FINANCING
ESTABLISHING ACCESS TO INVESTMENT TOOLS FOR RECYCLING PROJECTS

Rationale

Waste reduction recycling are capable of handling substantial portions of the solid waste stream and in many cases reducing overall public and private expenditures on solid waste management Innovative, large-scale recycling programs will require full funding to achieve their maximum potential. To expand their operations, private firms that use recovered materials require assurance that recycling collection programs can reliably supply large quantities of materials at consistently high levels of quality.

Improved financial mechanisms for recycling, such as contractually guaranteed delivery of materials and tipping fees to intermediate materials processing plants, can leverage greater private revenue bond financing, Source reduction often has substantial benefits in product purchase and use patterns that occur outside the waste disposal system and are rarely counted as part of the benefits of source reduction programs.

Fiscal policies for solid waste management that discriminate against reduction and recycling distort the role of market forces in determining the mix of waste management options and participants within an integrated solid waste management framework and, in practice, undermine the intent of the solid waste management hierarchy.

Policy

Public solid waste management investment decisions must incorporate full and fair comparisons of the economic and environmental costs of all solid waste reduction, recycling, management and disposal options including benefits that occur during waste production.

Appropriate fiscal policies and funding mechanisms must be developed so that, at the very least, they provide waste reduction and recycling with financial opportunities consistent with those available to other waste management options. Federal financial assistance should be provided to local government (i.e., seed money supplemented by a state match for low-interest loans or similar arrangements) focusing on regional recycling and yard waste composting programs, local market development programs and source reduction programs.

Federal and state tax codes should be revised to make tax-exempt financing available for funding the development of public and private sector recycling.

The National Recycling Coalition recommends that before issuing Requests for Proposals (RFPs) for specific waste management services, local governments should have in place a comprehensive plan for managing all elements of the solid waste stream. Federal and state governments should require that these plans contain appropriate recycling and waste reduction implementation strategies reflecting national and state waste management hierarchies and local environmental and market considerations. To the extent feasible these RFPs should be drafted to encourage competition and innovation for recycling services.

Local governments should offer the same financing mechanisms, and risk protection measures for

different waste management and recycling services.

The National Recycling Coalition recommends that in generating revenue for recycling systems, emphasis be placed on specifically dedicated and secure revenue sources.

In making these recommendations, the National Recycling Coalition acknowledges local governments' need for technical assistance to implement these recommendations and the critical need for measures to stimulate market demand for the recyclable materials collected by local government recycling programs.

Cross-reference: Recycling Economics