

## DRAFT FINAL REPORT

**To:** Charles Cahn, Monroe County Solid Waste Advisory Committee  
**From:** Walt Davenport  
**Date:** May 28, 2008  
**Subject:** Small Business Survey and Analysis of Old Corrugated Cardboard Recycling Potential

## EXECUTIVE SUMMARY

Residents and businesses in Monroe County currently have a range of recycling options available to them. Specifically, the Monroe County Municipal Waste Management Authority (Authority) has developed a county-wide network of over 70 drop-off recycling locations where County residents and businesses can recycle, and the County has had great success with its program.

However, opportunities for improvement clearly exist. Despite its high value on the open market, old corrugated cardboard (OCC) is only accepted from local businesses at seven of the Authority's sites. Furthermore, it is believed by the County (and widely supported within the recycling community) that significant opportunities exist to enhance diversion from the small business sector. Small businesses are known to generate meaningful quantities of OCC, as well as high grade office paper and mixed paper. These commodities continue to have good value in the recycled material markets. Yet, small businesses typically do not have the funding, knowledge, or manpower to establish and operate effective recycling programs for these materials.

MidAtlantic Solid Waste Consultants (MSW Consultants) performed this study to estimate the quantity of OCC that is being generated and not currently recycled from the small business sector. The projections contained herein rely primarily on a survey of 1,000 small businesses in the County to explore their current OCC generation, disposal, and recycling patterns and behaviors. Over 100 businesses (10 percent) responded to the survey. To validate the survey responses, our projections were compared against macro-level OCC generation data and existing recycling data from several County and Pennsylvania state-level sources.

Based on the survey responses, MSW Consultants projects that there are almost 900 tons of OCC being generated and currently disposed by the small business sector in Monroe County. Further, assuming appropriate public education and some enforcement efforts, as much as 65 percent, or approximately 550 tons, of this would be diverted in an expanded drop-off program. Note that incremental increases in recycling of residentially generated OCC would also be expected. Although it was beyond the scope of this study to investigate the increases from the residential sector, MSW Consultants believes that it is reasonable that up to another 150 to 250 tons of OCC to be diverted from residential sources.

As the second step in the project, MSW Consultants evaluated the options for expanding the collection program to divert the most OCC and to accommodate incremental increases in collection

system resources. To determine the optimal number of new OCC drop-off sites, OCC generation was plotted by zip code, based on the OCC generation factors developed from the survey. This analysis suggests that a total of 21 new OCC drop-off sites (each site consisting of one 6-yard container) would need to be situated in 17 zip codes throughout the County.

Collecting OCC from these 21 new sites can be accomplished in one of two ways. First, the Authority could acquire additional containers that are compatible with its existing drop-off collection system (the Haul-All system), and provide collection to the 21 new sites itself. Alternatively, the Authority could opt to contract out for the collection of the new sites with a private hauler, who would provide the OCC containers and the collection service.

Table ES-1 compares the costs of these two options. As shown in the table, there will be substantially lower operating costs if the Authority provides collection at the new OCC drop-off sites. However, this savings would be entirely offset if the Authority must finance the new OCC bins.

**Table ES-1 – Cost Summary of OCC Drop-off Expansion Alternatives**

	<b>Authority</b>	<b>Private Sector</b>
Capital Costs [1]	\$194,460	\$0
Debt Service [1]	\$32,111	\$0
Operating Costs		
Collection Cost	\$10,300	\$43,131[3]
Consolidation Center Cost	\$4,422	\$4,422
Trucking Cost	\$27,637	\$27,637
Subtotal Operating Costs	\$42,359	\$75,190
Revenues		
OCC Sales Revenue [2]	\$66,328	\$66,328
902 Grant Increase	\$8,600	\$8,600
Subtotal Revenue	\$74,928	\$74,928
<b>Net (Cost) Revenue</b>	<b>\$32,569</b>	<b>(\$262)</b>

[1] This study made no assumption about how new containers would be financed. Capital costs and debt service payments are both presented for informational purposes by MCMWMA.

[2] This represents a conservative estimate. It is likely that incremental increases in residential OCC recycling at the 21 new OCC drop-off sites would increase this number by as much as 50 percent.

[3] Includes projected collection and container rental fees for a private hauler to service 21 OCC containers at 21 drop-off sites.

Ultimately, the ability of the Authority to apply for a Section 902 recycling grant to cover any of the costs of expanding the OCC collection program as described in this report will hinge on whether or not the service is available for a reasonable cost from the private sector pursuant to Act 57 requirements. According to Act 57, if a Section 902 recycling grant is pursued, the Authority will first have to prove that the requested funds do not duplicate existing public or private sector recycling program operations. If the grant application exceeds \$30,000, this triggers four consecutive weeks of advertising to publicize the grant request, as well as compiling any responses received for inclusion with the grant application. If no grant funding can be secured, it is virtually a

wash between a private hauler or Authority to provide the service. However, if any grants or other third party funding is available, the least expensive option would be for the Authority to acquire the new OCC bins, set up the new drop-off sites, and provide the collection service.

## INTRODUCTION

The Pennsylvania Department of Environmental Protection (DEP), working through the Solid Waste Association of North America (SWANA), has created a technical assistance program to help Pennsylvania municipalities establish, enhance and improve their recycling and composting programs. MidAtlantic Solid Waste Consultants (MSW Consultants) is an authorized provider of recycling and composting technical assistance as part of this program.

Monroe County, located in the Northeast region of the Commonwealth, is home to a population of 163,000 in a predominantly suburban and rural setting. Residents and businesses in Monroe County currently have a range of recycling options available to them. There are six municipalities in Monroe County that are mandated by Act 101 to have recycling ordinances requiring the recycling of aluminum, old corrugated cardboard (OCC), high grade office paper, and leaf waste by commercial, institutional and municipal establishments. These communities are required to provide curbside recycling to residential households (although according to the information available from the DEP web site, none of the six Act 101 mandated municipalities in the County currently offer residential curbside OCC recycling). County-wide, there is a network of over 70 drop-off recycling locations where County residents and businesses can recycle, and the County has had great success with its program. However, old corrugated cardboard (OCC) is only publicly accepted at seven of the sites.

Table 1 quantifies OCC recycling in Monroe County's existing, limited drop-off system.

**Table 1 – OCC Recycling Statistics, 2007 Data**

Number of Drop-off Sites Accepting OCC	7
Annual OCC Tons Collected	3,125
Tons of OCC per Week per Site	8.5
Households (HHs)	58,000
OCC Lbs/HH/Week	2.1

(Note that the drop-off sites are currently used by both residents and businesses, so it is not entirely accurate to present a measurement of the OCC recycling per household – some of this tonnage is from commercial establishments).

It is believed by the County (and widely supported within the recycling community) that significant opportunities exist to enhance diversion from the small business sector. Small businesses are known to generate meaningful quantities of OCC, as well as high grade office paper and mixed paper. These commodities continue to have good value in the recycled material markets. Yet, small businesses typically do not have the funding, knowledge, or manpower to establish and operate effective recycling programs for these materials. While no standard definition of a “small business” is known, in Monroe County small businesses are defined as those that have fewer than 30 employees and are not located in business centers, strip malls, or office buildings that can support dedicated, stand-alone OCC recycling containers.

The Monroe County Municipal Waste Management Authority (MCMWMA, or Authority) currently collects recyclables from many of the drop-off centers in the County. Further, the County has the ability to expand collection if desirable recyclable material streams can be identified. The purpose of this study is to quantify the number of small businesses in the County, and to research recycling practices among the small business sector to determine if it would be possible to enhance OCC recycling opportunities for this sector. Although expansion of OCC recycling for small businesses will also expand opportunities from the residential sector, it was beyond the scope of this study to investigate increases in residential OCC recycling. The remainder of this report describes the methodology and findings associated with research into commercial OCC recycling, as well as cursory estimates for the expansion of residential OCC recycling that will likely take place as a beneficial side effect.

## **METHODOLOGY**

The Authority does not currently know how many small businesses are in the County, nor how many use the current network of drop-off centers for their OCC. Therefore, current generation, disposal and recycling of OCC from small business is unknown. Although qualitative information suggests that there could be both a significant waste stream from small businesses as well as demand for small business recycling opportunities, the County needed a means to cost-effectively investigate and quantify the extent of this opportunity.

MSW Consultants combined geographic information system (GIS) mapping and representative surveying of small businesses within the County to estimate OCC recycling potential from this sector. As a first step, MSW Consultants obtained two databases of Monroe County businesses. The first database of small businesses was provided by the Pocono Chamber of Commerce based on the membership of that organization. This database contained 1,600 businesses; however, only the business name, contact name, and business address was shown. There was no information about the type of business or size of the business in this data source.

