

TO: WARREN JOHNSON, METRO  
FROM: JURI FREEMAN AND DAVID STEAD, RRS  
DATE: JULY 17, 2017  
RE: SUB-COMMITTEE FEEDBACK RESPONSE ROUND 2

## SUB-COMMITTEE FEEDBACK ROUND 2

### DEAN LARGE COMMENTS

---

The comments and new Policy recommendations contained herein are completely my own and do not necessarily reflect the opinions of Waste Connections, Inc.

#### Recommendation Ranking:

I observed in Appendix 1, “Alternative Options” a table that ranked 9 options developed by RRS. The ranking of 5 elements (Public Benefit, Waste Reduction, Simple and Transparent, Equitable, and Industry Acceptance) were given scores (1 lowest, 5 highest). Option 1 was the highest ranked option of the 9, but it was within 0.2 of four other options. My observation of the close ranking of the top 5 options is significant because elements of the evaluation criteria are subjective and a change in score of a single point in any category would have produced a different recommendation. Further, if the “Industry Acceptance” rating were discounted, 4 options would have tied for the high score. Choosing one preferred option over the other high ranking options has the appearance of an unintended bias by the author. The current system has significantly allowed Metro to develop and maintain high recycle rates and waste reduction, but I think a new policy would serve our community better. **The scored rankings are included in the appendix to provide transparency of RRS’s methodology as well as additional information to the reader. The scores and comparative valuation were one of the tools RRS staff used to choose a recommended option. As pointed out, the qualitative scores are subjective and represent RRS’s opinions based on the research conducted during the project combined with our experience.**

#### Benefits and Challenges within rankings:

Pages 66 and 67 describe the top 2 ranked options. The differences between the 2 options are that Dredge Spoil will become a “listed exempt material” in Option 2 and is not listed in Option 1. It is not apparent that other differences exist. In both options the “standing list” of incoming materials can be changed at future dates and the list is based on material types, not how the materials are used at the landfill. I encourage a change in policy from material “use at a landfill” to “material type” as the report attempts to support; however, I struggle with the specific Benefits and Challenges listed for each option. The material types for Option 1 and 2 are identical with the exception of dredge materials and both Options allow Metro to create

a standing list of useful materials, yet the “Benefits” and “Challenges” sections for Option 1 and Option 2 read quite differently. I think continued discussion about benefits and differences is appropriate.

Under Option 1 (pg 57) Metro would modify the existing code to define Captive Landfill and Dredge, and clarify the fee status to codify what has historically been exempted (RRS recommends that they would continue to be exempted). Under Option 2, Tire Residuals, Auto Fluff and Dredge would be exempted, all other materials are full fee. Under Option 1, materials such as Shaker Fines, Filter Cakes, Crushed Glass, and others that are currently exempted would be *eligible* for reduced fees. It is the consultant’s opinion that by allowing these materials to be eligible instead of full fee, Metro would continue to encourage diversion and meet with less industry resistance. Please note that RRS has made some slight additions to language around Option 1 (Section 5) to try and clarify the differences and advantages of Option 1.

