

## **Austin Texas's Recycling Program Is Impervious To Reality**

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A landfill piled with hundreds of tons of unrecycled glass bottles pulled from residents' recycling in Austin, Texas is jokingly called the highest peak in South Austin.

Texas Disposal Systems, the company responsible for 40 percent of the city's recycling program, told officials with the Austin Resource Recovery Department they're holding the unprocessed glass in a landfill until it builds its own waste-glass plant.

No plans for the plant or a date when it might begin dealing with the recycling backlog are currently on the table at Resource Recovery.

Battered by a steep drop in market prices for the commodities that can be mined from garbage, programs such as Austin's, which has lost more than \$4.5 million over the past two-plus years, are making hard decisions decidedly unpopular with a public conditioned to think of recycling as a civic sacrament.

Glass is not much of a money-maker, but makes up 27 percent of the waste stream in Austin, and is now considered a huge financial drag on recycling. Given the current market, Texas Disposal Systems might be considered shrewd to hang on to a resource until it can be sold for something approximating the cost to process it.

But Michael Munger, an economics and political science professor at Duke University, disagrees, and goes so far as to say recycling in general is bad for the bottom line.

Munger produced a study in 2013 for the Cato Institute titled "Recycling: Can It Be Wrong When It Feels So Right?" He opens his essay by stating, "Almost everything that's said about recycling is wrong," and goes on to clobber nearly every rational reason for doing it.

"I lost all of my friends," Munger told Watchdog. "I've had people actually put their fingers in their ears and go 'la, la, la, la la' when I tried to explain. A woman who disagreed with me captured it perfectly when she told me recycling is always cheaper, no matter what it costs."

Recycling is hugely popular, which might explain why the work of Munger and John Tierney, whose landmark 1996 skepticism, "Recycling is Garbage" and "The Reign of Recycling" in October, 2015, are rare.

Munger stopped writing about recycling after a single foray, he said, because “I lost all faith in the willingness of people to consider it. So much of the response I got was ‘I don’t want this to be the truth.’”

The dearth of critical scholarly work and even less news coverage make it difficult for a recycling-loving public to decipher the meaning of reports like the one in December that toted up the losses for Austin’s program.

In its 2011 recycling agreement, Austin counted on nearly \$500,000 a year in revenue generated by the sales of commodities like aluminum cans and corrugated boxes sold by Texas Disposal Systems and Balcones Resources, the company that handles 60 percent of the city’s recycling load.

The amount of money paid per ton of recycled materials has been as much as halved in the last year, Kerry Getter, founder and owner of Balcones Resources, said. Companies such as Balcones were forced to pay rather than be paid for some recycled products.

“The pendulum swung,” Getter told Watchdog. “The market for some commodities was so strong for so long, I think it covered up the sins of the other recycling.”

During those flush years, cities were making it simpler to recycle, offering customers a single collection bin for all recyclables, driven by advocates who believed there could be no end to recycling on the road to putting no waste in landfills. But single collection was making it far tougher and more expensive to tease out the valuable materials, the recycling companies began to complain.

In February, an audit of a recycling program serving cities in north Texas found thousands of tons of trash that had gone through processing had mysteriously turned up in landfills.

And by spring, national publications were calling recycling a business loser and blaming much of the problem on the economic futility of recycling glass.

Glass, Munger said, is recycling’s dirty secret. With an endless supply of sand, manufacturing glass has always been cheaper than recycling it.

When the city of Houston negotiated its new recycling contract with Waste Management, taking a nearly \$6 million hit over the next two years, it announced it would not allow customers to add glass to their bins.

“Given how much the public wants this, the budget pressures were such that even the politicians were complaining about what it was costing,” Munger said.

While that may have seemed to make perfect sense, the recyclers of Houston and the people in the recycling business were outraged.

Curt Bucey, executive vice president of Strategic Materials of Houston, one of the largest glass recycling companies in the country, said the public and elected representatives have been misled about glass and recycling.

Bucey said his company is still making money recycling and selling glass, although his profit margin has thinned considerably. Maybe, however, this downturn will make people who believe in recycling think differently.

“Everything we’ve done, from making it more convenient to telling people recycling is free, should be questioned,” Bucey said in a phone interview. “That entire system isn’t working.” Both Bucey and Getter endorsed a more systematic separation of recycled trash and more stringent rules for what recyclers will take.

A study by Austin Resource Recovery released earlier this month questions whether a public that says it is willing to make that sacrifice will actually do it.

The program boasting that 87 percent of Austin recycles, reported those recyclers had managed last year to get just 38 percent of the right materials into their blue bins. The city’s goal for 2015 was 50 percent. It hopes the figure is 100 in 2040.

“That’s just not realistic,” Munger said. “Politically it’s impossible to question it, but what these prices have done is made some of the insanity apparent. Now we’re actually talking about it.”