Based on the limitations of the Pocono Chamber database, MSW Consultants procured a database of Monroe County small businesses from *InfoUSA*, a national market data provider. This database contained business name and contact information, as well as the business category and employment estimate for each business. It was also possible to screen out home-based businesses from this database, as well as government establishments. The final *InfoUSA* database contained 4,924 non-home-based businesses that employed fewer than 50 employees.

A total of 1,000 of these small businesses were randomly selected from the database for follow up surveying. Figure 1, below, shows the location of these randomly selected 1,000 small businesses located in Monroe County.

**Figure 1 -1,000 Randomly Selected Commercial Businesses in Monroe County**

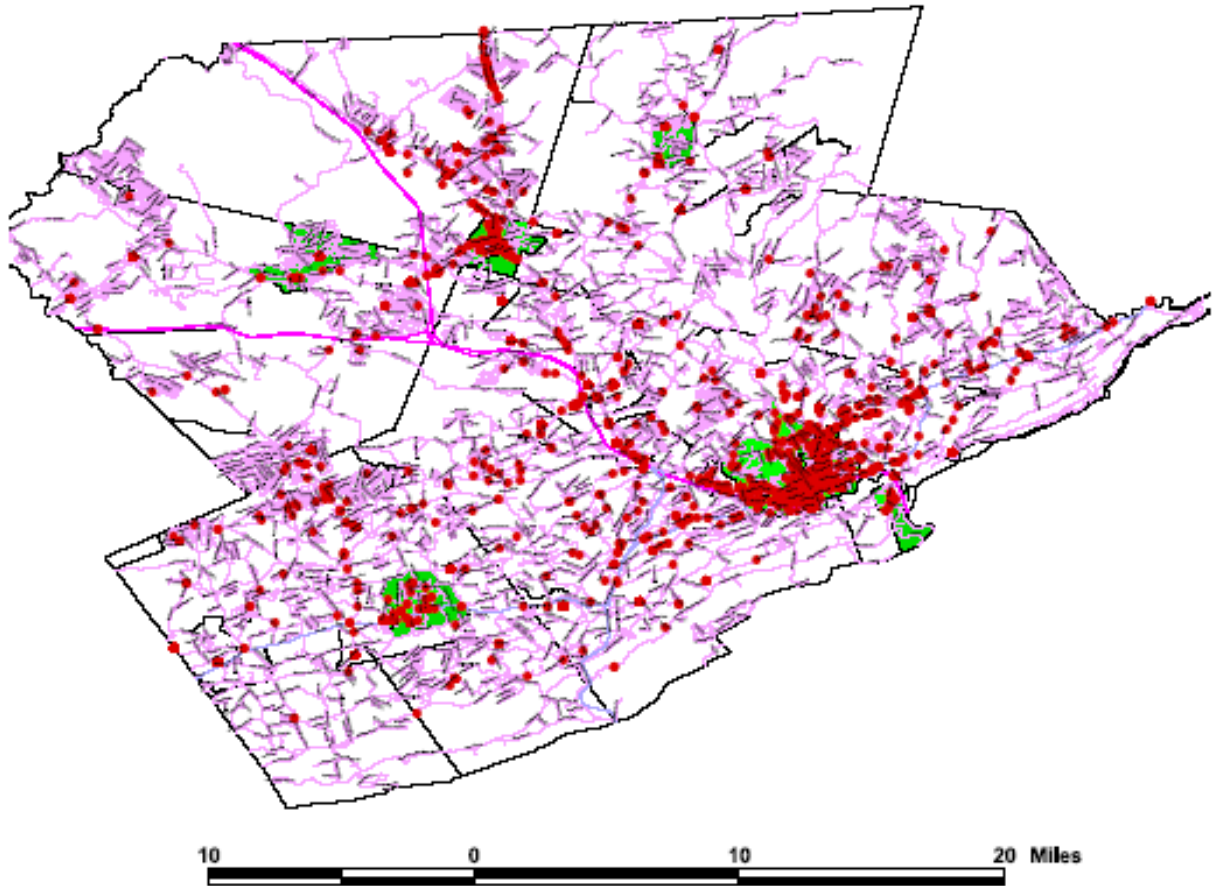


Table 2 below shows the total number and percentage of business from *InfoUSA* database sorted by the two digit North American Industrial Classification System (NAICS) code, along with a brief description of each NAICS industry groups.

**Table 2 – Summary of Monroe County Businesses by Industry**

NAICS Code	Description	InfoUSA Number of Businesses	Percent of Total Businesses	Total Employees of Businesses
11	Agriculture, Forestry, Fishing, and Hunting	15	0.3%	91
21	Mining	8	0.2%	91
22	Utilities	10	0.2%	83
23	Construction	518	10.5%	2,524
31-33	Manufacturing	195	4.0%	1,499
42	Wholesale trade	206	4.2%	1,264
44-45	Retail trade	906	18.4%	5,439
48-49	Transportation & warehousing	64	1.3%	368
51	Information	54	1.1%	325
52	Finance & insurance	260	5.3%	1,434
53	Real estate & rental & leasing	261	5.3%	1,571
54	Professional, scientific, & technical services	355	7.2%	1,786
55	Management of companies & enterprises	1	0.0%	6
56	Administrative & support & waste management & remediation service	160	3.2%	744
61	Educational services	108	2.2%	1,384
62	Health care & social assistance	457	9.3%	3,526
71	Arts, entertainment, & recreation	88	1.8%	576
72	Accommodation & food services	461	9.4%	4,599
81	Other services (except public administration)	686	13.9%	2,476
92	Public Administration	33	0.7%	461
99	Unclassified	78	1.6%	269
<b>Total</b>		<b>4,924[1]</b>	<b>100.0%</b>	<b>30,516</b>

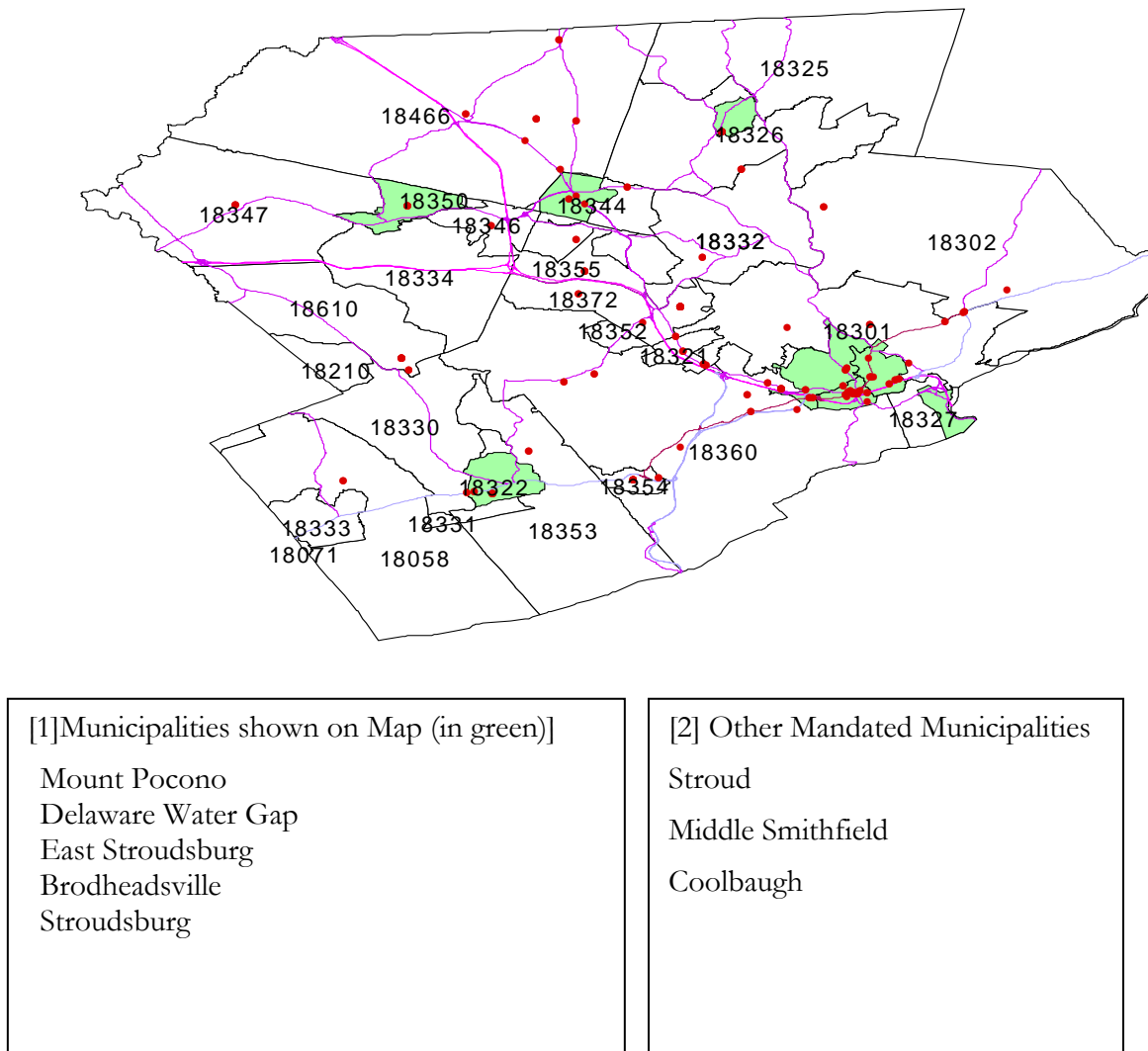
[1] There 5,079 total businesses in the InfoUSA database. This table excludes 155 home based businesses.

