

Waste Management statement sent to Resource Recycling on March 9, 2016, regarding contract negotiations in Houston

Amidst the unfortunate rhetoric coming from the City are very workable solutions. The City can greatly lessen the cost of this new contract. The contamination in Houston's recycling stream far exceeds national averages and the norm of other cities in our area. A modest effort by the City to reduce the amount of contamination will save the City of hundreds of thousands of dollars per year. We can help with that. The proposed contract gives the City extreme leverage on commodity prices. When prices stabilize and return to historical values, the costs of this contract to the City will shrink, and if commodity pricing continues to increase will become a cash-generating contract for the City. There is nothing in this proposal that locks the City into today's commodity prices.

Unfortunately, the potential – and last minute - solutions floated by the mayor and city officials can't be characterized as constructive because they're economically unworkable. This can't be a one-sided solution; losing money on a recycling contract with the City isn't a solution in our view. We remain open to discussions with the City on a constructive solution that recognizes their needs as well as ours.

Again, Houstonians should know that if the City allows the existing contract to expire, we are prepared to accept the City's recyclables at our facilities, even without a contract. Any decision to not collect recyclables is a decision made by the City alone for whatever reasons they may have. Waste Management will continue to process and sell the City of Houston recyclables at market rates for as long as the City delivers the materials. Having a contract simply makes it more cost effective for the City.