

Hearing Before
The Committee on Local Government

HB 2168 “Waste Management Bill”

Testimony Of:

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General Assembly Building
910 Capitol Square
General Assembly Building
House Room D
Richmond, VA 23219

Good morning Mr. Chairman and members of the Committee on Local Government. My name is Patrick M. Horn and I serve as the Membership Director of the Restaurant Association Metropolitan Washington (RAMW). RAMW is a trade association representing over 500 restaurants, educators and food service related businesses. Our Board of Directors is comprised of top restaurateurs and hospitality industry professionals. