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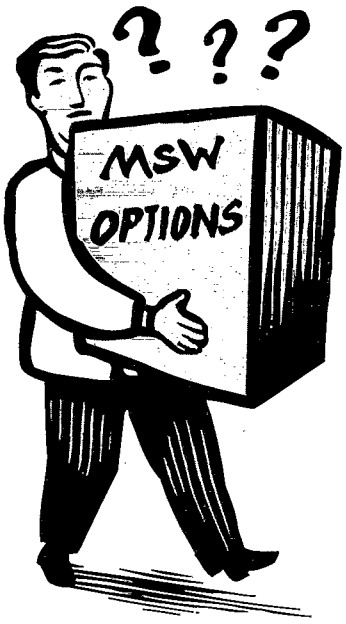
Pay-As-You-Throw

A Fact Sheet for MSW Planners



MSW programs today need to offer more than reliable waste collection services. In some communities, the issue is rising collection and disposal costs. Others are looking for ways to extend landfill capacity.

As an MSW planner, you know how important it is to reduce the amount of waste residents put out for collection (or bring to the landfill).

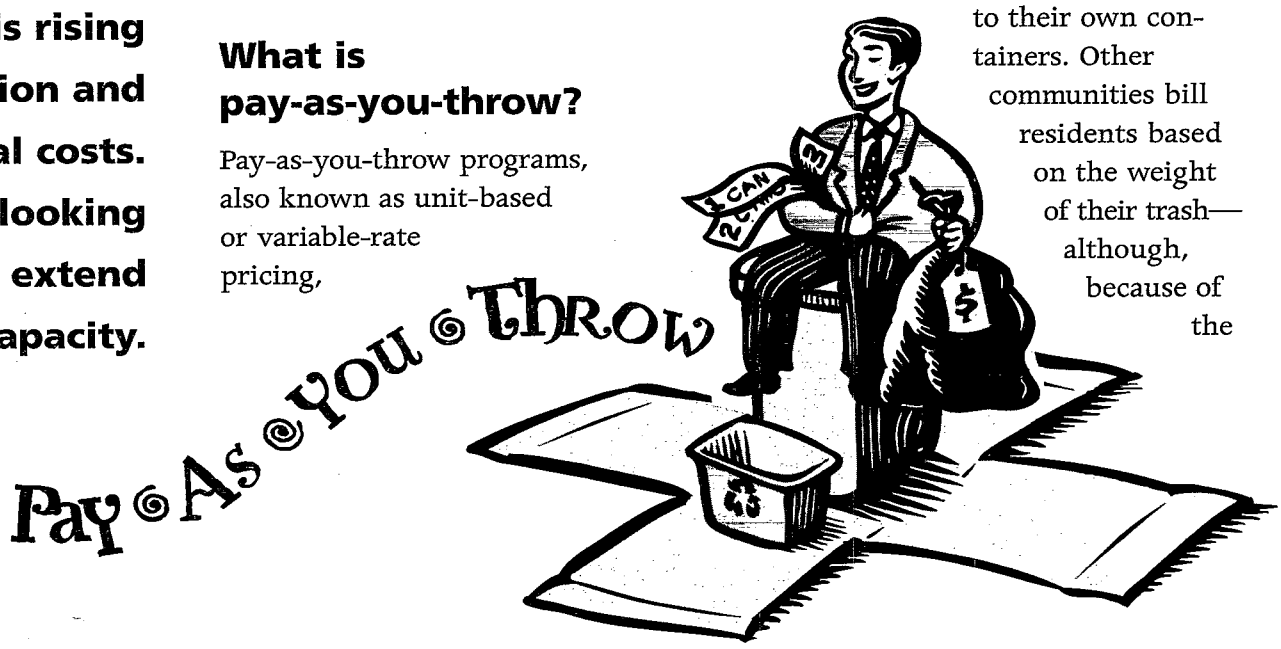
In fact, your community probably started a recycling program to help divert some of this waste from disposal. Even with a strong recycling program, however, it's likely that your residents are throwing away more each year—pointing to the need not only for more recycling, but also to get residents to generate less waste in the first place.

In nearly 2,000 communities, a program called "pay-as-you-throw" is helping MSW planners meet this challenge.

What is pay-as-you-throw?

Pay-as-you-throw programs, also known as unit-based or variable-rate pricing, provide a direct economic incentive for your residents to reduce the amount of waste they generate. Households are charged for waste collection based on the amount of waste they throw away—in the same way that they are charged for electricity, gas, and other utilities. As a result, residents are motivated not only to boost the amount they recycle, but also to think about generating less waste in the first place.

Pay-as-you-throw programs can be structured in several different ways. Some communities charge residents based on the volume of waste they generate. Under volume-based programs, residents are charged a fee for each bag or can they fill up. Communities also can require that residents purchase tags or stickers and affix them to their own containers. Other communities bill residents based on the weight of their trash—although, because of the



cost of the equipment needed to weigh the waste and record the amount for billing purposes, weight-based programs are far less common.

What are the benefits of pay-as-you-throw?

However it is structured, pay-as-you-throw has the potential to improve MSW programs in several important ways. First, there are significant economic benefits. Because of the incentive to generate less, communities with programs in place have reported reductions in waste amounts ranging from 25 to 35 percent, on average. For many communities, this can lead to lower disposal costs and savings in waste transportation expenses. Pay-as-you-throw communities also typically report significant increases in recycling. When recycling markets are strong, this can yield increased revenues from the sale of collected materials.

Pay-as-you-throw programs can be designed to cover the cost not only of waste collection and disposal, but also of some or all of the community's complementary MSW programs (such as recycling, composting, and bulky waste collections). There often are new costs when a pay-as-you-throw program is adopted, including expenditures for education and enforcement. These costs usually are not significant, however—and they can be built into a pay-as-you-throw rate structure.

Another advantage of pay-as-you-throw programs is the greater control over costs they offer to residents. While they may not realize it, your residents pay for waste management services. And whether they pay through their taxes or with a flat fee, residents who generate less and recycle more are paying for neighbors who generate two or even three times as much waste. With pay-as-you-throw, residents who reduce and recycle are rewarded with a lower trash bill.

This incentive to put less waste at the curb also can make a big environmental difference. When people generate less waste and recycle more, fewer natural resources are used, there is less pollution from manufacturing, and less landfill space is consumed, reducing the need to site new facilities.

Are there disadvantages to pay-as-you-throw?

While there are potential barriers to a successful program, communities with pay-as-you-throw report that they have found effective solutions. Community officials often raise the prospect of illegal dumping when they first learn about pay-as-you-throw. Most communities with pay-as-you-throw, however, have found that illegal dumping in fact did not increase after implmentation. This is especially true when communities offer their residents recycling, composting for yard trimmings, and other programs that allow individuals to reduce waste legally. Others, particularly lower-income residents, worry about the amount they will have to pay. In many communities, however, coupon or voucher programs are helping to defray their expenses.

How can I learn more about pay-as-you-throw?

EPA has developed a series of products for anyone interested in pay-as-you-throw. Individuals looking for more information on these programs can request additional fact sheets, community success stories, and other materials. For local solid waste planners interested in bringing pay-as-you-throw to their community, EPA has developed a comprehensive set of tools to help them design and implement a successful program. To find out more about EPA's collection of products, call the Pay-as-you-throw Helpline toll free at 888-EPA-PAYT.