To cost-effectively perform a survey of 1,000 businesses, MSW Consultants opted to perform a mail survey that allowed respondents to deliver their response by either mail, fax, or the web. First, a survey instrument was developed to seek input on cardboard generation and recycling patterns at each business. The survey instrument subsequently investigated the tolerance of small businesses to participate in OCC recycling if no such participation currently existed. A copy of the survey instrument is shown in Appendix A.

To add further credibility to the survey, all 1,000 surveys were printed on MCMWMA stationary and mailed in MCMWMA envelopes. Each survey assigned a unique identification number, name of the business, address of business, a place for number of employees to be inserted, the NAICS description, the NAICS code, and the businesses square footage printed on the first page.

A total of 108 responses (10.8%) were ultimately received. Roughly half of the respondents used the web-based survey tool to respond, while the remaining respondents mailed or faxed their responses. No follow-up telephone surveying was performed given the limited project budget. The locations of those commercial businesses that responded are illustrated in Figure 2 below.

**Figure 2 – Location of Commercial Business Survey Respondents**



## SURVEY RESULTS

This section summarizes the results of the survey. For each question, not every survey respondent provided a response. Further, some questions were only relevant under certain responses to prior questions. For each survey question, the responses are shown, as well as the number of responses on which the data are based.

### **Where is your business located?**

- 8% In a Home Office
  - 59% In its own, stand-alone building
  - 22% In an office building with other businesses
  - 10% In a mall or commercial building complex
- 108 responses*

### **Does your business contract directly for garbage and recycling collection services?**

- 76% Yes
  - 24% No
- 104 responses*

### **Does your business generate corrugated cardboard?**

- 69% Yes
  - 31% No
- 109 responses*

### **How much corrugated cardboard does your business generate on a weekly basis?**

- 16% Hardly any
  - 39% A few boxes (less than 10)
  - 24% Enough to fill the trunk of a car if the boxes are flattened
  - 20% More than one car trunk full
- 74 responses*

### **If you generate cardboard do you recycle?**

- 69% Recycle
  - 26% Do not recycle
  - 5% Other
- 74 responses*

### **How do you dispose of the cardboard?**

- 26% Throw it in the trash
  - 69% Recycle it
  - 3% Burn it
  - 1% Reuse it
- 74 responses*



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### **If you recycle your OCC, how?**

- 46% Take it to a County drop-off site
  - 30% Hire contractor to collect OCC (written response on survey)
  - 4% Take it home and recycle it through the curbside program
  - 4% Back-haul for recycling
  - 10% The property manager provides cardboard recycling for our building
  - 6% Other
- 50 responses*

For those respondents who reported taking their cardboard to a drop-off recycling location, the following locations were cited:

- 1 Barrett Maintenance Bldg.
  - 5 Analomink Rt. 191 & 447
  - 3 Foxmoor Village
  - 0 Tunkhannock Township Bldg
  - 8 Swiftwater Site
  - 4 Blakeslee Rt. 940 & 115
  - 0 Coolbaugh Main Bldg
  - 2 Other
- 23 responses*

### **If you don't recycle your OCC, why not?**

- 28% Lack of storage space
  - 8% Didn't know we could
  - 16% Too costly to pay for separate collection
  - 16% Recycling service not available
  - 32% Other
- 25 responses*

The explanation of respondents who indicated other reasons for not recycling OCC are shown below:

- ◆ "Not practical."
- ◆ "Cardboard is put outside in a container."
- ◆ "Don't always have time/want to drive to recycling center. If there was curb-side pick-up, that would be great."
- ◆ "Not many of our members recycle and throw items in trash."
- ◆ "Too far to drop off."
- ◆ Two reported "Burn"
- ◆ "Burn them or give boxes to customers."

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**If the County established special “Cardboard Only” drop-off sites for use by small businesses such as yours, how far would you be willing to travel to recycle your cardboard?**

- 21% Within walking distance from my building
  - 7% Up to ¼ mile
  - 0% Up to ½ mile
  - 28% Up to 1 mile
  - 14% Up to 2 miles
  - 28% Up to 3 miles
  - 3% I still would not recycle cardboard no matter how convenient the drop off site
- 29 responses*

**If required to make the program cost effective for the County, would you be willing to flatten and cut your cardboard into 3-foot squares to fit into a slotted container provided by the County?**

- 77% Yes
  - 23% No
- 53 responses*

**What else could the County do to help small businesses such as yours increase recycling of corrugated cardboard?**

- ◆ “Mobile collection truck would be most effective.”
- ◆ “More county wide drop off sites.... at least for cardboard. But we have to drive over 8 miles away from our business to make a drop off and over 10 miles from home to the nearest site! It would be best for drop off sites to be close to where people go every week or day... like a supermarket or gas station. (We’re very passionate about recycling!)”
- ◆ “Provide on-site dumpsters.”
- ◆ “Curb Pickup”
- ◆ “More drop off areas. Bigger bins.”
- ◆ “Offer a paper and Cardboard pick-up service for printers. I had a hard time finding anyone to pick-up my paper.”
- ◆ “Need more recycling locations”
- ◆ “Provide cardboard recycling containers for small businesses”
- ◆ “Drop off containers and pick up once bi weekly”
- ◆ “Twin Borough behind Wal-Mart in East Stroudsburg. Twin Borough is convenient and is not the blue containers”
- ◆ “Think we should have shredded boxes in offices to shred forms and have a schedule to do pick-ups.”
- ◆ “Municipal drop-off, near Wal-Mart”
- ◆ “East Stroudsburg drop off site. near Wal Mart”
- ◆ “Put one in Tannersville. Lots of business Smugglers Cove Inn at Tannersville Rillys Tannersville Dihle NY Pizza etc. All get deliveries in boxes weekly.”
- ◆ “Additional REACH drop off sites - Stroudsburg area”

- ◆ “A Trunk full every 2 - 3 weeks. More often during the busy months.. About question 20..... we would be willing to flatten, that's easy, but to cut corrugated cardboard is VERY difficult and time consuming and a liability to have employees do it. I can't afford to loose a finger or two as a business owner. Most big boxes don't go over 4 foot wide, just make the opening a foot bigger. (just a suggestion)”
- ◆ “More drop off locations”

### **Do you have any other comments?**

- ◆ “Recycle Styrofoam”
- ◆ “Unable to cut cardboard”
- ◆ “Flatten yes, Cut No”
- ◆ “We receive about a pickup truck a week.”
- ◆ “I want all numbers of plastics to be recycled and for books to be recycled.”
- ◆ “The only cardboard our business generates is from the packaging and boxes that we receive once a season when our supplies and equipment arrives in the fall. After that, we generate NO cardboard.”
- ◆ “Garbage is waste management; Recycling we do ourselves.”
- ◆ “I am approximately 1 mile from the Swiftwater Site. I use it frequently and am content with it. We always flatten our boxes. I wish you had a styrofoam peanut drop-off center.”
- ◆ “I would prefer to take all of our recyclables to one location rather than have a site just for cardboard but would cooperate with whatever system you develop (but please don't ask us to cut the boxes).”
- ◆ “We are a small mom & pop business. Time does not allow us to do things the way they should be done. Have a pickup.”