#### Shaker Fines:

The report contains many comments on the use of Shaker Fines as ADC, most negative. The discussion around Shaker Fines appears to be the primary factor in “Equity” rankings because some landfills can’t receive sulfur based gypsum materials and processors have not installed separation systems. The RRS report reflected a lowering of “equity” scores for options that proposed Metro fee exemptions or reductions because of the varied use of Shaker Fines as ADC. It may be argued that the Metro credits for Shaker Fines are not needed, nor appropriate, however, the Metro fee exemptions support the recycling industry Metro has so long and hard supported. The improper receipt and use of this material at a landfill negatively impacts its ability to function as a quality ADC because, when improperly placed, excess hydrogen sulfide gas evolves. Some landfills serving the Metro region have significant hydrogen sulfide gas evolution due to past practices. When appropriate controls are in place for the proper receipt and use of Shaker Fines as ADC in a landfill, Shaker Fines perform very well as ADC and have received use authorization by the environmental regulating body of Oregon: Oregon DEQ. If a landfill develops high levels of Hydrogen Sulfide gas in monitoring wells, the likely cause is improper controls or applications (too wet an environment). Some Metro Designated Facilities are able to beneficially use Shaker Fines and offer this form of waste reduction. In doing so, the recycling industry is strengthened and supported, just like other recycling programs. The financial impact of increasing Metro fees and taxes on Shaker fines differ at each Material Recovery Center. Like many other recycling programs, these Centers invest lots of capital and labor redirecting materials away from landfills. The use of Shaker Fines as ADC is a higher and better use of residuals from MRFs than just placing them in the mass fill. Profits and the opportunity by operators to reinvest in additional material recovery will be harmed if Metro taxes and fees change. **Good comments!** RRS felt that there were enough questions around the use of Shaker Fines to recommend that Metro continue to look into it. The issue with equity arose from Dry Waste Processors in the region that are eligible for exemptions but chose not to apply for them. Please refer to Eligible Party Interviews (pg. 123 appendix) for more information on perceived inequities of the current system.

#### Tax and Fee Inequity:

The Report comments on pages 28-33 that the total Full Rate tons have remained flat over the 4-year study period and the Exempted Tons as a percentage of Total Tons have also remained flat. **The Exempted fees have ranged from 9% (2013) to 13% (2014) which while relatively flat when looking at the overall tons, is still a 43% YOY increase.**

The Reduced tax and fee tonnage, however, increased from 7.6% of Total Tons in 2012 to 24.3% of Total Tons in 2015. This increase is largely due to soils from commercial and industrial development and soils

from cleanup of historically contaminated industrial sites. The increase in tonnage qualifying for fee reductions produces a comment in the “Challenges” section of Public Benefit covered on page 22 (“Metro is not collecting fee and taxes on thousands of tons of waste that is placed in a landfill each year. This may result in inequities in payments among generators in the region”). RRS correctly asserts that the additional tonnage categorized as Clean-Up materials under an Exempt or Reduced Tax and Fee structure allows some generators to pay lower taxes and fees. Differences in the rate paid by some waste generators are listed as a Challenge for the current system and may direct the reader to search for a solution to the current tiered tax and fee structure. I believe a tiered tax and fee system best serves the regions’ desire to promote recycling. If the inequity reference is read to mean that Metro has an opportunity to increase revenues by increasing fees on generators now paying lower amounts, increase total revenue to Metro, it is a comment not supported by Metro’s public position. **It RRS’s understanding that as a result of Metro’s budgeting process, that any proposed changes to the fee and tax structure would be revenue neutral to Metro.**

I recommend additional discussion about Clean-Up material taxes and fees before concluding that there may be inequities in the current system. For instance, Metro requires the payment of Reduced Taxes and Fees for contaminated soils, no exceptions. I think that position is equitable because it is blind to the use of materials at landfills and has singularly contributed to the growth in revenue for Metro over the past 4 years. The industry accepts the Reduced Fee structure as it is applied to each material type equally. Increasing reduced fee may act as a disincentive to developers to remove contaminated soils from the region. **This is another good comment, one of the recommendations under the status quo option is ‘Increase reporting and data tracking of reduced fee materials’ and RRS believe additional data on reduced fee tons would be useful to Metro. We did not make any edits to the report as a result of this comment.**

