

CUSTOMER LETTER – 10/4/07

Dear Customer:

As business owners or managers, we have all struggled the last several years to deal with the dramatic rise in fuel costs along with the endless increases in local real estate and property taxes. Soon, if the Southeast Public Service Authority (SPSA) has its way, we may be forced to double the costs you are paying for your trash disposal. We are writing to tell you about the voice you have in avoiding these potential increases.

SPSA, the regional agency in charge of processing solid waste, is vigorously pushing its members, the communities of Norfolk, Portsmouth, Chesapeake, Virginia Beach, Suffolk, Franklin, Southampton and Isle of Wight, to force us to charge you at least 50% more by imposing what is called “flow control”.

Flow control permits a government agency, such as SPSA, to require by law that all trash generated in a region be disposed exclusively at its facilities at whatever price it wants to charge. Today, residential waste collected by the member communities has to come to SPSA, but because trash from commercial enterprises can be taken to private landfills, SPSA must compete for it in a fair and efficient business manner. This free market system would end with flow control. What will that mean for you?

- Private haulers will have to pay whatever rate SPSA charges, with the increases passed on to our commercial customers, meaning you. SPSA says the fee assessed for commercial customers will rise from the current \$28/ton to \$55/ton, but with a monopoly on pricing, it is sure to climb quickly as SPSA struggles to retire a \$270-million debt by 2018.
- Operating as a monopoly, SPSA will have no incentive to reduce its budget, which is now 8-10 times higher than regional waste agencies on the Peninsula and in the Greater Richmond area. Those organizations have tipping fees in the range of \$30/ton (compared to the current \$100/ton for most southside municipalities), their workforce is at least a seventh of SPSA’s (70 on the Peninsula compared to 500 for SPSA), and they have little or no debt to retire.

- Your costs will rise giving the localities more money to spend at your expense.

SPSA already receives 95% of the privately generated trash in its service area, so what happens if there is no additional waste and revenue to cover its debt? You guessed it. SPSA will undoubtedly raise rates, not on localities that will have the votes on the board to stop it, but on the private sector, and all its customers and tenants, that won't. What would you expect from a government agency that ignored a demand from its board to cut its budget but instead hiked it by 11% and gave its director a raise?

SPSA is in a hurry to convince elected officials to enact flow control before the business community realizes what hit them. Norfolk, Isle of Wight and Southampton are already on board. Here's what you need to do to convince the remaining five cities to slow down and take a hard look at how waste is processed and consider alternatives to flow control.

- Call, write or e-mail members of the Councils and Boards of Supervisors in the communities where your business operates. Tell them how much flow control will hurt your business and not to give SPSA the unrestrained monopoly power it seeks.
- Write a letter to the editor, stating your opposition to flow control.
- Educate yourself further on this critical issue by visiting our website at www.vwia.com.

It's not too late to stop flow control, but time is running out. The cities are staging public hearings and votes **now**. CALL ME FOR DETAILS ON HOW YOU CAN HELP.