## **SMALL BUSINESS OCC RECYCLING POTENTIAL**

MSW Consultants used the results of the survey, combined with waste generation estimates contained in the Pennsylvania State-wide Waste Characterization Study, to estimate the quantity of OCC being generated by small businesses that is not currently recycled. While we acknowledge that there is some room for variance from the precise estimates below, we believe the amounts shown reasonably reflect the quantities of OCC from the small business sector, and can be used for planning purposes. Further, we have assumed an incremental increase in OCC recycling from the residential sector as well (although it was beyond the scope of this study to defensibly project expected increase from residences).

Of the small businesses that reported generating OCC, the average generation rate was 339 pounds of OCC generated per employee per year. Given that 69 percent of responding small businesses reported generating some OCC, we can estimate total small business OCC generation by applying the generation rate per employee to the total employment of OCC generators, which is 20,997 employees according to the *InfoUSA* database. This means that there is about 7.1 million pounds (3,559 tons) of OCC being generated in the County by small business each year. (This figure is remarkably reasonable compared to available data from the Northeast Region waste characterization study data that is available which encompasses OCC from all businesses, not just small businesses.

If anything, the survey may have slightly to moderately under-estimated total OCC generation from small businesses.)

However, many of the responding small businesses reported that they already recycled OCC. To estimate the quantity of OCC that is not currently being recycled, we relied on the 25 percent<sup>1</sup> of respondents who reported not recycling OCC as the basis for determining available OCC tonnage from the small business sector. The survey therefore suggests that, on an annual basis, there is approximately 1.8 million pounds (890 tons) of OCC that is available for capture in current or expanded recycling programs.

Note that this figure excludes incremental residential OCC recycling. While it was beyond the scope of this study to predict the likely increase from the residential sector, MSW Consultants believes that the addition of new OCC sites would also attract residentially generated OCC in meaningful quantities. Based on the relative contribution of OCC to disposed wastes as reported in the Pennsylvania State-wide Waste Characterization Study, it is estimated that the quantity of residentially generated OCC to be captured would add another 25 to 50 percent on top of the quantities generated by small businesses.

## MCMWMA OCC COLLECTION SYSTEM IMPACTS

As a final step in our analysis, MSW Consultants investigated the collection policies and resources that might be necessary to capture a meaningful fraction of the currently disposed OCC from the small business sector in Monroe County.

Table 3 below combines data about the number of establishments and total employment (as shown in the *InfoUSA* database), together with the estimated potential of OCC generated by business by zip code (based on employment within that zip code).

**Table 3 – Estimated OCC Generated By Zip Code**

Primary Zip Code	Number of Businesses	Total Employees	Estimated Total Number of Employees Generating Cardboard	Total Estimated Pounds of OCC Generated	Total Estimated Pounds Recycled	Total Estimated Pounds Not Recycled
18360	1381	9,294	6,395.0	2,170,352.6	1,613,099.9	557,252.7
18301	716	4,946	3,403.2	1,154,999.3	858,445.5	296,553.9
18372	337	2,421	1,665.8	565,356.5	420,197.4	145,159.1
18344	297	1,987	1,367.2	464,008.0	344,870.8	119,137.2
18322	303	1,640	1,128.4	382,975.9	284,644.3	98,331.7
18466	156	995	684.6	232,354.3	172,695.8	59,658.5
18302	152	990	681.2	231,186.7	171,827.9	59,358.7
18610	139	884	608.3	206,433.4	153,430.2	53,003.2
18353	156	704	484.4	164,399.4	122,188.8	42,210.7

<sup>1</sup> Of the respondents who reported generating cardboard, 26 percent reported disposing of it and three percent reported burning it. We have used 25 percent for purposes of estimation, although the number could be as high as 29 percent.

Primary Zip Code	Number of Businesses	Total Employees	Estimated Total Number of Employees Generating Cardboard	Total Estimated Pounds of OCC Generated	Total Estimated Pounds Recycled	Total Estimated Pounds Not Recycled
18326	130	678	466.5	158,327.9	117,676.1	40,651.7
18321	91	621	427.3	145,017.1	107,783.0	37,234.1
18335	102	568	390.8	132,640.4	98,584.1	34,056.3
18330	110	566	389.4	132,173.4	98,237.0	33,936.4
18333	60	525	361.2	122,599.0	91,120.9	31,478.1
18346	95	522	359.2	121,898.4	90,600.2	31,298.2
18350	84	516	355.0	120,497.3	89,558.8	30,938.5
18058	91	508	349.5	118,629.1	88,170.3	30,458.8
18347	91	432	297.2	100,881.5	74,979.5	25,902.0
18331	72	331	227.8	77,295.8	57,449.5	19,846.2
18370	36	316	217.4	73,792.9	54,846.1	18,946.8
18354	57	306	210.6	71,457.7	53,110.5	18,347.2
18325	73	293	201.6	68,421.9	50,854.1	17,567.8
18355	48	276	189.9	64,452.0	47,903.5	16,548.5
18342	59	248	170.6	57,913.4	43,043.8	14,869.7
18352	35	215	147.9	50,207.2	37,316.2	12,891.0
18327	43	200	137.6	46,704.4	34,712.7	11,991.7
18356	36	173	119.0	40,399.3	30,026.5	10,372.8
18332	34	165	113.5	38,531.1	28,638.0	9,893.1
18320	23	125	86.0	29,190.2	21,695.4	7,494.8
18349	9	83	57.1	19,382.3	14,405.8	4,976.5
18323	10	63	43.3	14,711.9	10,934.5	3,777.4
18334	15	58	39.9	13,544.3	10,066.7	3,477.6
18341	11	41	28.2	9,574.4	7,116.1	2,458.3
19004	1	30	20.6	7,005.7	5,206.9	1,798.7
18235	2	12	8.3	2,802.3	2,082.8	719.5
18324	3	11	7.6	2,568.7	1,909.2	659.5
18014	1	9	6.2	2,101.7	1,562.1	539.6
18631	1	9	6.2	2,101.7	1,562.1	539.6
18505	1	8	5.5	1,868.2	1,388.5	479.7
18411	1	7	4.8	1,634.7	1,214.9	419.7
18444	1	7	4.8	1,634.7	1,214.9	419.7
18424	1	6	4.1	1,401.1	1,041.4	359.7
18064	1	5	3.4	1,167.6	867.8	299.8
18357	3	5	3.4	1,167.6	867.8	299.8
18037	1	4	2.8	934.1	694.3	239.8
18503	1	4	2.8	934.1	694.3	239.8
18071	1	3	2.1	700.6	520.7	179.9
18091	2	3	2.1	700.6	520.7	179.9
18501	1	2	1.4	467.0	347.1	119.9

Primary Zip Code	Number of Businesses	Total Employees	Estimated Total Number of Employees Generating Cardboard	Total Estimated Pounds of OCC Generated	Total Estimated Pounds Recycled	Total Estimated Pounds Not Recycled
18624	1	2	1.4	467.0	347.1	119.9
18701	1	2	1.4	467.0	347.1	119.9
18045	1	1	0.7	233.5	173.6	60.0
18210	1	1	0.7	233.5	173.6	60.0
18931	1	1	0.7	233.5	173.6	60.0
<b>Total</b>	<b>5,079</b>	<b>31,822</b>	<b>21,896</b>	<b>7,431,134</b>	<b>5,523,140</b>	<b>1,907,994</b>

Although currently the Authority operates over 70 drop-off sites, only seven of these can be used by businesses to recycle their old corrugated containers. The current Monroe County drop-off sites accepting OCC are listed in Table 4. The Site Numbers in the table correspond to the numbers on the map show as Figure 3.

**Table 4 - List of Monroe County Solid Waste Authority Drop-Off Locations**

Site #	Reach Name	Location Township	Address	Town	State	Zip Code	OCC Capacity (Cu Yds)
1	Coolbaugh Maintenance Building	Coolbaugh Township	Laurel Drive, off of Route 611	Tobyhanna	PA	18466	18
2	Analomink	Stroud Township	Intersection of 191 & 447	Analomink	PA	18301	24
3	Blakeslee Village	Tobyhanna Township	Routes 115 & 940	Blakeslee	PA	18437	12
4	Barrett Maintenance Yard	Barrett Township	Sandspring Road	Cresco	PA	18324	6
5	DCNR Offices/DEP Building	Pocono Township	Route 611 (Near Pocono Cheesecake Factory)	Swiftwater	PA	18370	18
6	Foxmoor Village Mall	Middle Smithfield Township	Lincoln Avenue	East Stroudsburg	PA	18301	18
7	Tunkhannock Township Fire Department	Tunkhannock Township	Long Pond Road	Tunkhannock Township	PA	18610	6

**Figure 3 - Monroe County Solid Waste Authority Drop-Off Locations**



Taking into account the survey responses regarding willingness to travel to a drop-off site, it is evident that lower travel distances will increase the likelihood of increased recycling of OCC from the small business sector. Almost one-third of respondents indicated that they would travel no more than  $\frac{1}{4}$  mile from their business to recycle. Expanding the range to a full mile would capture half of respondents.