#### Dredge Spoils:

The Report states that Metro currently assesses taxes and fees for dredge materials process within the Metro Region but does not assess taxes and fees on Dredge Spoils are processed outside Metro. We think this Policy accurately reflects fee and tax assessment for Dredge Spoils. Untreated Dredge Spoils are not acceptable waste material in landfills. Significant and costly site permitting and processing of the Spoils must occur to get them to a condition of acceptability. High capital investments in infrastructure located outside the Metro Region were made to process these Spoils. The processing facility has been in operation for approximately 10 years. Changing the tax and fee policy for Dredge Spoils after large investments were made in the facility and extensive conversations with Metro regarding their Tax and Fee policy on Dredge Spoils undermines the investment in infrastructure and makes the operation uncompetitive. Like Tire Processors and Auto Fluff Generators, this site has been providing a necessary and beneficial service to docks all along the Willamette River for years and its operators will resist any change in the current Tax and Fee Policy for Dredge Spoils. **RRS recommended that Metro codify the historical exception for Dredge Spoils processed outside of the region in Option 1 and Option 4. The exception occurs in practice but is not in the code.**

I offer the following Solid Waste Material Tax and Fee Policy recommendations that are not only based on information provided by RRS in their report but based on many years working within the Metro region:  
What should Metro do?

1. Metro should create a 2-tiered Tax and Fee funding policy; Full Taxes and Fees and Reduced Taxes and Fees. The 2-tiered Tax and Fee structure should be based on Material Type and not on how materials are

used at a landfill. The current Tax and Fee Policy contains a mix of material type Tax and Fee assessment (soils) and end use assessments (auto fluff, tire residue, MRF fines, etc.). Metro's assessment of Taxes and Fees requires Metro to inspect, audit and coordinate the regulation of waste materials with Oregon DEQ at each disposal site. Metro's policies should not be regulatory in nature, but reflect regional account public benefit, recycling/reduction opportunity, clarity in application and equity throughout the region. Metro should not spend its resources on "policing" landfills for the proper use of "useful" materials. That's Oregon DEQ's role. Metro has already endorsed the usefulness of all waste materials receiving Exempt status or Reduced Tax and Fee status and should continue to acknowledge the useful benefit to landfills, generators, recyclers and the public. The categories of waste receiving this financial consideration have benefitted the region with nation-leading recycling /reduction success. Finally, the allowance of material types as a basis for tax and fee reduction clarifies the classification of waste materials and reduces the high cost of enforcement.

2. Eliminate the Tax and Fee Exemption status for all wastes generated or processed within the Metro Region. Rather, I propose a new, lower Reduced Tax and Fee amount for all listed material types that are useful to landfills, promote recycling/reduction programs and provide a public benefit. The new Reduced Tax and Fee rate would be revenue neutral to Metro and based on the average revenue currently received by Metro for Exempt and Reduced Fee materials be divided by the Total Tons of Exempted and Reduced Fee Tons. Based on the data presented on page 29 of the report, the taxes and fees for 160,000 tons of Exempted materials and 266,400 tons of Reduced Fee tons (426,400 combined tons) generated \$932,400 per year on average over the 4-year study period. Using that data. The new Reduced Fee for material types currently paying less than full Metro fees and taxes would be reduced from \$3.50 per ton to \$2.19 per ton. This new lower rate would keep Metro revenue neutral, minimize the financial impact to companies currently exempted from Metro taxes and fees, support recycling/reduction programs and improve the perceived funding inequities.

3. The Metro Solid Waste Fee and Tax Policies should be reviewed every 10 years. Should Metro wish to remove a material type from its listing of qualifying waste material types paying reduced fees and taxes, a 2 year sunset period should be given to generators to revise their operations.

RRS believes all of the recommendations have merit and thanks Dean Large for his thoughtful commentary and input. The recommendations provided are close to Option 1 and Option 2, and are based on sound understanding of Metro's system and challenges as well as Dean's many years of working within the system. No additional options have been added to the report as a result of Dean's comments, however, RRS recommends that the comments are discussed and considered during future SWAAC meetings.

## MS. MARTINEZ COMMENTS

---

Thank you for taking the time to prepare the Evaluation of Solid Waste Fee and Tax Policies Report; it contains great level of information composed in a way that makes it understandable for someone not involved in the industry to identify the tensions in the current solid waste tax framework. Below I will outline general comments and provide feedback on my initial observations concerning the reasoning and structure of the report.

