOR MUNICIPALITIES. BUT IT WOULD BE VERY DIFFICULT TO EXIST UNDER A PROVISION ALLOWING US TO STORE ONLY A SIX MONTH SUPPLY OF RECYCLED NEWSPAPER. I UNDERSTAND THAT YOU WANT TO PRECLUDE THE POSSIBILITY THAT A COMPANY COULD COLLECT RECYCLABLES, STORE THEM AND POSSIBLY ABANDON THEM.

THEREFORE, I WOULD LIKE TO SUGGEST ADDING TO THIS DEFINITION THAT INDOOR STORAGE OF BALES OR OUTSIDE STORAGE OF CONTAINERIZED BALES OF RECYCLED NEWSPAPER WOULD NOT BE SUBJECT TO THIS DEFINITION.

SECONDLY, THE DEFINITION OF MARKET MAKES A COST EVALUATION BETWEEN RECYCLABLES SENT TO A MARKET AND DISPOSED OF AS SOLID WASTE (SEE P 6, LINES 5-9).

I REALIZE THAT THIS IS ONE OF THE ORIGINAL DEFINITIONS IN THE ACT BUT I WOULD STILL LIKE TO MAKE A COMMENT. TWO THINGS ARE OCCURRING IN NJ NOW: 1) COUNTIES RATHER THAN MUNICIPALITIES ARE GETTING MORE AND MORE INVOLVED WITH RECYCLING AND 2) GARDEN STATE PAPER IS DOING BUSINESS FARTHER AND FARTHER AWAY FROM OUR MILL AND RECYCLING CENTERS.

4x

AN ECONOMIC DEFINITION OF MARKET MAY NOT BE THE BEST WAY OF DEFINING A MARKET BECAUSE THE COST AVOIDANCE FACTOR COULD BECOME EQUAL TO OR MORE THAN THE COST OF RECYCLING MATERIALS.

FOR EXAMPLE CONSIDER THIS SCENARIO, GARDEN STATE PAPER TRANSPORTS RECYCLED NEWSPAPERS FROM OCEAN COUNTY'S SOUTHERN RECYCLING DEPOT TO OUR MILL WHICH IS A ROUND TRIP OF 190 MILES. USING A TRANSPORTATION COST OF \$2/MILE PLUS A CHARGE OF \$50/TON FOR THE PAPER IN OUR CONTAINERS, THIS COULD COST THE COUNTY OR A MUNICIPALITY \$880 PER CONTAINER TO RECYCLE NEWSPAPERS. COMPARE THIS WITH THE COST OF TIPPING IT AT A LANDFILL AS SOLID WASTE WOULD BE \$540 PER CONTAINER.

IF THE MARKET CONTINUES ON ITS DOWNWARD SLIDE, THIS SCENARIO COULD BE A REALITY FOR SOME NEW JERSEY AREAS.

NOTE THE ABOVE NUMBER WERE GENERATED BASED UPON THE FOLLOWING ASSUMPTIONS:

ROUND TRIP	190 MILES
TRANSPORTATION COST PER MILE	\$2/MILE
AVG TONS PER CONTAINER	10
OCEAN COUNTY TIPPING FEE	\$54/TON

5X

\$2 X 190 MILES + 10 TONS X \$50 = \$880 PER CONTAINER

\$54 PER TON TIPPING FEE X 10 TONS = \$540 PER CONTAINER

AND OF COURSE THIS IS A WORST-CASE SCENARIO, BUT A NON-COST DEFINITION MAY BE BETTER. FOR EXAMPLE, DEFINING THE OUTPUT OF A RECYCLING CENTER AS MATERIAL SOLD TO A CONSUMING MANUFACTURER FOR USE AND GENERATION INTO A NEW PRODUCT COULD ALLEVIATE THE COST PROBLEM.

FINALLY, THE DEFINITION OF A RESOURCE RECOVERY FACILITY (SEE P 4 LINES 17-23) INTIMATES THAT PAPER COULD BE USED FOR ENERGY PRODUCTION. GARDEN STATE PAPER RECOGNIZES THAT ENERGY PRODUCTION IS A WORTHWHILE PROJECT, AND THAT AT SOME POINT PAPER WILL VERY LIKELY BE UTILIZED IN ENERGY PRODUCTION ALSO. WE SUGGEST INCORPORATING INTO THE DEFINITION THE GENERALLY ACCEPTED DISPOSAL HIERARCHY OF

REDUCE

RECYCLE

INCINERATE

LANDFILL

RECYCLING PROGRAMS AS WELL AS THE INDUSTRIES THAT USE RECYCLED MATERIALS MUST BE ASSURED THAT THEIR RAW MATERIALS WILL BE AVAILABLE TO THEM. MANUFACTURERS USING RECYCLED MATERIALS IN THEIR PROCESSES NEED TO KNOW THAT BEFORE EXPANDING OR LOCATING IN NJ.

6x

AS GARDEN STATE PAPER CO. HAS AND IS CONTINUING TO MAKE COMMITMENTS TO RECYCLING AND TO NJ, WE WANT TO ENSURE THAT PAPER IS NOT INCINERATED FIRST. WE WOULD LIKE THE GUARANTEE THAT RECYCLING COMES BEFORE INCINERATION ESPECIALLY IF THE COSTS BECOME EQUAL.

