

Aug. 19, 2015

Waste Management in opposition to HB4783

Mr. Chairman and members of the committee, thank you for the opportunity to comment on this important piece of legislation. I am speaking this morning in opposition to HB 4783.

My name is Tom Horton, I'm Government Affairs Manager for Waste Management in Michigan, Ohio and Indiana. Our regional office is in Wixom, MI. Waste Management is the largest provider of solid waste collection, recycling and landfill services in North America. The company owns and operates 16 of Michigan's 47 Type II landfills.

Landfills are among the most highly regulated businesses in Michigan and across the nation. They are subject to stringent state and federal regulations and local host community agreements. Every aspect of a landfill's operations is governed by specific regulations and rules. Legal and financial responsibility for the environmental integrity and safety of the landfill rests with the owner and extends for a minimum of thirty years after a landfill closes.

These obligations, coupled with the tens of millions of dollars required to build and operate a landfill represent an investment that is immediately at risk if a landfill operates improperly. The DEQ controls our license to operate and may issue a cease and desist order, which immediately closes a facility and keeps it closed until the DEQ rescinds the order.

Cease and desist authority is a more powerful regulatory tool than a fine. But fines and cease and desist authority are not the main drivers of landfill regulatory compliance. The most powerful deterrent is the absolute need for our landfills to avoid any kind of black mark on their operating records. A regulatory violation can cause customers to lose confidence in us and stop using our landfills. Violations also threaten our ability to renew our license or obtain county plan approval for additional disposal capacity.

The DEQ possesses a full arsenal of weapons to force landfill regulatory compliance including fines that are already at devastating levels because they can be assessed day after day. What concerns me about increasing them is the potential impact they could have on the willingness of landfills to accept difficult to manage materials like municipal sewage sludge, dead animals from commercial livestock operations and industrial waste products. Increased fines will not increase regulatory compliance because landfill operators are already striving to comply at the highest level. The danger lies in an already risk adverse landfill industry shying away from accepting odorous waste products because of the threat increased fines pose.

The proposed legislation seeks to increase civil fines imposed under the state's solid waste regulations. Initial violations would increase from \$10,000 to \$25,000 per day and second violations would increase by a factor of 3, from \$25,000 to \$75,000 per day. The proposed increases are severe, and will apply not to just landfill operators. Everyone regulated under Michigan's solid waste rules will be subject to these increased fines, including municipalities, utilities and businesses operating monofills as well as mom and pop transporters and compost facilities. Increasing fines to these levels, without assurance they will have a clearly measurable impact on regulatory compliance, are an unnecessary burden on Michigan's regulated community. For these reasons, Waste Management opposes HB 4783.