I was selected on the subcommittee as the “other individual that has experience or expertise with fee and tax policy” and therefore my focus and understanding may be different than other representatives on the subcommittee. My comments are solely a reflection of my professional opinion and I remain receptive to comments and suggestions brought forth by other subcommittee members. This memo is then intended to only serve as feedback allowing RRS to incorporate changes, as it deems appropriate.

First, as general policy direction, the subcommittee was convened to ‘Determine if Metro’s current solid waste fee and tax exemption policies are achieving the public benefits, goals, and objectives of the solid waste system’ and as such this narrows the subcommittee’s focus and RRS proposed options to only exempt portions of the tax structure. However, reading through the report, I began to wonder if exempt policies truly merit all the attention and I questioned whether we are overlooking the reduced rates structure.

Based on Figure 1.7 (page 29), exempt materials represent 10.61% of total disposed tons and while it has increased over the years it has done so at a more constant rate than reduced tons. On the other hand, reduced tons have been volatile over the years and on average represent 17% of disposed tons. Based on Figure 1, reduced rates are continuously the most inconsistent and volatile in terms of tonnage from 2012-2015. In 2013 alone reduced rates had an increase of 211%, decrease of 24% in 2014, and then again 80% increase in 2015 (granted there may be several legitimate explanations for these swings). As compared to exempt rates that decreased only 1% in 2013, increased 46% in 2014, and decreased 10% in 2015. Exemptions are indeed still volatile, but do not experience as much volatility as reduced rates and in addition do have in place some level of approval.

While I am unsure if this subcommittee is the venue to address reduced rates, I think it is important from a tonnage perspective to pay additional attention to them. Particularly which materials constitute reduced rates and what incentives do these reductions create. Moreover, each year full regional fees and taxes are reevaluated, but reduced rates have remained at \$3.50 since their introduction, are these rates still achieving the public benefit? At a minimum, I would propose these trends merit a conversation by the subcommittee.

To move forward to more general comments, when ranking and scoring the options, please cite the Metro Code definitions of ‘public use, waste reduction, simple and transparent, equitable, and industry acceptance’ and the logic or Metro policy behind why these were weighted as such (25%, 25%, 10%). Please also give a short explanation about how the nine recommendations came about from the infinite amount of recommendations. **Added language to Appendix 1. Please note that the scores and ranks were included to add transparency to RRS’s decision making process and were one of the tools used to make the recommendation of Option 1.**

Second, when reading through Option 4, the long list of recommended changes (page 61-63) appear as administrative changes that have the potential to improve clarity, which may very well be implemented regardless of the policy option the subcommittee recommends. I would encourage RRS to uncouple these administrative recommendations from option 4 and suggest them as key recommendation by RRS, separate from policy options. **Added language (Section 5 and Executive Summary) to clarify the intent of the recommended improvements. Your reading of them is correct.**

Third, when describing option 1 and 2, the report should clearly define material use and material type and highlight tensions in these alternatives. Page 16 would be a good place to add the definition of ‘recycling

or reuse' as defined by Metro, DEQ, the State of Oregon, and describing any conflicts in these various definitions. Is recycling or waste diversion defined by material type or material use? Page 16 includes Metro's definition of Useful Material. The tension between use and type is meaningful and the current system of relying on Use (not type) for fee exemptions is one of the challenges of the system.

Related to this, option 1 and 2 come with the recommendation the material list is to be reviewed annually and subject to public approval. Please describe this process: how long is it? Can it have drastic changes? Both options recommend a starting point for materials on 'Day 1'. Future standing lists would be determined by Metro. RRS did *not* include recommendations or criteria for determination in the future. It is possible the list could change drastically.

