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**Testimony of Gregory Anderson
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Oversight – Waste Equity, Transfer Stations, and Commercial Waste Zones

New York City Council Committee on Sanitation and Solid Waste Management

**Friday, April 29, 2022
11:00 A.M.**

Good morning Chair Nurse, and members of the City Council Committee on Sanitation and Solid Waste Management. I am Gregory Anderson, Deputy Commissioner for Policy and External Affairs at the NYC Department of Sanitation. I am joined by Justin Bland, Director of Commercial Waste for the Department, and David Feldman, Deputy Commissioner of Legal Affairs and General Counsel for the Business Integrity Commission. Thank you for the opportunity to testify today on these important topics related to commercial waste in New York City.

First, I want to say how thrilled I am to be testifying here in person, for the first time in two years. This has been an exciting two weeks for the Department of Sanitation, with a new Commissioner, new and restored programs, and millions in additional funding that the Commissioner and Mayor, along with many members of this Sanitation Committee, have announced over the past two weeks. Commissioner Tisch looks forward to the opportunity to discuss these and more topics at the Executive Budget hearing in just 11 days.

While DSNY collects trash and recycling from residential buildings, approximately 90 different private carters crisscross the city each night to service the city's 100,000 commercial businesses. The private carters dispose of waste at a network of private transfer stations and recycling facilities in New York City and around the metropolitan region. This Administration is committed to implementing critical reforms to this system, including Commercial Waste Zones. We are also committed to working with the City Council to continue these efforts in the future, especially as we begin the planning for our 2026 update to the City's Solid Waste Management Plan.

New York City's Solid Waste Management Plan

Let me begin with some history that explains where the City is today in terms of waste management. In 2006, the New York City Council adopted the City's Solid Waste Management Plan (SWMP). The SWMP is a fair, five-borough plan to sustainably manage New York City's waste and offer flexibility and resiliency in the case of a natural disaster or other emergencies. The SWMP mandates a shift from waste export by long-haul trucking to a system of marine and rail transfer stations spread throughout the five boroughs, and the SWMP's implementation has provided NYC with new world class infrastructure. In total, the SWMP has reduced truck traffic associated with waste export by more than 60 million miles per year, including more than 5

million miles in and around New York City. It has slashed greenhouse gas emissions by 34,000 tons annually.

After the closure of the Fresh Kills landfill, almost all of New York City's waste was exported by long-haul truck from privately-operated transfer stations. Because of zoning and siting restrictions, these stations were, and still are today, predominately located in three neighborhoods in North Brooklyn, Southeast Queens, and the South Bronx. The SWMP is based on the concept of borough equity, and it has steeply reduced truck traffic associated with waste collection and hauling in these communities.

The SWMP called for the creation of eight rail or barge-based transfer stations along with the use of an existing energy-from-waste facility in New Jersey. Together, these nine facilities make up a resilient and reliable network for the export of waste. They also create new waste transfer capacity that has allowed the City to permanently reduce permitted capacity at transfer stations in historically overburdened communities.

Private Transfer Stations

While the SWMP has transformed the residential waste export system with a focus on rail and barge export, private carters continue to rely on a network of private putrescible and construction and demolition (C&D) transfer stations that largely export waste by truck. These transfer stations perform an important service for New York City every day, helping NYC's businesses small and large dispose of the waste and recyclables they generate in their day-to-day business.

Local Law 40 of 1990 granted DSNY regulatory, permitting and enforcement authority over waste transfer facilities. After that law was adopted, DSNY enacted a stringent and comprehensive set of operating rules governing the use, conduct and operations of transfer stations. DSNY also adopted strict siting rules to restrict new transfer stations and increases in permitted capacity, and the siting rules increase in stringency based on the existing concentration of permitted transfer stations in a given community district. As a result of these regulations, no new transfer stations have opened in historically overburdened communities in at least 15 years.

The Department's Permit and Inspection Unit aggressively regulates the activities of all private transfer stations operating throughout the city by making unannounced visits to conduct thorough inspections of every putrescible and C&D transfer station an average of once per week. The vigorous inspection and enforcement efforts by the Department have contributed to an overall reduction in the number of transfer station permits by nearly two-thirds since Local Law 40 was enacted in 1990, to just 38 putrescible and C&D transfer stations permitted today. In the first three months of 2022, DSNY conducted 1,000 inspections at these facilities, and the Department has averaged 4,800 total inspections annually over the last three years.

