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Media Release

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Waste Management's Position on the Trail Ridge Landfill Debate

City Council Holds "Committee of the Whole" on the issue on Thursday, April 9, 2009 at 2 p.m.

JACKSONVILLE, Fla., April 9, 2009 – The Jacksonville City Council is set to hold its first public hearing and meeting this Thursday, April 9 regarding the restating of Waste Management's existing, low-bid contract to operate the city's only landfill. Waste Management has worked with the Mayor's office and the City of Jacksonville for years to hammer out a deal that according to the City's Auditor will save taxpayers \$266 million and avoid a costly garbage crisis.

The Facts:

- In 1991, Waste Management's proposal was ranked number one, and the price was 60% below the next bidder.
- As part of Waste Management's successful bid, they acquired, engineered, permitted, and developed the Trail Ridge site.
- In 1992 Waste Management opened the first 144-acre cell at the 977 Trail Ridge site.
- Since the day it opened Waste Management has successfully operated the landfill with an outstanding environmental record.
- Waste Management's position is that the contract was for the life of the entire 977-acre site. Without that understanding Waste Management would not have moved forward with the site development nor would City have allowed it.

Approval of the restated contract is NOT a no-bid contract as opponents would like to make people believe. It is a renegotiation of the existing low bid contract and will save the city and its taxpayers millions of dollars and protect them for the long-term.

Waste Management has been fighting a concentrated effort by a competitor and its PR machine to divert the public's attention from the truth about the contract. This competitor has nothing to lose – they do not have an existing contract, they will not reveal their proposed costs, will not indemnify the city against litigation or environmental liability.

The City Council can approve the restated contract with Waste Management. In doing so, Waste Management will accept the responsibility to start permitting and construction of the next cell at the Trail Ridge Landfill. Analysis by an engineering firm hired by the City anticipates the current cell will reach capacity in 5.5 years with permitting and construction of the new cell to take approximately the same amount of time.

The Jacksonville Regional Chamber of Commerce voted to endorse Mayor John Peyton's support of the restated contract based on the benefits for Jacksonville's taxpayers and businesses.

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Important Dates:

Today, April 9, 2009 2 p.m.	First City Council Committee of the Whole Meeting and discussion
Thursday, April 23, 2009 Meeting and Discussion:	Second and final City Council Committee of the Whole City Council Committees to vote to recommend how City Council should vote
Tuesday, April 28, 2009 6 p.m.	City Council Final Vote to extend Waste Management's Contract

Important Web Sites:

www.keeptrailridge.com

www.honorthethecontract.com

Important Documents Attached:

- The skewing of a recent "scientific poll" by the opposition (Republic Services and The McCormick Public Relations Agency)
- Answers to frequently asked questions about the Trail Ridge issue
- The Florida Times-Union "Ad Watch" (Truth in Advertising) article, Wednesday, April 8, 2009
- Copy of the City Council Auditor's report that documents a \$266 million savings to the city by extending Waste Management's contract
- Mayor John Peyton's Email Position on Waste Management and Trail Ridge
- PDFs of Waste Management's print ads
- Chamber of Commerce Resolution endorsing the Mayor's position

**For more information, please contact Maria Coppola at 904-398-7279 (office)
or 904-312-3321 (cell).**

Frequently Asked Questions about the Trail Ridge Issue

Contact: Maria Coppola at 904-312-3321 (c) or 398-7279 (o)

1. Q. What is the landfill issue about?

A. The landfill issue is all about whether or not Jacksonville is going to honor the low-bid contract Waste Management won in 1991 to operate the Trail Ridge Landfill.

2. Q. I thought this had something to do with a no-bid contract?

A. There has never been a no-bid contract for the Trail Ridge landfill. Waste Management won the bid after an intense competition. Our proposal was ranked number one, our technical qualifications were rated the highest of all bidders and our price was 60% below the next lowest bidder, saving Jacksonville over \$160 million.

3. Q. If Waste Management has already won the bid what's all the fuss about?

A. Sometime in the 1990s, lawyers for Jacksonville decided to argue that the landfill contract could be broken up to allow bidding on future development. Waste Management never relinquished its contract rights so that a potential competitor might run the landfill we developed and are now operating.

4. Q. Waste Management developed the landfill?

A. Yes. As part of our successful bid, Waste Management acquired, engineered, permitted, and developed the Trail Ridge site and we've operated the landfill for the past 17 years.