AT THIS TIME, GARDEN STATE PAPER IS IN THE PROCESS OF ESTABLISHING TWO MORE RECYCLING CENTERS IN NJ. BOTH OF THESE WILL BE LARGE (23K AND 45K SQ. FT), MUNICIPAL-ORIENTED CENTERS. THE LARGER CENTER WILL EMPLOY THE NEWEST SORTING TECHNOLOGY IN THE WORLD, AND THE SMALLER ONE WILL BE A BRAND NEW BUILDING BUILT TO OUR SPECIFICATIONS.

WITH THE COMMITMENTS THAT GARDEN STATE PAPER HAS MADE IN TERMS OF

NEW RECYCLING CENTERS

EMPLOYING NEW PEOPLE

UTILIZING NEW TECHNOLOGY

PURCHASING ADDITIONAL TRANSPORTATION EQUIPMENT

IMPROVEMENTS AT THE MILL

.\$5 MIL IN 1988

.\$24 MIL IN 1989

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WE WANT TO ASSURE YOU THAT GARDEN STATE PAPER CARES VERY  
MUCH ABOUT BEING SUCCESSFUL IN NJ AND IN ENSURING THAT  
MANDATORY RECYCLING IS ALSO SUCCESSFUL

THANK YOU VERY MUCH FOR YOUR ATTENTION.

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COMMENTS TO BE PRESENTED AT PUBLIC MEETING ON RECYCLING  
NOVEMBER 2, 1988, PARAMUS, NEW JERSEY  
BY VINCENT J. DOTOLI, ESQ.

Although New Jersey has had mandatory recycling since 1987, there are businesses operating in the State which have been actively involved in recycling for many years prior to the time that the legislature decided, in the public interest, to make recycling mandatory. These businesses were involved in recycling not because the law said that they had to be involved in it, but because it was a proper and efficient use of resources. By recycling, these businesses were able to preserve landfill space and conserve raw materials and the benefits of these businesses' recycling activities have been realized by society for many, many years prior to 1987.

Much of this recycling activity takes place at DEP licensed transfer stations located within the State of New Jersey. What concerns me at the present is not just the mandatory recycling legislation, but also the general regulatory atmosphere within the DEP, the BPU and in some instances, the Counties, which impacts, either directly or indirectly, on recycling activities. These DEP licensed transfer stations which have been engaged in recycling activities have developed over the years, a level of expertise and knowledge which is very valuable. They have found which equipment is most efficient, has less down time and is least costly to operate. They have found the best way to handle each material. They have located markets for the end product. This experience and

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knowledge is not developed overnight, but rather through a lot of hard work and effort over a period of time. Many of these DEP licensed transfer stations have large investments in their operations and have been designed to service more than one (1) county and this brings me to a particular point of Senator Con-tillo's proposed amendment to the Mandatory Recycling Act identified as Senate Bill No. 2740, which I believe will have a very detrimental effect on the recycling effort in New Jersey.

I know that a lot of concern exists within the State over what governmental officials believe to be an abuse of the system wherein they believe that unlicensed transfer stations are being operated under the guise of recycling centers. As a result of that, it appears that there is a move towards bringing the recycling industry under DEP regulation. I note in particular, Section 5 of Senate Bill No. 2740, which indicates that subsequent to the effective date of the amendment and prior to the commencement or continuation of operations, every owner or operator of a recycling center is to file an application for a license to operate with the DEP and obtain approval. This section also goes on to indicate that the DEP shall approve an application within ninety (90) days unless they find that the applicant has violated an interdistrict or intradistrict waste flow order issued by the DEP, in conjunction with the BPU.

I bring up this point because these DEP licensed transfer stations, which I was just speaking about, are in quite a predicament through no fault of their own with regard to how the waste

flow regulations are being applied to them.

A number of the transfer stations existed prior to the enactment of the waste flow regulations and in fact when regulations were adopted by the DEP with regard to the waste flow regulations, those regulations recognized that transfer stations may be dealing with waste from a number of areas and thus the regulations provided that in the case of waste from a transfer station, the facility I.D. number of the transfer station was to be substituted for the identification of the place or origin of the waste on the document known as the "Origin and Disposal" or "O&D Form" which is the document which in many instances becomes the basis for a waste flow violation.

Transfer stations were operated in such a manner that, if for instance, a transfer station was handling waste that originated from, for instance, Bergen, Essex, Middlesex and Passaic Counties and twenty-five (25%) per cent of the waste entering the transfer station originated from, for example Bergen County, then twenty-five (25%) per cent of any non-recyclable material leaving the transfer station was to be disposed of at the disposal facility for Bergen County's waste. It was understood that the loads leaving the transfer station may have waste from other counties mixed in them because this could not be avoided in the operation of the transfer station. However, the end result was that Bergen County received the proper quantity of waste which it was supposed to receive based upon the quantity of waste received at the transfer station from Bergen County.

