

**Inland Empire Disposal Association
Los Angeles County Waste Management Association
Kern Refuse, Inc.
Solid Waste Association of Orange County**

October 29, 2015

Mr. Michael J. Tollstrup, Chief
Project Assessment Branch
Industrial Strategies Division
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Re: Comments on Draft Short-Lived Climate Pollutant Reduction Strategy

Dear Mr. Tollstrup

The members of the undersigned associations operate solid waste and recycling facilities, fleets and programs throughout Southern California. We are grateful for this opportunity to offer comment on the matter referenced above (the “Strategy”), with particular focus on the Recommended Actions to Further Reduce Methane Emissions, which include consideration of “...the development of a regulation by 2018 to require waste management agencies to effectively eliminate the disposal of organics in landfills by 2025.”

Background

Our members include a range of companies, from smaller, regional operators to national, publicly traded enterprises. All have invested heavily in waste recycling infrastructure and program development. In partnership with local government, they are rightfully credited for the significant (more than 60%) diversion of waste materials that has been accomplished statewide as a direct result of implementation and compliance efforts associated with California’s landmark recycling law, AB 939.

The waste industry is poised to do even more. They recognize the vital role that the waste sector will have in contributing to the achievement of further air quality, climatic, and other environmental benefits that the law now requires, and that all Californians deserve.

Comments

This letter is submitted for the specific purpose of identifying certain concerns relative to the Strategy that, in our judgment, merit additional attention. Following is a brief summary of these concerns.

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1. Aggressive timeline. CalRecycle forecasts that more than 100 additional facilities will need to be developed and brought on line simply to meet the year 2020 75% organics recycling goal (MCOR) of the recently enacted AB 1826. At this juncture, it is not at all clear that the required new infrastructure will be in place by the AB 1826 compliance deadline of 2020, given the lead times typically involved, whether in expanding existing facilities or by building new ones.
2. Cost. There are significant barriers to siting organics processing facilities. Chief among these is cost. Even modest facilities can cost several tens of millions of dollars to construct, and while the waste industry demonstrated tremendous creativity in finding the necessary funding to develop the existing network of recycling facilities, there are limits to how much the industry can do on its own. This is particularly true in light of the fact that opportunities for cost recovery are often affected by limits on customer rates imposed by local government.
3. Constraints to siting. Experience has taught us that it takes several years to permit and construct recycling and composting facilities, and that siting efforts are often hampered, despite the environmental benefits such facilities offer, due to their potential impacts (odors, fugitive dust, traffic) on neighboring uses. Identifying available property that is proximate to need has proven to be very difficult.
4. Other compliance costs. CARB is not the only regulator whose work has a direct financial impact on waste recycling operations. The SWRCB has proposed revisions to its Compost General Order that will impose an estimated \$25 million in additional costs on facility operators, and we deem this estimate to be conservative in the extreme. It (the estimate) also fails to account for the fact that far more than the existing number of composting facilities that will actually be required in order to meet the 90% reduction target in landfill organics (diversion) proposed by the Strategy.
5. The expense of the AD option for managing organics. The City of Los Angeles alone generates an estimated 7,000 tons per day (TPD) of organic material. A single AD (anaerobic digestion) facility now under development in Southern California with a design capacity of 450 TPD is rumored to have cost upwards of \$50 million to develop. Accordingly, to the extent that AD will be relied upon as a supplement to composting in terms of managing organics, we do not expect that it will offer enough support to meet a 90% landfill reduction goal given the corresponding expense.
6. Lack of adequate markets. Even if we were to suddenly locate the funding and local political will necessary to develop the required infrastructure to properly deal with the additional organic material diverted from landfills, and even if that infrastructure got built, the resulting product still needs a home. Southern California has been plagued by a lack of markets for years. The organic waste diversion “solution” proposed in the Strategy is incomplete unless and until the issue of markets is addressed.

In short, our concerns center on the near term availability (and present lack thereof) of true alternatives to sanitary landfills as a destination for a portion of the organic waste currently generated. The problem is particularly acute in metropolitan Southern California, where more

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than 2/3 of the state's population currently resides, and where access to compost facilities and markets is inadequate.

We were early supporters of AB 1826 despite concerns, even then, about the availability adequate organics processing capacity and markets. We felt the goals of that bill struck an appropriate balance between the need to achieve further GHG emissions reductions and related environmental benefits, and the practical and economic realities we face in confronting the task. We also believed that AB 1826 would serve as a catalyst, of sorts, for the kind of regulatory streamlining and reprioritization of waste recycling and composting that we feel is long overdue.

While the goals embodied in the Strategy are important, and we share in them from a conceptual standpoint, we fear they are coming too early and set targets that may be too ambitious for us to have a meaningful chance of achieving them. The cost of failure, if indeed these goals are not met, will disproportionately impact the waste recycling industry.

Finally, we are not communicating on behalf of landfill owners or operators, although their interests are important to this discussion. We expect that they will be communicating separately. Thus while some of our members do, in fact, own or operate sanitary landfills, this letter is written from the discreet perspective of recycling facility and program operators. Our members have permitted, financed and operate dozens of MRFs, transfer stations and composting facilities, and operate several hundred waste recycling programs. They serve more than 100 local agencies. It is that experience which informs the views expressed herein.

Thank you for this opportunity to comment. Please don't hesitate to contact the author if you have any questions or comments about the content of this letter. My email address is jka@astor-kingsland.com and office number is (714) 245-0995.

Very truly yours,



JOHN KELLY ASTOR
General Counsel for
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JKA:kw
cc: Clients