

# Solving the Rhode Island Solid Waste Management Crisis

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## Abstract

The Rhode Island Solid Waste Management Corporation (SWMC) is responsible for the state's public, statewide waste management system. Currently, the SWMC is carrying \$30 million in debt, is operating with a budget deficit, and must build new facilities which require large capital investments. In response to this financial crisis, the Governor has requested bids from private companies for the SWMC's assets.

I recommend saving the Corporation. Privatizing solid waste management in Rhode Island would sacrifice: (1) the close working relationship between the SWMC and the Department of Environmental Management; (2) state control over the pricing of and access to solid waste disposal; (3) the SWMC's capacity for research and promotion of source reduction; (4) the SWMC's incentive program for recycling; and (4) profit-free pricing of waste disposal to municipalities.

As an alternative, I first recommend reducing the burden of new facilities which must be built by the SWMC to two new landfills on property that it already owns. Second, the legislatively imposed limit on fees that can be charged for municipal waste must be removed so that the SWMC can balance its annual budget. Third, the most beneficial mechanism for pricing would be a user fee system -- "Bag & Tag" -- where consumers pay directly for trash disposal. The user fee system would cost less than a dollar per bag, would encourage source reduction and recycling, and would allow the Corporation to balance its budget.