When implementing a standing list it makes sense to ensure the list can stay abreast of substantial solid waste market or industry changes, but still maintain enough stability so stakeholders have a stable environment under which to make investments and in a way that does not dramatically swing from one year to the next. In addition, Metro must be hyper-aware of which material types are on and off the list and ensure it does not redefine recycling/useful use to signify what is solely on the list, instead of the public benefit of preventing waste. Agreed and this is a good point.

Please also provide more background on exempted materials (crushed glass, filter cake, mulite/refractory brick, roofing waste, sandblast, shaker screen waste) that are at stake of no longer being exempted based on potential scenarios (option 1 and 2). More specifically, besides the material not being clearly defined in Metro code and lacking clarity, are the materials a danger to public health or what is the reasoning for removing them from exempt basis (Page 59, Figure 5.2)? The reasons for potential changes are; not being clearly defined, lack of clarity, equity, and whether or not the exemptions of those materials are providing an environmental benefit to the region. RRS did not evaluate the properties of the materials themselves.

Fourth, in the table (beginning on page 23) evaluating current exemptions and reduced fee materials by use, ADC, landfill drainage, landfill road base, and captive landfill are described as having policy issues regarding 'verification.' Option 1 addresses this verification issue (from my understanding) by shifting all 'useful materials' from exempt to reduced rates based on a material type list. Please add how this solution reacts with overlapping regulatory agencies (DEQ) and their efforts in providing an approval process. RRS believes the standing list would remove the challenges in the regulatory overlap. By moving to a standing list, Metro would not need to 'regulate' use.

Below are additional minor suggestions that RRS may want to consider.

3 1. Page 2, 1st paragraph: "Metro uses multiple factors to determine... among others." Please list out the 'among others' either in a footnote or in a sentence. Added a footnote directing readers to the full list and descriptions.

2. Page 2, 2nd paragraph: The paragraph goes from describing cleanup contaminated soils as the initial materials receiving an exemption/reduction to moving to one-third of all disposed materials. Please provide a sentence or two to add a transition of how exempted/reduced rates went from a small portion to now representing a third of materials. Was it practice led, citizen led, DEQ led or etc.? Added a new sentence.

Page 5, Option 1: Add to the executive summary that the list would be revisited annually and subject to public approval. **Added.**

Page 7, Figure 3: Footnote where readers can find methodology behind weighted index. **No change – it can be found in the full report.**

Page 11: “Metro is responsible for meeting the regional Metro Watershed goal.” What are Metro’s watershed goals and how is this relevant to the report? **The report is referring to the ‘waste’shed, not ‘water’shed. OR DEQ sets the goals <http://www.oregon.gov/deq/mm/Pages/Wasteshed-Rates.aspx>, Metro’s goal is 64%.**

Page 24 Exemption and Reduce Fee Material by Use: Some sentences are quoted or read as statements, but are not cited. Please cite where came from (2006 Report, Interview, etc). **No change.**

Page 26: Group material use by exemption/rate status. Move ‘recyclable material’ before ‘cleanup material’ to keep exemption/rate status consistent (page 26). **Corrected.**

Page 30 figure 1.9: Add an explanation of what might had occurred in 2014. **RRS does not know what may have occurred in 2014. Perhaps Metro could answer this?**

Page 31 Figure 1.12: missing categories. **Corrected.**

## **GREENWAY RECYCLING COMMENTS**

---

1:,page 3.

Place percentages next to the numbers. The numbers by themselves suggest annual increase which while true may be representative. Overall numbers are also increasing due to the economy. **Completed**

Figure 2:,page 3

Remove "ADC exemptions are necessary to meet Metro's EDWRP requirement". This statement is just false and cannot be presented as a valid opinion. **Left in as it was an opinion shared with RRS by stakeholders, it is not an RRS or Metro opinion.**

Option 1:,page 4

If a periodic review is to be recommended, the frequency should also be recommended. A two or three year period is too short for market participants to make and receive returns on investments. Ideally a ten year horizon would be appropriate for market participants. This is unrealistic in the regulatory world. The reasonable compromise is 5 years with the consideration that any commodity removed be done so incrementally. **RRS added a recommendation (Section 5) that Metro works with stakeholders to identify an appropriate timeline for standing list review and included this comment as an option.**

As the intent of this entire exercise is to address those materials entering the landfill footprint and not to address other materials, this needs to be clearly delineated.