5. Q. Why then is there a restated contract?

A. About two years ago the City and Waste Management agreed to begin discussions leading to negotiations to resolve the contract dispute without litigation, and the restated agreement accomplishes that, including settling other disputes, and updates the contract. The City's Public Works Department and Solid Waste Division drove a hard bargain in the restated contract, one that according to the City's Auditor will save \$266 million.

6. Q. What else does the restated contract offer?

A. The agreement going forward provides even more benefits:

- The expanded landfill will open on time thus saving tens of millions of dollars in out-of-county landfill costs and hauling fees.
- Saves the City of Jacksonville the significant costs of closure and post-closure expenses, immediately freeing up millions of dollars for the City.
- The City can take advantage of new, green services such as recycling at the landfill, which is vital to protecting the environment and extending the life of the landfill.
- Provides for the use of more efficient technology for the disposition or handling of solid waste.
- Guarantees competitive bidding for professional services and construction within the landfill operations that has already been competitively bid.
- Gives the City a termination option.
- Extends lower adjusted rates than in 1991, thus saving residents and businesses \$12-14 million dollars in disposal costs in the next seven years alone.
- Guarantees competitive bidding for all expenditures and construction.

7. Q. What will happen if the City Council doesn't approve the restated contract?

A. All the benefits provided by the contract will certainly be lost. Additionally, the City will lose certain liability protection and the benefits set forth in #6 above, and the likelihood of long and expensive litigation becomes likely.

8. Q. Haven't the contract talks been held in secret?

A. Absolutely not! All negotiations between the City and Waste Management are in the open, for example, Republic obtained drafts during this process, and Mayor Peyton's office has delivered the proposed 125-page contract to the City Council for review. It is also available to the public for inspection.

9. Q. So how did all this no-bid contract talk get started?

A. Another landfill operator has urged the restated contract not be approved by the City Council. That operator has not made an offer that approaches the benefits of the City/Waste Management restated contract nor is it willing to offer to protect the City if the City, as the competitor urges, refuses to enter into the restated contract and the City loses all of the restated contract's benefits.

10. Q. Why is all this happening now?

A. A City Engineering Analysis dated March 17, 2009 estimates there are only 5-1/2 years of capacity remaining in the current landfill area and, according to the report, it will take five years to engineer, permit and construct a new waste area. That is why the Mayor has spent two years of hard work on the restated contract.

11. Q. What will happen if the new area isn't opened before the current one is full?

A. Not opening the next area at Trail Ridge on time means garbage will have to be trucked out of the county to some distant landfill, increasing garbage disposal fees and hauling costs by tens of millions of dollars.

12. Q. Couldn't the City just take over and run the landfill?

A. Yes, but it would then lose all of the benefits set forth above, including having to assume all the environmental liability and be faced with tens of millions of dollars in closure and post-closure costs. Jacksonville ran two landfills in the 1980s and management of those led to the garbage crisis in the late '80s, and the city paid millions of dollars in cleanup costs because materials placed in the landfills were not disposed of properly. In addition, Waste Management maintains that it has a life of site agreement, and City operation of the landfill would be a breach of the existing agreement. The city agrees that the existing agreement is in place for the completion of the existing cell, but Waste Management's opinion is that the existing contract covers the existing cell and the balance of the 944 acres. That is why the new contract is called a "restated contract."

13. Q. If I want to know more about the landfill issue, how can I get more information?

A. More information is available at www.keeptrailridge.com.

14. Q. When will City Council make a decision on the restated contract?

A. Sometime in mid to late April the City Council will take up the issue and vote. We encourage you to call your City Councilperson and ask him or her to vote to save Jacksonville residents and businesses \$266 million in landfill expenses and to honor the low-bid contract that is already in force.



RESOLUTION
Board of Directors
Jacksonville Regional Chamber of Commerce

Support for the Jacksonville City Council to approve the landfill management contract between Waste Management and the City of Jacksonville.

WHEREAS, the Jacksonville Regional Chamber of Commerce favors a government that seeks the best interest of the taxpayers' investment; and

WHEREAS, the City of Jacksonville faced a landfill crisis in the late 1980s that threatened to halt new construction and growth in the county and could become a substantial quality of life issue for our community if the issue is not resolved before it becomes a crisis; and

WHEREAS, because environmental regulations changed drastically in the early 1990s and operating a landfill became a far more technical and environmentally sensitive operation rather than a simple push and cover operation, the Jacksonville City Council decided that privatizing the city's waste disposal process was the best and most efficient use of taxpayer dollars; and

WHEREAS, after a highly competitive bid process in 1991 the city awarded a contract for the management of Trail Ridge Landfill to Waste Management, a company that has approximately twenty years of experience in the waste disposal industry and a solid record of environmental compliance with regulatory agencies; and

