

The Garbage Deal

by George Wearn, CROWD

Pierce County's contract with garbage handler Land Recovery, Inc. (LRI) expires in three years. Not until 2011 is a new contract needed. But County Executive John Ladenburg, whose term in office ends in four months, is in a big hurry to sign a new contract with LRI. He wants to extend it for a very long time, at a very high price to garbage ratepayers. And he won't say why, except that it's good for LRI.

The County Council has now endorsed Ladenburg's proposal, ensuring it will go into effect. The 28-year contract extension is worth a staggering \$1.7 billion to the private garbage company. To put that price tag in perspective, it is more than twice the cost of building the new Tacoma Narrows Bridge. It is twice as much as the entire operating budget for Pierce County government in 2008. The cost of cleaning up the Asarco Superfund mess in Tacoma, at \$1.33 billion, pales in comparison to what Mr. Ladenburg intends to pay LRI for garbage disposal.

In fact, the LRI contract extension is without precedent in our county, both in dollar amount and length. No other company has a government-sanctioned monopoly guaranteeing tens of millions of dollars in annual revenues for dozens of years into the future.

The contract will raise our garbage rates, already the highest in the state, at a time when we are pinched by rising gas, food and other costs of living. Lower-cost options, such as contracting with other companies for out-of-county disposal, will be precluded by the 28-year commitment to deal exclusively with LRI.

And while LRI appears to be a local company, active in local politics, that doesn't mean the \$1.7 billion revenue stream will benefit the local economy. LRI already is partly owned, and will soon be wholly owned, by a California conglomerate called Waste Connections. The local minority owner of LRI has announced an intention to sell out to Waste Connections. That means exporting profits out of the county.

What will county ratepayers receive from LRI in exchange for this lucrative deal? Don't look for minimum standards of performance. They are not part of the pact. Don't expect cost controls. They are not promised either.

Ratepayers bear all the risks. LRI reaps the rewards.

Council members have said the 28-year term is necessary for LRI to recoup its investment in our solid waste system. This rationale is puzzling. The company has permitted and built the Hidden Valley Transfer Station and the 304th Street Landfill without any promise of revenues beyond 2011. If those were unwise investments, county ratepayers should not pay the price.

The 304th Street landfill in Graham was supposed to last 20 years, until 2019. It is located over a sole-source aquifer that provides drinking water to county residents. By promising LRI a contract until 2036, the county will prolong the life of the landfill and the threat it poses to our environmental health.

LRI wants to expand the Graham landfill. The contract envisions that the county will condemn private property to aid LRI's expansion plan, so that LRI can avoid paying the property owners a fair purchase price on normal market terms. The targeted land, next to the landfill, is worth hundreds of millions of dollars to LRI but the company wants the county to try to condemn this private property for a pittance.

There is an odor arising from this garbage deal. And it's not just the garbage that stinks.