Based on the generation of OCC from businesses in Monroe County as described in Table 3, on the geographic area of the highest generating zip codes, and based on input from the MMWMA, MSW Consultants estimates that 65% of the potentially generated OCC could be recovered from businesses in the 17 zip codes with the highest estimated generation. If successful, this would generate 21,259 pounds per week or 1.1 million pounds (553 tons) of OCC potentially available annually if additional drop-off containers were located in those 17 zip codes. Table 5 lists the zip codes and estimated tonnage where this potential recyclable OCC would most likely be generated. Note that this table excludes incremental residential OCC recycling. While it was beyond the scope of this study to predict the likely increase from the residential sector, MSW Consultants believes that the addition of new OCC sites would also attract residentially generated OCC in meaningful quantities. Based on the relative contribution of OCC to disposed wastes as reported in the Pennsylvania State-wide Waste Characterization Study, it is estimated that the quantity of residentially generated OCC to be captured would add another 25 to 50 percent on top of the quantities shown in Table 5.

**Table 5 - Estimated OCC Generation by Zip Code**

Primary Zip Code	Total Estimated Weekly Pounds Not Recycled	Estimated Full Containers per Week	Number of New OCC Sites	Pick-up Schedule per Week	Containers Required
18360	6,966	3.30	4	1	4
18301	3,707	1.76	2	1	2
18372	1,814	0.86	1	1	1
18344	1,489	0.71	1	1	1
18322	1,229	0.58	1	1	1
18466	746	0.35	1	1	1
18302	742	0.35	1	1	1
18610	663	0.31	1	1	1
18353	528	0.25	1	1	1
18326	508	0.24	1	1	1
18321	465	0.22	1	1	1
18335	426	0.20	1	1	1
18330	424	0.20	1	1	1
18333	393	0.19	1	1	1
18346	391	0.19	1	1	1
18350	387	0.18	1	1	1
18058	381	0.18	1	1	1
Total	21,259	10.07	21	17	21

The Authority has further requested MSW Consultants to analyze the incremental resource needs to service drop-off containers in the 17 zip codes found to potentially generate the highest volume of OCC from the small business sector. Monroe County utilizes a drop-off system developed by Haul-All, which combines specially designed drop-off containers that integrate into a customized collection vehicle for efficient collection, densification, and transportation. One of the major benefits of this system is that drop-off containers are specially designed to receive specific materials and exhibit clear and helpful signage to assure proper usage by recyclers. Expansion of the Haul-All system would leverage the recycling program branding that has already been established by the County.

Based on the available container sizes offered by the Haul-All system, it would require an additional 21 new drop-off sites to be established within these 17 zip codes, also shown in Table 5. These 21 new sites would require the Authority to purchase 21 new Haul-All PL6 containers, or alternatively to contract for this service through a Request for Proposal to the private sector hauling community.



Assuming a capital cost of \$9,260 per container, including reasonable site preparation, shipping and installation costs, the total capital outlay for these containers is estimated to be \$194,460. Assuming the Authority finances this amount, the monthly debt service would amount to \$2,676 (or \$32,111 annually) based on a seven year loan and 4.2% interest rate.<sup>2</sup> These containers would have to be strategically located in each of the zip codes. It was beyond the scope of this project to select specific sites for the new OCC drop-off recycling locations.

In addition to capital cost impacts, the Authority would have increased demands on their collection system to service the new containers. MSW Consultants performed a brief evaluation of the likely impacts on the Authority's existing collection system.

The Authority currently has a fleet of four collection vehicles that collect recyclables from the network of 70 drop-off sites. One of the trucks in this fleet is dedicated to OCC and also support other routes as a back-up. This vehicle is able to collect, on a weekly basis, all 20 OCC containers at the seven existing sites in 23 hours out of a 40 hour work week. Although this vehicle currently serves as a back-up for other routes, the Authority acquired a new vehicle in 2007, eliminating the need for back-up duties for the OCC collection truck. Therefore, the OCC collection truck has additional capacity of 17 hours per week to collect additional OCC without adding staff or vehicles to the fleet.

Servicing additional OCC sites will add wear and tear on the collection truck, as well as additional fuel costs. Further, there will be increased potential for overtime because all collection vehicles will be operating at closer to a full 40 hour week, making back-up collection vehicles scarce. Table 6 summarizes the projected incremental annual collection costs associated with servicing the 21 new OCC sites.

**Table 6 – Incremental OCC Collection Costs Borne by the Authority**

	<b>Current System</b>	<b>New Sites</b>	<b>Combined</b>
Number of Sites	7	21	28
Number of Bins	20	21	41
Collection Hours/Week	23	7	29
<b>Annual Collection Cost</b>	<b>\$58,500</b>	<b>\$10,300</b>	<b>\$68,800</b>

As shown, there will be an incremental O&M cost increase of almost \$11,000 If the Authority adds 21 new OCC recycling sites, each of which needs to be collected only once per week (note that the existing seven sites are each collected seven days per week).

## **PRIVATE SECTOR OCC COLLECTION SYSTEM ALTERNATIVE**

Alternatively, the County could opt to collect additional OCC sites by contracting with a local private hauler. Private haulers in the County would likely rely on standard front-load collection of

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<sup>2</sup> Note that these containers have a 10-year useful life. However, it is unlikely they would be financed for any term longer than seven years and therefore seven year financing has been used to provide a conservative estimate in our analysis.

six (6) cubic yard containers at each of the new drop-off sites and also (potentially) at the seven existing sites. The existing drop-off sites have 20 6-yard Haul-All bins to store the recycled OCC. Each of the bins is emptied daily Monday through Friday. This service provides 102 weekly bin services and 612 cubic yards of bin storage capacity. The new sites would provide an additional 21 6-yard containers with 21 dumps per week totaling 162 cubic yards of capacity per week.

Based on the expected routing efficiency improvements due to an increase in sites (i.e., an increase in the density of containers requiring service), MSW Consultants applied expected operating and cost parameters (assuming fuel costs at April 2008 levels) to calculate the likely cost of a private hauler providing OCC collection in 6-yard containers under contract. MSW Consultants further projected the costs for contract collection of (a) only the new OCC sites, and (b) all OCC sites including the existing sites. Under the latter scenario, it is assumed that the Authority would find other uses for the Haul-All bins that are currently used for OCC collection at the seven existing sites. The projected private sector OCC collection costs are shown in Table 7.

**Table 7 - Private Sector Estimated Collection Cost for OCC Drop-off Sites**

	New Sites Only	New & Existing Sites
Number of Sites	21	28
Number of Containers	21	38
Monthly Collection Cost	\$3,395	\$11,148
Monthly Container Rental	\$200	\$390
Annual collection cost	\$43,131	\$138,450

As shown in the table, a private sector hauler would be expected to cost between \$43,000 and \$138,000 annually depending on whether the hauler collected from just the new OCC sites or from all OCC sites.

## **OCC PROCESSING, TRANSPORTATION, AND MATERIAL REVENUE**

As the final step in the system, OCC collected through this program will be delivered to the Authority's existing Consolidation Center. The Authority reported that there is currently sufficient capacity at the Center to absorb 552 incremental annual tons of OCC (or 46 tons per month). The Authority reported that processing costs at the Center are \$8.00 per ton, plus an additional cost of \$300 per 6-ton load for transporting OCC to the market. Total processing and transportation costs are estimated to be \$32,059.

The Authority further reported that current market prices for OCC, as delivered by the Authority, is \$120.00 per ton plus a reimbursement from the trailer hauler of \$300 per load. The trailers average 6 tons per load for a reimbursement of \$50 per ton. Accordingly, the Authority is projected to generate between \$66,000 (conservatively) and \$99,000 in additional material revenue for incremental OCC recovered from the small business sector.

As a final note, it is calculated that the incremental OCC recycling would yield additional 902 grant funding that the County will receive for the additional tonnage. Based on the 2007 calculation for Monroe County the 902 grant would increase by \$8,600.

## CONCLUSION

Based on the surveys of small businesses in Monroe County, and on existing recycling system data, this analysis projects that over 500 tons of OCC are potentially recyclable, plus another 25 to 50 percent more from residential sources (although the residential OCC recycling potential was not analyzed as part of this study). Operationally, another 21 OCC drop-off points would need to be added to the system to optimize OCC recycling.

