

OP ED for Virginian Pilot
To be submitted over the signature of Mike Dobson
September 26, 2007

While Hampton Roads sleeps, the garbage man is taking us to the cleaners.

So far three of eight southside city councils and boards of supervisors, with little or no debate, have given the Southeastern Public Service Authority (SPSA) carte blanche to extricate itself from the free market system and impose unlimited charges on commercial property owners, or more to the point, those who rent from them.

It's all in the name of flow control, an insidious concept that the U.S. Supreme Court enabled earlier this year. Flow control allows municipal waste authorities, like SPSA, to require that all trash collected in a region be brought to a single government operated landfill. No longer would SPSA have to run its system in a competitive manner so that private haulers, like those I represent, have a choice as to whether it is best to bring their customers' garbage to SPSA or to their own or others landfills. Instead SPSA can now count on an endless stream of waste and money, an ironic combination considering how much money SPSA has wasted over its troubled history.

Currently private haulers pay less per ton in tipping fees than most municipalities in the region because they have the option of taking the trash elsewhere. In fact they now pay dramatically less because SPSA recently raised the fees charged their member localities (except Virginia Beach and Suffolk which have separate contracts) from \$57 to a staggering \$100/ton to retire its \$270-million in debt by 2018. The reason, or reasons, SPSA has this liability are legion, starting with their well-reported unchecked spending, continuing with their practice of borrowing long term money to pay off short term expenses and ending with their members' unwillingness to charge themselves sufficient tip fees to cover costs or to outsource services, as is done by regional waste agencies in Richmond and the Peninsula where fees are much lower.

Flow control will permit SPSA to lower rates on its member localities, to about where they were before it raised them to \$100/ton, while dramatically increasing them on the private sector. At first the fees charged localities and haulers will be equalized, which will naturally make the cities and counties happy because they will realize a "savings" over what they pay SPSA now to landfill the garbage produced by their homeowners. But

because SPSA insists flow control will be revenue neutral, where will it find the estimated \$191-million it says the cities and counties will save?

It will come from apartment dwellers, retailers, office tenants, military installations, in other words anyone that contracts with a private company to pick up its dumpsters each week. Is this cost shifting from one segment of the community to another responsible? Does it help SPSA pay off its debt any faster? Or does it make businesses in Norfolk, Portsmouth, Chesapeake, Suffolk, Virginia Beach, Franklin and the counties of Isle of Wight and Southampton less competitive by driving up their costs of operations and what they must charge their tenants and customers?

Further there is no assurance that there actually will be enough private sector revenue to make up the difference. Where then would SPSA find the millions to retire its debt? Through more cuts in its operations? Hardly. What's more likely is that SPSA, with flow control in place to assure itself monopoly status, will simply raise the rates on private haulers, who will have no choice but to pass the costs along to their customers. Among them ironically will be the area's public school systems, which will forward the bills to their cities and counties, thus depleting the "savings" SPSA is promising its members.

If all this sounds at least concerning to you, why have Norfolk, Isle of Wight and Southampton already given SPSA the right to impose flow control in their municipalities? In fact they did so with barely any notice and precious few queries as to the long-term implications. SPSA's high priced lawyers and consultants slipped in the back door, made their pitch and watched the council and board members dutifully vote their way. How Norfolk, with so many apartment renters and major companies, could sell them out so quickly and without dissent was frankly shameful.

But flow control will not work without the major cities also falling into line, and we believe Chesapeake, Virginia Beach, Portsmouth, Suffolk and Franklin, who are being pushed unmercifully by SPSA to hurry up and vote for flow control before the community wakes up, will slow down and ask the hard questions I am posing here.

South Hampton Roads, you've been warned. If you believe SPSA has earned the right to be exempted from the free enterprise system, if you believe there is an unlimited amount of money in the economy to support this authority's extravagant spending, then sit back and let flow control happen. If you don't, you better speak to your councilman or woman soon before it's too late.