New York City's Waste Equity Law

In August 2018, City Council passed Local Law 152, also known as the Waste Equity Law. LL152 required DSNY to reduce the permitted capacity of putrescible and non-putrescible transfer stations in four designated community districts.

LL152 required DSNY to reduce permitted capacity at transfer stations in Brooklyn Community District 1 by 50 percent and in Queens Community District 12 and Bronx Community Districts 1 and 2 by 33 percent. The law also allowed for certain limited exemptions to the reductions in permitted capacity for activities consistent with the City's goals. It allowed these limited exemptions for processing recyclables and organic waste and for diverting construction and demolition debris to beneficial use. The law also fully exempted facilities that export waste by rail and have on-site rail infrastructure. LL152 allows facilities to request a one-time permit increase of up to 20 percent to accommodate future growth in capacity for processing recyclables or organic waste.

From October 2019 through September 2020, the Department implemented reductions in permitted capacity at 22 facilities that hold a total of 24 transfer station permits. In total, the reductions implemented pursuant to LL152 cut permitted capacity in the four designated districts by 10,137 tons per day. Since October 2020, there have been no additional reductions to permitted capacity.

Four putrescible transfer stations located in the designated districts have opted to reserve a portion of their capacity exclusively to process source-separated organic waste for beneficial use. In total, these facilities reserved 377 tons per day of capacity to process source-separated organic waste, and this reserved capacity was excluded for the purposes of determining reductions in permitted capacity pursuant to LL152.

The total amount of waste handled at private transfer stations in NYC decreased from an average of 19,102 tons per day in 2019 to 15,912 tons per day in 2020. While some portion of this decrease is attributable to the permitted capacity reductions imposed under LL152, it is likely that a greater share of the decrease is attributable to the disruption to the commercial waste market associated with the COVID-19 pandemic. In the third quarter of 2021, the most recent period for which data are available, daily throughput at NYC transfer stations was 16,679 tons per day.

Commercial Waste Zones

In 2019, the City Council passed Local Law 199, requiring the establishment of Commercial Waste Zones (CWZ) throughout NYC. This exciting initiative came after of years of planning, analysis, and stakeholder engagement. Once implemented, the CWZ program will create a safe and efficient commercial waste collection system that advances the City's sustainability and zero waste goals while providing high-quality, low-cost service to NYC businesses. The new system is expected to nearly double the commercial diversion rate for recyclables and organic waste.

The concept behind Commercial Waste Zones is simple: instead of up to 50 carters operating in a single neighborhood on a nightly basis, there will be just a few. These companies will be selected through a competitive request-for-proposals (RFP) process that will identify the carters that can provide excellent service with the highest standards at low prices for each area. The resulting contracts will include standards for pricing, customer service, safety, environmental health, and requirements to promote the City's zero waste and sustainability goals.

The new system is expected to reduce commercial waste truck traffic by more than 50 percent, eliminating millions of miles of truck travel in every neighborhood in New York City, cutting air pollution and reducing the time it takes workers to complete their routes. The new system will nearly double the commercial diversion rate for recyclables and organic waste. Commercial

Waste Zones create a safer, fairer and more sustainable commercial waste than the system that operates today.

This Administration and our new Commissioner are laser-focused on achieving the sustainability, safety, and other goals of this program while also ensuring we create a system that works for all New York City businesses, including the small businesses that are vital to our City's economic recovery. It is important that we build a system that provides these businesses high quality service with transparent and affordable pricing.

The Department released Part 2 of the request for proposals (RFP) for Commercial Waste Zones in November 2021, and responses are now due on July 15, 2022. This second and final part of the RFP requests detailed plans and pricing proposals from the 50 responsive companies that responded to Part 1 of the RFP last year.

The Department issued several final rules prior to the release of Part 2 of the RFP, providing detail on the regulations and requirements carters will be subject to under the CWZ program. These include the designation of the 20 zone boundaries, customer service, recycling and organics, operational requirements within zones, safety and training, waste generation audits, and an administrative fee. Future rulemakings will be conducted to establish reporting and recordkeeping requirements, establish the transition dates for each zone and define the protocol for ensuring every customer has a carter at the end of their transition period.

DSNY is currently staffing up a new Bureau of Commercial Waste to continue the implementation of this program, including outreach staff, technical experts, and contract administrators. We expect to finalize the contracts by the end of the year and begin customer transition in 2023. The zones will be transitioned in phases over a period of up to two years.

Thank you for this opportunity to testify this morning on these important topics that impact all New Yorkers. My colleagues and I are now happy to answer your questions.