This study further evaluated the costs of servicing the new OCC drop-off sites. Options include expanding the Authority's existing collection system, or alternatively contracting collection with a private hauler. The Authority will continue to consolidate and market OCC under either alternative.

Table 8 summarizes the net costs associated with expansion of the OCC drop-off program under current market conditions.

**Table 8 –Cost Summary of OCC Drop-off Expansion Alternatives**

	Authority	Private Sector
Capital Costs [1]	\$194,460	\$0
Debt Service [1]	\$32,111	\$0
Operating Costs		
Collection Cost	\$10,300	\$43,131[3]
Consolidation Center Cost	\$4,422	\$4,422
Trucking Cost	\$27,637	\$27,637
Subtotal Operating Costs	\$42,359	\$75,190
Revenues		
OCC Sales Revenue [2]	\$66,328	\$66,328
902 Grant Increase	\$8,600	\$8,600
Subtotal Revenue	\$74,928	\$74,928
<b>Net (Cost) Revenue</b>	<b>\$32,569</b>	<b>(\$262)</b>

[1] This study made no assumption about how new containers would be financed. Capital costs and debt service payments are both presented for informational purposes by MCMWMA.

[2] This represents a conservative estimate. It is likely that incremental increases in residential OCC recycling at the 21 new OCC drop-off sites would increase this number by as much as 50 percent.

[3] Includes projected collection and container rental fees for a private hauler to service 21 OCC containers at 21 drop-off sites.

Based on the financial calculations in Table 8, there will be substantially lower operating costs if the Authority provides collection at the new OCC drop-off sites. However, this savings would be entirely offset if the Authority must finance the new OCC bins.

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Ultimately, the ability of the Authority to apply for a Section 902 recycling grant to cover any of the costs of expanding the OCC collection program as described in this report will hinge on whether or not the service is available for a reasonable cost from the private sector pursuant to Act 57 requirements. According to Act 57, if a Section 902 recycling grant is pursued, the Authority will first have to prove that the requested funds do not duplicate existing public or private sector recycling program operations. If the grant application exceeds \$30,000, this triggers four consecutive weeks of advertising to publicize the grant request, as well as compiling any responses received for inclusion with the grant application. (A synopsis of the Act 57 requirements is included in Attachment A at the end of this report.) If no grant funding can be secured, it is virtually a wash between a private hauler or Authority to provide the service. However, if any grants or other third party funding is available, the least expensive option would be for the Authority to acquire the new OCC bins, set up the new drop-off sites, and provide the collection service.

Further, the Authority should take the appropriate steps to select sites and educate small businesses about the program expansion. These steps could entail advertising and public service announcements, as well as communications with the local Chamber of Commerce, Rotary, Kiwanis, Lions, and other local business groups.

As a final measure, the Authority has indicated that public education should be supported by appropriate enforcement because OCC recycling from small businesses is mandated by Act 101 in its six mandated municipalities. Specifically, the Authority has expressed a position that all businesses in the County should be required to recycle their OCC either by contracting with a private sector recycling firm or using the County operated drop-off sites. Traditionally, enforcement of such mandates has been difficult and potentially costly. A combination of public education and enforcement would therefore be employed to greatest effect.

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**ATTACHMENT A**  
Act 57 Requirements Summary

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**DEPARTMENT OF ENVIRONMENTAL PROTECTION  
BUREAU OF LAND RECYCLING AND WASTE MANAGEMENT**

**DOCUMENT NUMBER:** 252-5500-100

**EFFECTIVE DATE:** 12/01/98

**TITLE:** Section 902 Recycling Grant Applications that Must Comply with Act 57.

**AUTHORITY:** The Municipal Waste Planning, Recycling and Waste Reduction Act, Act of July 28, 1988, P.L. 556, No 101, 53 P.S. §4000.101 - 4000.1904 (“Act 101”).

The Act of November 26, 1997, P.L. 363 No. 57 (“Act 57 of 1997”).

Section 1937-A of the Administrative Code, Act of April 29, 1929, as amended, P.L. 177, No. 175, 71 P.S. §510-37 (containing the relevant portion of Act 57 of 1997).

**POLICY:** It is the policy of the Department to implement the municipal recycling grants program in accordance with Act 101, the amendments made in Act 57 of 1997, and the municipal waste regulations.

**PURPOSE:** The purpose of the document is to explain how the Department will apply the amendments concerning Section 902 grants for the development and implementation of municipal recycling programs.

**APPLICABILITY:** This guidance applies to all who apply for or are involved in the review of applications for Section 902 recycling grants.

**DISCLAIMER:** The policies and procedures outlined in this guidance are intended to supplement existing requirements. Nothing in the policies or procedures shall affect regulatory requirements.

The policies and procedures herein are not adjudication or a regulation. There is no intent on the part of the Department to give the rules in these policies that weight or deference. This document establishes the framework within which the Department will exercise its administrative discretion in the future. The Department reserves the discretion to deviate from this policy statement if circumstances warrant.

**PAGE LENGTH:** 15

**LOCATION:** Volume 5, Tab 31

## **DEFINITIONS**

**Act 101** – The Municipal Waste Planning, Recycling and Waste Reduction Act, Act of July 28, 1988, P.L. 556, No. 101, 53 P.S. §4000.101 - 4000.1904

**Department** – The Department of Environmental Protection.

**Municipality** – A county, city, borough, incorporated town, township or home rule municipality.

**Section 902 grant or recycling grant** – A grant issued by the Department under Section 902 of Act 101 for the development or implementation of a municipal recycling program.

**Section 1937-A** – The section added to the Administrative Code of 1929 (P.L. 177, No. 175), 71 P.S. §§51 et seq., by Act 57 of 1997, affecting grant applications under Section 902 of Act 101.

## **I. INTRODUCTION**

Since Act 101 became law in 1988, the Department has issued grants under Section 902 for the development and implementation of municipal recycling programs. The processes by which a grant application must be submitted to the Department and subsequently reviewed by the Department have been amended in certain circumstances by the addition to the Administrative Code of 1929 (P.L. 177, No. 175), as amended, of a new section, Section 1937-A, through the passage of Act 57 of 1997 (P.L. 363 No. 57) on November 26, 1997. The text of new Section 1937-A of the Administrative Code is found in Section 13 of Act 57, and at 71 P.S. §510-37.

This guidance document explains the amendments and the effects they will have on applications for Section 902 grants. It also identifies other amendments to Pennsylvania's municipal waste program unrelated to Section 902 grants.

## **II. DETERMINING IF THE NEW GRANT APPLICATION REQUIREMENTS APPLY**

For a municipality to determine if it must comply with the provisions of Section 1937-A<sup>1</sup>, the municipality must evaluate whether it or the grant application is exempted by either of the provisions found in Section 1937- A(c)<sup>2</sup> and listed below. If a municipality or grant application satisfies one of these exemptions, the municipality should submit its application in accordance with Section 902 of Act 101 (in place of Section 1937-A). As part of the Department's completeness review, the Department will determine whether an exception has been correctly invoked.

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<sup>1</sup> 71 P.S. §510-37.

<sup>2</sup> 71 P.S. §510-37(c).

1. **Previous Grant Exception.** The requirements of Section 1937-A do not apply if the applicant is requesting a grant for recycling services or equipment that is **consistent** with the municipality's existing program or within the **scope** of the existing program, for which a Section 902 grant was issued prior to November 26, 1997, the effective date of Act 57 (§1937-A(c)(2)<sup>3</sup>).

**Example :** A municipality that previously received a recycling grant to establish a curbside recycling program is seeking funding to add leaf collection to the program. Curbside collection of leaf or yard waste would be **consistent** with the existing curbside collection program.

**Example:** A municipality that previously received a recycling grants to purchase recycling containers for curbside collection is seeking funding to replace the containers. Replacement of existing containers would be **consistent** with recycling program.

**Example:** A municipality that previously received a grant for a drop-off recycling program is seeking grant funding to develop a yard waste composting site. Developing a composting site would be a **change in scope** from the drop-off recycling program and therefore would not be eligible for the exception.

**Example:** A municipality that previously received a grant for a drop-off recycling program is seeking grant funding to purchase curbside collection containers. Starting a curbside collection program would be a **change in scope** from the drop-off recycling program and therefore would not be eligible for the exception.

In situations in which one municipality received a Section 902 grant and served as the lead agency on behalf of one or more municipalities, those municipalities sponsored by the lead agency will be treated as having been awarded a previous grant for the purposes of the first exception.