Authority:,page 15

Restate as: "Metro's home rule Charter and Oregon Revised Statutes Chapter 268 and 459, subject to certain pre-emptions, authorize Metro to . . ." **Did not change, RRS is not a legal authority on home rule.**

Metro Code ,page 16

OAR 340-093-0030(13) provides the definition of Beneficial Use Materials for use by any governmental entity in Oregon. **Added in footnote.**

Definition,page 20.

Metro Code should abandon the concept of Useful Materials and use the more common Beneficial Use Materials moniker instead. **No change to the report. RRS recommended adding definitions to Metro Code to try and clarify the terminology.**

Lack of oversight: page 21

This statement infers that DEQ is not doing its job and should not be relied upon for such despite the fact that DEQ has specific programs and people assigned to these subjects. This is a pretty strong claim to make without specific proof and will probably raise a few eyebrows at DEQ. **No change to report. This was information shared with RRS during the interviews and background research. We feel that it accurately reflects the information shared with RRS staff during the project completion.**

OVERLAP WITH . . . , PAGE 21

Unless someone can come up with an inconsistency referred to, this entire statement is groundless and should be removed. If inconsistency exists, the exact case should be directly referred to as an example. **RRS believes the overlap occurs in how materials, taxes, and fees, are defined. Metro relies on 'use', OR DEQ and Washington Counties look at material type and physical properties. It is RRS's opinion that this difference is one of the challenges Metro is facing.**

FIGURE 1.4.; PAGE 22

"Much of the material is still ending up in the landfill, it is not being recycled or diverted." This is a strong statement that again infers DEQ is not doing its job. I would really like for DEQ to weigh in on this one. **Corrected.**

EQUITABLE, PAGE 23

"Not all entities in the region are eligible for the reductions or exemptions." I challenge this statement. Tell me who is excluded. From where I sit, follow the rules, make the investment, reap the rewards. I don't think that is exclusionary. If it is, then I want a landfill permit just to make it all even. **The equity issue was raised during stakeholder interviews. Please refer to page Eligible Party Interviews (pg. 123 appendix) for more information**

POLICY CHALLENGES, PAGE 24

Again the claim is that material is not being used but rather being wrongfully landfilled. Need proof. **The statement was based on interviews, RRS did not visit any facilities or conduct on-site observations.**



Also, I would like an explanation of how a level playing field is violated. Making a smart investment and reaping the rewards is not an example of an un-level playing field. **No change to the report but RRS acknowledges that this is a fair argument to make.**

FIGURE 1.6.; PAGE 29

Please add % to the numbers. **Completed.**

FIGURE 1.9.; PAGE 30

Numbers are misrepresentative in light of overall solid waste tonnage increases due to healthier economy. Graph should be presented as % of total. **%s are shown in Figure 1.8.**

FIGURE 1.11.; PAGE 30

Ditto. **%s are shown in figure 1.10.**

Beneficial Use,page 35

"ADC is not an approved beneficial use" is a false statement. Rather, ADC is not a "standing" beneficial use, but rather a case by case approved beneficial use. This needs to be corrected. Next, Oregon regulations do not exempt all beneficial use materials from solid waste disposal fees. Oregon regulations exempt certain beneficial use materials from fees. **Corrected.**

Cities and Counties, page 37

Should include something like "subject to certain restrictions, ORS chapter 268 . . ." Summary of Findings, **No change. RRS is not an expert on home rule.**

page 48

Should be re-named. These are not findings, but rather statements of opinion. **Completed.**

2"d paragraph,page 58

"Exempted for use as ADC" should remove ADC and insert Beneficial Materials to be accurate. **Completed.**

