



Increasing Commercial Recycling: Tips for Local Agency Leaders

Californians began recycling in earnest more than 20 years ago. Galvanized by passage of the California Integrated Waste Management Act, also known as AB 939 (Chapter 1095, Statutes of 1989), local agencies, solid waste and recycling service providers, residents and some businesses embraced the “reduce, reuse and recycle” ethic, thus keeping recyclable materials out of landfills. As a result, California’s 2009 recycling rate exceeded 60 percent, according to the California Department of Resources, Recycling and Recovery (CalRecycle). Furthermore, during 2009 Californians recycled more than 17.2 billion beverage containers — an increase of more than 1 billion containers compared to 2008. California continues to lead the nation in total quantity of bottles and cans recycled.

Nearly all cities and counties, in collaboration with their local waste haulers, have robust programs to collect and recycle materials from residential customers. However, commercial recycling programs are not as numerous, although the number is increasing. Many local governments are considering adopting programs or ordinances to encourage or require businesses to recycle. The leadership experiences of these cities and counties can help others as they consider how best to increase commercial recycling.

Key Issues to Consider

Like many other local government programs, recycling does not exist in a vacuum. Thus, when considering whether and how to increase business recycling it’s important to evaluate the existing regulatory structure, recycling infrastructure and issues unique to a community’s business sector.

Review Existing Franchises, Permits and Contracts. Any commercial recycling program, whether it’s mandatory or voluntary, should be considered in the context of the agency’s existing solid waste and recycling regulatory system. This includes existing exclusive or non-exclusive franchises; local solid waste ordinances, policies and regulations; and hauling permit or contract conditions.

For example, if an agency has an exclusive franchise with one solid-waste hauler to serve the commercial sector, reviewing any recycling service, reporting or enforcement requirements included in the franchise is a good idea. Agencies that use an “open competition” system, where multiple haulers operate in the commercial sector, may also have contract or permit conditions related to offering recycling services by haulers or recyclers.

Determine Types of Material to Include. Deciding what materials to include in a commercial recycling program is a critical first step. Existing franchises or permits may

already specify the type of recyclable materials haulers must collect. Thus, a new program should take this into consideration. In addition, before including organic or green waste it's important to evaluate the collection, processing and marketing infrastructure available to support such action.

Consider Large Venues or Special Events. Existing California law (Public Resources Code section 42648 and following) includes recycling requirements for large venues and special events attended by more than 2,000 people. Some local commercial recycling ordinances or programs include requirements that are more stringent than existing law, while others require recycling as part of permits issued for special events. It is important to ensure that these multiple requirements are consistent when considering whether and how to include large venues and special events in a commercial recycling program or ordinance.

Exclusive Franchise Versus Open Competition. Virtually all solid waste and recycling services for the residential sector are delivered through an exclusive franchise where only one service provider is authorized to operate. But for the commercial sector, some solid-waste and recycling services are provided through an exclusive franchise while some are provided through an "open competition" system where multiple services providers operate through a permit, contract or non-exclusive franchise. Some agencies provide the services themselves. In an open competition system, haulers and recyclers offer services to businesses and generally set their own rates and service levels.

However, some related factors should be considered when developing a new ordinance or program. For example, agencies with an open competition system need to be sensitive to competitive issues that may impact haulers or recyclers. Most haulers or recyclers are eager to comply with recycling requirements. However, in certain situations, asking haulers or recyclers to enforce the ordinance by identifying waste generators who do not recycle (and thus making the generator subject to potential enforcement action) could put some haulers or recyclers at a competitive disadvantage with their customers if other haulers or recyclers ignore the enforcement requirements.

Tiered Fee Structure to Encourage Recycling. A tiered fee structure, in which no or lower fees are charged for recycling services compared to garbage collection services, provides a financial incentive for businesses to recycle. In some jurisdictions, the haulers establish the tiered fee structure. In others, the local agency establishes the fee structure as part of the franchise or permit. Either way, a tiered fee structure can be a powerful incentive for businesses to recycle.

Enforcement Options. Whether or not to include an enforcement component in a commercial recycling program or ordinance is up to the local agency. A voluntary program, for example, likely will need only a strong education component. However, a mandatory program may also benefit from an enforcement program that includes incremental steps — from education and notification to citations and fines — to achieve compliance by businesses. Some agencies do the enforcement themselves, while others do it jointly with the solid waste and recycling service providers. The important issue to remember is to design an enforcement system that fits the local circumstances.

Education and More Education

Ongoing educational outreach is the single most critical element of a successful commercial recycling program. Existing and new businesses need to be well informed about the recycling requirements, the types of material to recycle, where to store recyclable materials and the potential financial benefits of recycling, if a tiered rate structure exists.

Involve Affected Businesses

When considering a new program that encourages or requires businesses to recycle, involving businesses and haulers throughout the process makes it possible to identify and resolve potential concerns before they become a problem. Furthermore, many haulers and recyclers have experience in providing commercial recycling services that may be helpful as the agency designs its program.

For More Information

The Institute for Local Government's Commercial Recycling Resource Center (www.calilg.org/commercialrecycling) provides resources to help cities and counties increase commercial recycling. Available information includes a sample commercial recycling ordinance, stories about cities and counties with commercial recycling programs, examples of educational materials and access to past webinars about commercial recycling.

Commercial Recycling Regulatory Update

California is poised to adopt regulations that require certain businesses to recycle and local agencies to implement education and outreach activities to increase recycling by businesses. Visit www.calrecycle.ca.gov/climate/Recycling for more information.

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