2. **Recycling Needs Exception.** The requirements of Section 1937-A do not apply if the recycling needs of all the citizens of the county cannot be met (i.e. the needs of the municipality applying for the grant cannot be met by existing equipment or services within the county) (§1937-A(c)(1)<sup>4</sup>). The municipality will determine whether it qualifies for the exception. Except in unusual circumstances, the Department will defer to the municipality's determination. At a minimum, a municipality should consider the following when determining if the recycling needs of all the citizens of the county cannot be met:

(a) Will the services or equipment requested by the recycling grant application duplicate other services or equipment currently available to the municipality from the public or private sector within the county? If no, then the exception may apply. If yes:

(b) Will the entity(ies) with the recycling service(s) or equipment provide the service(s) or equipment to the municipality? If no, then the exception may apply. If yes:

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<sup>3</sup> 71 P.S. §510-37(c)(2).

<sup>4</sup> 71 P.S. §510-37(c)(1).



(c) Will the service(s) or equipment meet the needs of the municipality's program? If no, then the exception may apply. If yes, this exception will not be available.

**III. If neither the Previous Grant Exception nor the Recycling Needs Exception applies, then the application will be subject to the following provisions, regardless of whether the application involves equipment or services:**

**1. Requirements With Which All Applications Subject to Act 57 Must Comply**

Non-mandated municipalities: Subsection (b)(3) of Section 902<sup>5</sup> (Attachment A) applies to all recycling grant applications submitted by municipalities not required to implement a recycling program by Section 1501 of Act 101 and is additional to the requirements of Section 1937-A.

Proration: Grant moneys awarded for certain types of equipment must be prorated in certain circumstances, as follows:

- Under §1937-A(a)(4)<sup>6</sup>, a grant awarded for mechanical processing equipment under Section 1937-A will be prorated if the Department or the municipality determines that the equipment will not be used exclusively for the purposes stated on the recycling grant application.
- Under Department procedures that will remain in place, the cost of facilities purchased for the recycling program used for purposes other than recycling will be prorated to reflect their recycling use.
- Under Department procedures that will remain in place, funding for certain leaf and yard waste collection equipment will be limited to a maximum of 35 percent of the approved cost of the equipment unless the applicant demonstrates that the equipment will be used for its intended purpose for a larger percentage of time on an annual basis. This includes, but is not limited to, front end loaders, back hoes, street sweepers and dump trucks used for seasonal leaf collection.
- Under Department procedures that will remain in place, funding for wood processing equipment will be approved only when the equipment is part of an approved yard waste composting facility operating under the Department's guidelines for yard waste composting facilities (document No. 254-5403-100) or in cases in which the equipment is used cooperatively among two or more municipalities and the wood chips produced are put to a beneficial use, as determined by the Department.

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<sup>5</sup> Act 101, 53 P.S. §902(b)(3).

<sup>6</sup> 71 P.S. §510-37(a)(4).

- Under Department procedures that will remain in place, a grant awarded for transportation equipment under Section 902 will be prorated if the equipment will not be used full time for the program. The application shall prorate the cost of the equipment according to the percentage of time that the equipment will be dedicated to the recycling program (§902(a); 25 Pa. Code §272.332(c)).

Compliance: The Department may not award any grant under Act 101 to a county or municipality that has failed to comply with any condition set forth in a previously awarded grant under Act 101, or the applicable provisions of Act 101, Section 1937-A or the municipal waste regulations (§1937-A(b)(1)<sup>7</sup>).

Not-for-Profit: The Department may award a grant to a municipality that proposes to partner with a not-for-profit agency that will utilize the grant to fund the processing of recycled materials identified in Section 1501(c)(1)(I) of Act 101 or the manufacturing of products made from those materials (§1937-A(b)(2)<sup>8</sup>).

**A municipality must now determine what its grant application is requesting and comply with applicable requirements.**

- ***If the application does not include mechanical processing equipment, go to page 6.***
- ***If the application is for mechanical processing equipment only, go to page 8.***
- ***If the application is for mechanical processing equipment and other recycling functions, go to page 10.***

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<sup>7</sup> 71 P.S. §510-37(b)(1).

<sup>8</sup> 71 P.S. §510-37(b)(2).

## **2. Applications That Do Not Include Mechanical Processing Equipment**

In addition to the requirements described above in Item III.1. (Requirements With Which All Applications Subject to Act 57 Must Comply), and the requirements in the Department's municipal waste regulations (25 Pa. Code Ch. 272), the following apply to applications that do not include mechanical processing equipment:

- The municipality must submit a complete and accurate application (§1937-A(a)(1)<sup>9</sup>).
- The municipality must prove it is not requesting funds for a recycling program that duplicates any existing public or private recycling program operating within the county (§1937-A(a)(2)<sup>10</sup>). At a minimum, the municipality must:
  - Obtain a statement from the county recycling coordinator that the applicant has secured a list of known recycling enterprises operating within the county (§1937-A(a)(2)(I)<sup>11</sup>).
  - Include in the application a copy of the list (§1937-A(a)(3)<sup>12</sup>). The Department will also expect the municipality to provide the Department with a copy of the statement from the county recycling coordinator.
  - Meet advertising requirements if the grant application is in excess of \$30,000. (see below)

### **Advertising Requirements.**

If the grant application is in excess of \$30,000, the municipality must publish an advertisement once a week for 4 consecutive weeks in a daily or weekly newspaper of general circulation (§1937-A(a)(2)(II)<sup>13</sup>). The regulation requires the advertisement to be in the form of a display ad. (25 Pa. Code §272.333(c)(1)(iv).) The Department expects this newspaper notification to:

- Describe in reasonable detail what the municipality would accomplish with the grant.
  - State that the grant is being sought from the Commonwealth's Recycling Fund, under the Municipal Waste Planning, Recycling and Waste Reduction Act.
  - State the name, business address and business telephone number of the appropriate municipal employee to whom responses to the newspaper notification should be sent.
- If the grant application is in excess of \$30,000 the municipality must:

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<sup>9</sup> 71 P.S. §510-37(a)(1).

<sup>10</sup> 71 P.S. §510-37(a)(2).

<sup>11</sup> 71 P.S. §510-37(a)(2)(i).

<sup>12</sup> 71 P.S. §510-37(a)(3).

<sup>13</sup> 71 P.S. §510-37(a)(2)(ii).

- Include in the application proof of publication of the newspaper notification (§1937-A(a)(3)).
- Include in the application copies of all written responses received as a result of the newspaper notification (§1937-A(a)(2)(III)<sup>14</sup>). To facilitate efficient review by the Department, the applicant should describe in the application any responses it received and explain why the municipality has concluded that the proposed recycling project will not duplicate any existing municipally or privately operated program operating within the county.

**Go to page 13.**

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<sup>14</sup> 71 P.S. §510-37(a)(2)(iii).

### **3. Applications For Mechanical Processing Equipment Only**

In addition to the requirements described above in Item III.1. (Requirements With Which All Applications Subject to Act 57 Must Comply) and the requirements in the Department's municipal waste regulations (25 Pa. Code Ch.272), the following apply if an application requests only a grant for mechanical processing equipment:

- The municipality must submit a complete and accurate application (§1937-A(a)(1)<sup>15</sup>).
- The municipality must demonstrate to the Department's satisfaction that the equipment is not available to the program in the private sector (§1937-A(a)(4)<sup>16</sup>). Prior to submitting the grant application the municipality must:
  - Obtain a statement from the county recycling coordinator that the applicant has secured a list of known recycling enterprises operating within the county (§1937-A(a)(4)).
  - Include in the application a copy of the list (§1937-A(a)(3)<sup>17</sup>). The Department will also expect the municipality to provide the Department with a copy of the statement from the county recycling coordinator.
  - Meet advertising requirements. (See below)

#### **Advertising Requirements.**

- The municipality must publish at least once in a daily or weekly newspaper of general circulation a notice describing in reasonable detail the proposed equipment to be purchased and the proposed use of the equipment and allow 30 days for written response from any interested persons (§1937-A(a)(4)). If the retail value of the equipment is more than \$200, the applicant must publish the newspaper notice once a week for two consecutive weeks (25 Pa. Code §272.333(c)(1)). If the grant application is in excess of \$30,000, the municipality must publish the advertisement once a week for 4 consecutive weeks in a daily or weekly newspaper of general circulation (§1937-A(a)(2)(II)<sup>18</sup>). The newspaper advertisement must:
  - Describe in reasonable detail the equipment the municipality proposes to purchase or cause to be purchased.

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<sup>15</sup> 71 P.S. §510-37(a)(1).

<sup>16</sup> 71 P.S. §510-37(a)(4).