Option 4:,page 59

Please explain how there is a lack of equity for dry waste processors. **The equity issue was raised during stakeholder interviews. Please refer to page Eligible Party Interviews (pg. 123 appendix) for more information**

Option 3, page 60

Metro staff does not make these determinations, rather Metro Council makes these determinations. **Corrected.**

Beneficial Use,page 61

Abandon the term Useful Material and just use Beneficial Use instead. **No change.**

Establish, page 62

The issue is that of drywall in landfills, period, and hydrogen sulfide risks. Different landfills have different moisture contents and situations. The basis for this discussion has been disingenuous and an attempt at unfairly affecting free and open competition related to legal and government approved practices. This subject should be removed. **No change. The recommendation is included due to the fact that RRS read and heard a number of conflicting statements on the use of drywall as ADC. RRS believes that Metro should work with the stakeholders to review the science behind the claims and make a determination as to their validity.**

## IN GENERAL

While the status quo is attractive, there is a continual argument over certain areas of the "status quo" between industry and Metro Staff. It is time for the Metro Council to step in and clarify certain issues for all. While Council is doing this, an update is valid, causing "status quo" to longer exist.

If there is to be change, a derivation of Option 1 is the most attractive, however, at present this option has two catastrophic weaknesses: First, the concept of ignoring usage and just giving a discount to a commodity, regardless of usage, is just charity or direct subsidy. At the first "review" every single commodity will be taken off the "charity" list regardless of usage as the Metro Council will not like the public perception of Metro subsidizing businesses just for fun.

Metro is in the business of incentivizing behavior in solid waste and has been so for years. Without the fee and excise taxes, very little waste would have been or be recycled in this region. It is fine as proposed to classify materials by name, but they also must be used in a certain way in order to get the discount. There has been and should continue to be a "behavioral incentive" system.

The second critical problem with Option 1 is the \$0.00, \$3.50, full tax rate scenario. The three tiers make total sense, but \$3.50 versus zero will not change behavior significantly. Certainly, the full fee of about \$30.00 has built and maintains a marketplace of recycling. The \$3.50 rate should be \$15.00 or about half the full rate. This is enough differential to cause behavioral change. The resultant system would be \$0.00, \$15.00, and \$29.00 per ton total excise tax and regional system fee.

I propose the following hierarchal system which promotes highest and best usage while still allowing for freedom of marketplace:

### TIER 1 MATERIALS - No excise tax or regional system fee

Those materials which never enter the landfill footprint as they are recycled, re-used, or are turned into an energy source. Examples would be cardboard, metals, concrete crushed for road base or as fill, roofing recycled for oil content into new pavement, glass recycled into new glass, wood into hogged fuel, etc. In order to qualify, there must be actual reasonable usage and not speculative accumulation outside of market norms.

### TIER 2 MATERIALS - No excise tax or regional system fee

Those materials that do not have a higher and better commercially viable usage outside of the landfill footprint, but are used beneficially in a landfill. Examples would be ASR, filter cake, shaker screenings,

concrete for roadways and landings, ground tires for cell drainage, petroleum contaminated soil used as ADC, etc. In order to qualify, the material must actually be used for the intended and claimed purpose within reasonable industry norms.

#### TIER 3 MATERIALS - Reduced excise tax and regional system fee

Those materials which are used productively or beneficially in a landfill but which reasonably economically have a viable commercial usage which is significantly higher on the recycling hierarchy. Examples would be roofing waste used in roadways and landings, glass, and slag.

#### TIER 4 MATERIALS - Full excise tax and fee

Those materials that just go "in the hole" and are not used beneficially except to fund the endeavors of the landfill and Metro.

RRS did not change the recommendations or options based on the comments. However, as with the comments by Mr. Large, the thoughtful changes proposed by Greenway are based on a working knowledge of the system and its challenges and they have merit. RRS suggests that the Greenway comments are considered by the SWAAC as they draft future recommendations for the region.