Now, at least in some instances, it appears that some governmental officials do not want to recognize the realities of the operation of a transfer station and rather than recognize and address these transfer station operations, they would prefer to in effect make it impossible for these transfer stations to operate by saying that a transfer station must keep each county's waste totally and completely separate so that it can unequivocally indicate to the disposal facility that all of the non-recyclable material being presented for disposal is from one particular county. This is impossible to do because of a number of factors:

1. Some of these transfer stations are located in areas where the facility simply does not have the space to set-up a separate operation for each county;

2. Even if the facility has sufficient space to set-up a separate operation for receiving the waste from each county, the cost of the equipment used in sorting and processing the incoming waste for removal of the recyclables makes it prohibitive to have separate equipment for the processing of waste from each county;

3. The nature of the equipment utilized by these facilities is such that even if each county's waste is processed separately, it is impossible to prevent portions of loads from remaining in the various moving parts of the equipment and becoming dislodged in some future load which may or may not be from the same county.

I believe that Section 5 should contain, at the very least, a grandfather clause with regard to existing centers.

By attempting to apply a textbook approach where a system

works perfectly, to the real world, certain governmental officials are making it very discouraging to be in the business of recycling. This is quite unfortunate because I believe these individuals who have operated these DEP licensed transfer stations, are the individuals who have the knowledge and experience to advance the goal for a high level of recycling activity which is being sought by the legislature and by the citizens of the State of New Jersey.

While I am speaking about Section 5 of Senate Bill No. 2740, there are several other points contained in Section 5 which I would like to address and these are as follows:

1. This section provides that a recycling center cannot continue operations subsequent to the effective date of this Act unless it has obtained approval from the DEP. My experience with the DEP has been that it takes many months, if not years, to obtain approvals. Although this section specifies that the DEP is to approve applications within ninety (90) days, and even assuming the DEP was able to do what it has never been able to do and actually process all of the applications for approval within ninety (90) days, under this revision as proposed, a recycling center could be put out of business for as long as ninety (90) days through no fault of its own.

2. Section 5 further provides that the application is to be approved within ninety (90) days unless the Department finds among other things, that the applicant has violated an interdistrict or intradistrict waste flow order issued by the Department. As men-

tioned earlier, these interdistrict and intradistrict waste flow orders are presently a matter of great concern for some of those individuals who have been involved in the recycling business for many years.

I am hopeful that the problems which currently exist surrounding the impact of waste flow enforcement on these existing transfer stations, will be addressed and resolved in the near future, but the fact remains that now I am looking at a Bill which could, in effect, allow the DEP to deny an application for a recycling center license or certainly delay the application for a recycling center license, based upon an interdistrict or intradistrict waste flow order which may have arisen because of the operation of a DEP licensed transfer station and because of circumstances which cannot be avoided. ~~Section 3(t) of~~

~~Section 3(t) should be amended to read: "The Department may deny or delay the issuance of a license to a recycling center in cases where there has been a denial of a license to a recycling center in the past or where there has been a violation of law under interdistrict or intradistrict waste flow regulation."~~

Two other revisions which I believe should be incorporated in Senate Bill No. 2740 are as follows:

- A. Paragraph 3(s) and 3(u) of Section 3, should be amended to include concrete.
- B. Paragraph 3(u) of Section 3, which addresses the allowance for not more than ten (10%) per cent of non-recyclable materials, should have the words "as approved by the department" deleted. I make this suggestion because the original recycling

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legislation provided for the addition of additional recyclable materials "as approved by the department" and the Department was not able to see fit to add a single recyclable material, in spite of requests that it do so.

I understand that the intention of Senate Bill No. 2740 is to prevent what is seen by some individuals as an abuse of the non-regulation of recycling. However, what has happened with the regulation of the solid waste industry over the past almost twenty (20) years is the following:

1. The abuses which the solid waste industry regulation was intended to address have not been addressed;
2. The burden which the regulation has placed on the industry has driven many, many small businesses out of the industry to the extent that at this time there are probably less than half the number of solid waste businesses that there were when the regulation began.
3. The cost of the regulation, both in terms of expenditures by government and expenditures by the private sector to comply with the requirements of the regulation have been and continue to be astronomical and these costs are ultimately borne by the citizens of the State of New Jersey.

In summary, with the solid waste industry, the cost of the regulation has been extremely high and the benefit to the public non-existent or depending upon how you look at it, even negative. An example of this is that the regulation of the solid waste industry in the State of New Jersey kept landfill charges artifi-

cially low, acting as an incentive for our landfills to be filled up with out of state waste and forcing New Jersey to now send its garbage out of state where it is disposed of at extremely high costs.

This governmental interference is not what I would hope for the recycling industry and I would hope that everyone here in their various capacities will look closely at not only Senate Bill No. 2740, but the various regulations which affect, either directly or indirectly, the recycling industry and to consider the impact on the ultimate goal, which is to increase recycling to as high a level as possible, which will in turn reduce the reliance upon out of state disposal, reduce the number and size of resource recovery facilities which will need to be constructed within the State, and will thus greatly reduce the negative impact of the handling of solid waste on the citizens of this State.