<sup>17</sup> 71 P.S. §510-37(a)(3).

<sup>18</sup> 71 P.S. §510-37(a)(2)(ii).

- Describe the intended uses of the equipment.
  - State that interested persons may submit comments to the municipality within 30 days of publication of the notice.
  - Be in the form of a display advertisement (*25 Pa. Code §272.333(c)(1)*).
- The Department requests that the newspaper notice also:
    - State that funding is being sought from the Commonwealth's Recycling Fund, under the Municipal Waste Planning, Recycling and Waste Reduction Act, to assist with the purchase of recycling mechanical processing equipment.
    - State the name, business address and business telephone number of the appropriate municipal employee to whom responses to the newspaper notification should be sent.

The municipality must describe in the application any responses it received and explain why the municipality has concluded that the equipment is not available from the private sector. (§1937-A(a)(4).) Copies of the written responses should be included in the application.

The municipality must include in the application proof of publication of the newspaper notification (§1937-A(a)(3)). The proof of publication must be a dated copy of the newspaper notice (*25 Pa. Code §272.333(c)(1)*).

The municipality must include in the application a copy of the list it secured of known recycling enterprises operating within the county (§1937-A(a)(3)). The Department will also expect the municipality to provide the Department with a copy of the statement from the county recycling coordinator.

**Go to page 13.**

#### **4. Applications that Include Mechanical Processing Equipment as well as Other Recycling Functions**

In addition to the requirements described above in Item III.1. (Requirements With Which All Applications Subject to Act 57 Must Comply) and the requirements in the Department's municipal waste regulations (25 Pa. Code Ch. 272), the following combination of requirements applies if an application includes a request for a grant for mechanical processing equipment as well as for other recycling functions.

- The municipality must submit a complete and accurate application (§1937-A(a)(1)<sup>19</sup>).
- For the mechanical processing equipment portion of the application, the municipality must demonstrate to the Department's satisfaction that the equipment is not available to the program in the private sector (§1937-A(a)(4)<sup>20</sup>). For the portion of the application not requesting funding for mechanical processing equipment, the municipality must prove that the municipality is not requesting funds for a recycling program that duplicates any existing public or private recycling program operating within the county (§1937-A(a)(2)<sup>21</sup>). To satisfy both of these requirements, the municipality must do the following:
  - Obtain a statement from the county recycling coordinator that the applicant has secured a list of known recycling enterprises operating within the county (§1937-A(a)(2)(I) and (a)(4)<sup>22</sup>).
  - Include in the application a copy of the list (§1937-A(a)(3)<sup>23</sup>). The Department will also expect the municipality to provide the Department with a copy of the statement from the county recycling coordinator.
- Meet advertising requirements. (See below)

#### **Advertising Requirements For Grants Less Than or Equal to \$30,000.**

- The municipality must publish at least once in a daily or weekly newspaper of general circulation a notice describing in reasonable detail the proposed mechanical processing equipment to be purchased and the proposed use of the equipment and allow 30 days for written response from any interested persons (§1937-A(a)(4)). If the retail value of the equipment is more than \$200, the

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<sup>19</sup> 71 P.S. §510-37(a)(1).

<sup>20</sup> 71 P.S. §510-37(a)(4).

<sup>21</sup> 71 P.S. §510-37(a)(2).

<sup>22</sup> 71 P.S. §510-37(a)(2)(i) and (a)(4).

<sup>23</sup> 71 P.S. §510-37(a)(3).

applicant must publish the newspaper notice once a week for two consecutive weeks (25 Pa. Code 272.333(c)(1)). The newspaper advertisement must:

- Describe in reasonable detail the equipment the municipality proposes to purchase or cause to be purchased.
  - Describe the intended uses of the equipment.
  - State that interested persons may submit comments to the municipality within 30 days of publication of the notice.
  - Be in the form of a display advertisement (25 Pa. Code §272.333(c)(1)).
- The Department requests that the newspaper notice also:
    - State that funding is being sought from the Commonwealth's Recycling Fund, under the Municipal Waste Planning, Recycling and Waste Reduction Act, to assist with the purchase of the mechanical processing equipment.

### **Advertising Requirements For Grants Greater Than \$30,000.**

- The municipality must publish once a week for 4 consecutive weeks in a daily or weekly newspaper of general circulation, notification of the grant application (§1937-A(a)(2)(II)<sup>24</sup>). The applicant must allow 30 days for written response from any interested persons from the date of the first newspaper notice (§1937-A(a)(4)).
- That portion of the notification concerning the proposed mechanical processing equipment must describe in reasonable detail the proposed mechanical processing equipment to be purchased and the proposed use of the equipment (§1937-A(a)(4)). If the retail value of the equipment is more than \$200, the applicant must publish the newspaper notice once a week for two consecutive weeks (25 Pa. Code §272.333(c)(1)). The newspaper notice must:
  - Describe in reasonable detail the equipment the municipality proposes to purchase or cause to be purchased.
  - Describe the intended uses of the equipment.
  - State that interested persons may submit comments to the municipality within 30 days of publication of the notice.
  - Be in the form of a display advertisement (25 Pa. Code §272.333(c)(1)).

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<sup>24</sup> 71 P.S. §510-37(a)(2)(ii).



- The Department expects that the notification will:
  - Describe in reasonable detail what the municipality would accomplish with the non-equipment portion of the grant.
  - State that the grant is being sought from the Commonwealth's Recycling Fund, under the Municipal Waste Planning, Recycling and Waste Reduction Act.
  - State the name, business address and business telephone number of the appropriate municipal employee to whom responses to the newspaper notification should be sent.
- The municipality must include in the application copies of all written responses received as a result of the newspaper notification (§1937-A(a)(2)(III)<sup>25</sup>). To facilitate efficient review by the Department, the applicant should describe in the application any responses it received and explain why the municipality has concluded that the proposed recycling project will not duplicate any existing municipally or privately operated program operating within the county. For responses concerning mechanical processing equipment, the municipality must describe the responses in the application and explain why the municipality has concluded that the equipment is not available from the private sector (§1937-A(a)(4)).
- The municipality must include in the application proof of publication of the newspaper notification (§1937-A(a)(3)).

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<sup>25</sup> 71 P.S. §510-37(a)(2)(iii).

#### **IV. COUNTY INVOLVEMENT**

In a reasonable amount of time, the county recycling coordinator or, where a coordinator has not been appointed, a responsible county official shall provide a statement to a requesting municipality that the municipality has secured a list of known recycling entities operating within the county.

The Department will make available to a requesting county data on the available end-use industries, materials processing centers, drop-off centers, curbside recycling programs, and composting facilities to assist the applicants in the preparation of the list. Recognizing that it may be difficult, if not impossible, for a county to provide an all-inclusive, accurate and up-to-the-minute list of recycling enterprises, the county may wish to condition its list accordingly in writing. The following are some ideas that the county may or many not wish to adopt or modify in conditioning its list. These are merely IDEAS and are not required. The Department recommends that a county consult with its solicitor in developing appropriate conditions, if the county chooses to include conditions.

- The contents of the list are provided for informational purposes only.
- The list is a list of “KNOWN” recycling enterprises, as required by Section 1937-A of the Administrative Code of 1929, as amended. Consequently, the county does not guarantee that the list is complete.
- Mention of any person, company, business, operation, facility or site does not constitute endorsement, or approval, thereof by the county; nor does the absence of any person, company, business, operation, facility or site from the list necessarily constitute disapproval thereof by the county.
- Inclusion of a name on the list is not a recommendation to use that enterprise, nor is it a representation of the availability or quality of service the enterprise could provide.
- Inclusion of a name on the list is not a representation that the enterprise is currently operating.
- Inclusion of a name on the list is not an assurance or other warranty that the enterprise has complied, is in compliance, or will comply with the law.
- At the request of a recycling enterprise the county will add or delete it from the list.
- Any variation or deletion of the above ideas or any other appropriate point the county wishes to make.

## **V. CHANGES UNRELATED TO SECTION 902 GRANTS**

Revisions to Pennsylvania's municipal waste program which are unrelated to Section 902 grants are also included in Section 13 of Act 57. These revisions affect the review times for municipal waste facility permit applications<sup>26</sup> and affect the Recycling Fund Advisory Committee<sup>27</sup> and the \$2.00 per ton recycling fee<sup>28</sup>. Complete and partial repeals of existing statutory sections necessary to effect these and the recycling grant revisions are found in Section 15 of Act 57.

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<sup>26</sup> 71 P.S. §510-35.

<sup>27</sup> 71 P.S. §510-36(a).

<sup>28</sup> 71 P.S. §510-36(b).