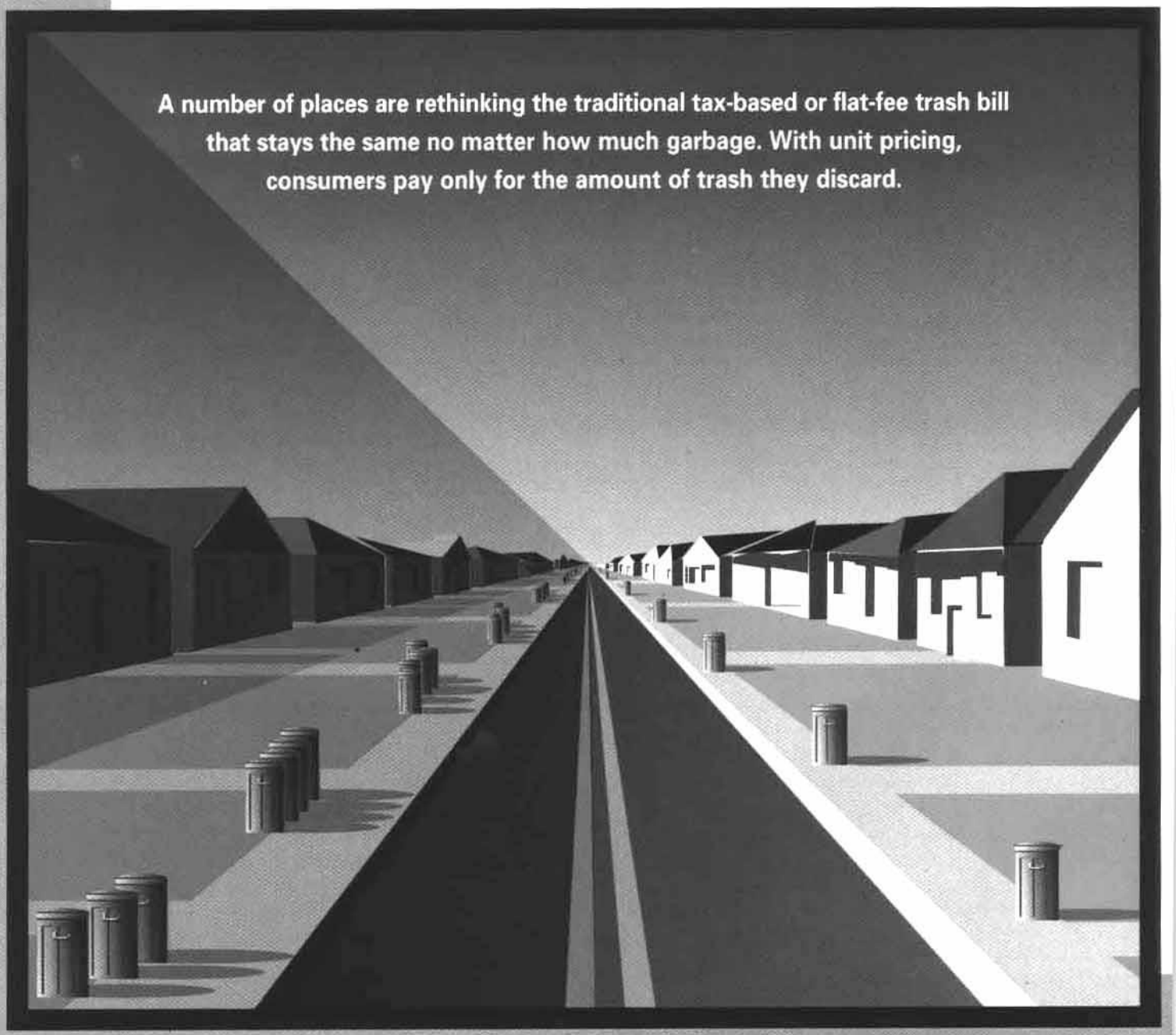
By Deb Starkey and Dianna Gordon

REDUCING THE RUBBISH HEAP

A number of places are rethinking the traditional tax-based or flat-fee trash bill that stays the same no matter how much garbage. With unit pricing, consumers pay only for the amount of trash they discard.



Out of sight, out of mind. Or at least that's what many Americans think once the local garbage truck rolls around to pick up the debris of modern life.

That mindset is changing, however, with increased environmental consciousness as well as recent community regulations and state laws that allow consumers to pay only for the amount of waste they discard instead of a flat fee for weekly curbside service. The result? The less rubbish, the lower the price for hauling it off.

Known as unit pricing, variable rate prices or pay-as-you-throw, the method gives customers "an economic incentive to reduce the amount they discard, a link between behavior and their waste bill," according to Lisa Skumatz, a consultant from Washington state who assists communities in solid waste planning. In the long run, these systems encourage recycling and discourage increasing volumes of garbage that must be disposed of in local landfills.

HOW IT WORKS

There are four basic types of unit pricing systems: can, bag, tag or sticker, hybrid and weight-based:

- Can system—Customers choose the number of trash cans they will set out for normal service. Each can size represents different gallon or weight limits. Disposal fees are based on the number of cans used.
- Bag system—All the trash a consumer wants collected must be put in a bag with a special color or logo. The disposal fee is prepaid when the customer buys the bag at a local grocery or convenience store, city hall or other designated location. The bag guarantees collection. The more bags needed, the more a customer pays. Tags and stickers work the same way: Once purchased and placed on a container, they guarantee collection and disposal.
- Two-tier system—This is a combination of a traditional system, such as property taxes or monthly fees, and a user fee. In a two-tier system, customers pay a flat fee for trash removal through a tax or monthly bill. This usually provides for collection of a can or bag. Collection of any trash above that amount is charged through a bag or sticker system.
- Weight-based system—Charges are assessed according to the number of pounds of garbage put out for collection.

