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Slow burn

By News Hits staff

As promised, News Hits has been keeping close tabs on the issue of Detroit's garbage and the question of what to do with it come July 1. That we're just five weeks from that contract deadline and still don't know for certain whether the city will continue burning 5.5 million pounds of trash daily or start sending it to landfills — and won't know until three weeks from now — is beyond absurd.

In a deal so convoluted even the lawyers charged with evaluating it for City Council are left scratching their heads in confusion, the Greater Detroit Resource Recovery Authority (GDRRA) — the quasi-public agency charged with overseeing the disposal of Detroit's refuse — won't announce the winning bidder until June 17.

It appears that landfill operator Republic Services came in with the lowest bid, which should mean that the city will stop burning its trash on July 1. But, as with most things involving the incinerator debate, appearance and what passes for reality don't necessarily mesh. It may be that GDRRA will say people who have been evaluating the proposals didn't really understand them and that facility operator Covanta actually submitted the lowest bid. Or that Covanta, though it did not initially provide the lowest bid, has come back with an offer that meets or beats Republic's — something it is contractually allowed to do.

It gives the News Hits team some small measure of comfort knowing that, when it comes to figuring things out on this issue, we're not the only ones left feeling as though we're walking through a minefield while wearing a blindfold.

In a May 21 report to City Council, **David Whitaker**, director of the council's Research & Analysis Division (RAD), noted that even at this late date " ... it is still extremely challenging to determine what options the city now has, and how much money each option will cost."

As this is being written, the council is supposed to be putting the final touches on changes to the city's proposed budget for 2009-10. But when it comes to funding GDRRA at this point, making an allocation is like throwing darts in the dark.

According to the RAD report, based on bid information in spreadsheets provided by GDRRA, using Republic's landfill instead of the incinerator would cost the city about \$250,000 less per year.

The citizen group Coalition for a New Business Model for Solid Waste — which has been pushing for the city to start landfilling its trash while mounting a massive recycling effort — notes with concern in a May 22 letter that the council is being asked to approve the budget for waste disposal *before* any contract for services has been approved by GDRRA.

The coalition contends that the recommended funding for GDRRA during the coming year is almost \$24 million, but that based on the group's analysis of the bids, the cost could be reduced to about \$12 million regardless of whether incineration or landfilling were chosen. The coalition contends the budget is inexplicably high.

Moreover, the group claims that while the landfill option contains no hidden pitfalls, continued incineration poses the potential for some major financial hits that GDRRA seems to be ignoring.

For example, even though the city no longer owns the facility, it could be on the hook when it comes to paying for any additional pollution-control equipment because it is GDRRA and not the plant owner that holds the air pollution permit for the incinerator. Consequently, "any costs associated with new regulatory liabilities will fall entirely on the city of Detroit," the group warns in its letter, adding that "stricter limits for currently regulated emissions are already moving through the Environmental Protection Agency.

"New regulations for Greenhouse Gas emissions will be produced soon that will likely require new pollution controls or purchase of pollution credits — resulting in a potential additional cost liability of millions of dollars to the City ... that are not currently documented or even referenced in Covanta's proposal."

Also of concern is what will happen regarding the steam produced at the incinerator and sold to privately owned Detroit Thermal, which then turns around and sells much of that steam to the city, which uses it to heat and cool public buildings downtown. If Covanta is paid more than expected for the steam, then the price it charges the city for burning garbage would be reduced. However, Covanta doesn't say anything about "what happens to the contract bid if the price for steam is lower than their assumption."

The sense among critics of the incinerator has long been that this fight would be uphill all the way. It is simply easier to keep doing business the way it's been done for decades than to make drastic change. Add to that the corporate self-interest of a company like Covanta, which is actively lobbying council members to reverse the position they took last year in support of recycling and landfills.

In a previous report to council, RAD's Whitaker made note of GDRRA's "lack of transparency" and the "apparent likelihood that GDRRA may have made a decision to continue incineration. ..." The new report reinforces those concerns, stating that GDRRA's bidding process appears to have been structured in a way that provides "a distinct competitive advantage" to Covanta.

News Hits is edited by Curt Guyette. Contact him at 313-202-8004 or NewsHits@metrotimes.com.

Comments

On 5/28/2009 3:50:19 PM, Simone said:

Thank you MT for keeping the community informed on the complex issues with the incinerator. As typical with environmental issues, the costs to health are not factored into overall costs of Detroit's incineration. Detroiters have to live with air pollution from many sources and city leaders should be doing whatever possible to reduce impacts to health--opting for better available technologies like recycling over incineration, which will also create jobs. It is outrageous that 40% of what is burned daily in this incinerator is suburban waste and we Detroit residents must breath the dioxin from incinerated plastics, proven to cause cancer. With Detroit's high asthma, heart disease, cancer, and early mortality--where are the true leaders who are protecting our health and showing vision for a cleaner, healthier, future-oriented Detroit?