WHEREAS, Waste Management holds the Operating and Storm Water Management Permit for the site as a result of the first bid in 1991 and therefore is the only operator who could achieve the level of savings involved; and

WHEREAS, the City of Jacksonville is scheduled to reach capacity on its current landfill space in the next five to six years, making it necessary to begin the permitting process immediately for additional space; and

WHEREAS, after nearly two years of negotiations among the city's environmental engineers, independent consultants and Waste Management, a proposed contract is now before the Jacksonville City Council and will save taxpayers approximately \$200 million and provide for the future of Jacksonville's waste needs; and

WHEREAS, the proposed contract actually saves taxpayers about \$10-12 million (or \$2 million annually) for the life of the existing contract, as Waste Management has agreed to lower its current rate; and

WHEREAS, the proposed contract transfers all environmental liability to Waste Management, the potential cost of which is unquantifiable; and

WHEREAS, the Waste Management would assume the costs associated with the closure and post-closure of the landfill cells; and

WHEREAS, the bid process would negate the savings realized by the extension of this contract; and

WHEREAS, by bidding the contract the city stands to lose not only the savings on the existing contract, but would also be forced to pay about \$60 million for closure and post-closure of the current landfill cell and pay about \$16 million to create additional space separate from the current site – costs that would be avoided by approving the proposed contract; and

WHEREAS, by extending the contract, the city creates an additional capacity of about 5 million tons as a result of extending the current site, rather than creating a separate site; and

WHEREAS, by approving the proposed contract the Jacksonville City Council will ensure that the city avoids the kind of landfill crisis it faced in the 1980s and save the taxpayers millions of dollars it would cost to haul waste out of the county, once the current landfill has reached capacity; and

WHEREAS, the city currently owns Trail Ridge Landfill and charges a tipping fee to waste haulers, making waste disposal in Duval County a revenue generator for the City of Jacksonville's Solid Waste Division; and

WHEREAS, failure to have a new, permitted site before the current cell reaches capacity could result in the city's being out of compliance with concurrency requirements for solid waste capacity and resulting in halting certain construction in the community, and

WHEREAS, if the proposed contract is not approved Jacksonville risks turning a revenue generator into an expense, when the City reaches capacity at Trail Ridge Landfill and is forced to dispose of its trash out of county and pay tipping fees at other landfills.

NOW, THEREFORE, BE IT RESOLVED that in consideration of the careful negotiations made by industry experts and the risk associated with putting this contract out for bid, the Board of Directors of the Jacksonville Regional Chamber of Commerce urges the members of the Jacksonville City Council to protect the future economic viability of our city and its taxpayers by approving the extension of the current contract with Waste Management.



Michael R. Hightower, Chair

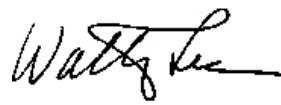


Ron Autrey, Chair
JaxBiz, CCE

Attest:



Bruce E. Barcelo, Chair
Business Advocacy



Walter M. Lee III, President

February 4, 2009

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Propaganda Disguised as Polling

A poll can reflect the feelings of a community or it can be a one-sided piece of propaganda created to reflect a one-sided viewpoint. The poll commissioned by The McCormick Agency, a public relations firm hired by Republic Services to oppose the restated contract between the city and Waste Management, is skewed past the point of credibility.

The three-question poll only asks people their opinions on one side of the Trail Ridge issue. The other side of the debate is completely ignored. If questions had been asked that considered the business case presented by the Mayor and agreed to by Waste Management, the outcome of the poll would look vastly different than the skewed results published on April 6, 2009.

What if we knew the answer to a few more questions such as:

- Do you believe it is in the best interest of the taxpayers for the city to be locked in expensive litigation over the Trail Ridge Landfill, considering the fact that Waste Management already won a low- bid contract?
- Is it worth hundreds of millions of dollars in environmental liability in order to let Republic Services bid on a contract for which they have stated they will not indemnify the city?
- In these tough economic times, should citizens pay tens of millions of dollars in extra fees to haul garbage to landfills in other counties if the new portion of the landfill is not finished on time?
- Do residents and businesses want to see their garbage fees increase?

Answers to just these four questions would undoubtedly have yielded different results.

Without questions like these being asked and the answers known, the use of the limited polling by The McCormick Agency is more propaganda than polling. It is certainly not a authoritative look at the desire of the community on an important and complex public policy issue.

This sleight of hand is purposely designed to fool the people of Jacksonville and its leaders.