THE GOOD AND THE BAD

With unit pricing systems, "consumers begin to link their everyday choices with the health of the environment and the well-being of their pocketbook," says Janice Canterbury, U.S. Environmental Protection Agency. One of the aims of these systems is to increase consumer awareness about the costs of trash disposal while promoting waste reduction and diversion and reducing the strain on landfills.

"It's a good deal," says Alan Waldman, a Portland, Ore., resident and variable rate user. "I receive excellent services, and my garbage bill went down last year...the only bill that's gone down in my life."

Even though some communities report 90 percent approval rates for this type of system, there can be drawbacks. Some consumers and local governments resist changes, perceiving them as unfunded mandates. Public officials representing the city of Milwaukee told the Wisconsin Legislature that they would implement variable rates if "you give us enough money to do it." The city had made a large investment in 95-gallon carts for automated collection. With unit pricing, they felt it would be very costly to change their new system. The implementation of Wisconsin's law, passed in 1989, has been delayed to 1997. Variable disposal rates will be voluntary until then.

As Milwaukee anticipated, changing to a new system initially may be expensive. Having to use a sophisticated rate setting and accounting process also discourages some communities from such a program. Setting waste collection prices to offset the costs is important.

Illegal dumping also can be a concern. In Minnesota, illegal dumping problems are now no worse than they were before the variable rate system, according to Jim Chiles, Minnesota Office of Pollution Control. After a state public education campaign, people now look for and report illegal dumpers. "Joggers in Duluth are taking down license plate numbers of the dumpers and phone them in to conservation officers who can ticket them."

A violation can cost between $200 and $4,000. Officers report that the tickets not issued are as important as the ones that are. "Even though just 100 tickets have been issued, the effect has been much more profound," says Chiles. He said that issuing warnings to violators has deterred dumping almost as well as issuing tickets.

STATES CHANGE THE SYSTEM

"Pay-as-you-throw" is not new. It began in two California cities (Berkeley and Richmond) in the 1920s. Today, there are more than 2,000 communities in North America that charge residents by the amount they discard.

Now, four states—Wisconsin, Minnesota, Washington and Iowa—require some kind of variable rate garbage collection. Ten other states encourage the use of variable rates.

Wisconsin has a mandatory recycling law, passed in 1989, that puts a 5.5 percent gross receipts tax on businesses to fund recycling. That tax is temporary, scheduled to end in 2000 when variable fees will be required if the region doesn't separate 25 percent of its solid waste for recycling.

The volume-based fee plan was adopted so communities would not seek a law requiring businesses to contin-

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ue funding recycling and solid waste management, according to Sherrie Gruder of the University of Wisconsin.

The Waste Not Washington law in Washington state specifies that hauling companies regulated by the state Utilities and Transportation Commission set rates that encourage recycling and discourage garbage disposal. This means higher fees for collection of a second or third can of garbage.

The most recent unit pricing law was passed in Iowa in 1994 and is similar to Wisconsin's.

Other states that encourage unit pricing rates include California, Illinois, Indiana, Massachusetts, New Jersey, Ohio, Oregon, Rhode Island and Vermont. The encouragement usually comes in the form of grants to communities that adopt such a system. In Massachusetts, communities that have variable rates can dispose of garbage without a fee at the local sorting and recycling center. The state also has a grant program that requires a 50 percent dollar match from communities that don't have variable rate programs. Communities with unit pricing programs get state funds without matching the amount with local money.

UNIT PRICING IMPACTS

Studies of municipalities with variable rate waste disposal show reductions—ranging from 25 percent to 45 percent—in the tonnage of garbage hauled to landfills. Increased participation in recycling and yard waste programs also has been registered.

These disposal systems are not for every community, however. In communities where recycling markets are far away and there is a huge premium for extra transit costs, "variable rates may not be as cost-effective as in a community with better access to local markets," says Skumatz. States and communities must tailor a program to suit their needs.

States considering unit pricing legislation in order to encourage recycling and other programs that would keep trash from piling up in landfills must consider:

- Setting goals. What does the community want to achieve with a unit pricing program? Is the goal to raise revenue, reduce waste or keep the program simple and fair?
- Making funds or incentives available to communities to study or start the program. "It is important that unit pricing not appear as an unfunded mandate," Skumatz says.
- Allowing enough flexibility to address local problems.
- Requiring recycling and reuse goals to be met.
- Designing a good rate structure.
- Building consensus in the community before the program begins.

Clear, concise legislation can address community concerns about government interference and unfunded mandates.

The Environmental Protection Agency has a free guide—*Pay As You Throw: Lessons Learned About Unit Pricing*—that provides more information on these systems. For a free guide, call 1-800-424-9346 and ask for document number EPA 530-R-94-004.

Washington consultant Skumatz says it is crucial for lawmakers at the state level to become involved in pay-as-you-throw plans. She says it gives "more credibility to the system" and results in more communities taking part.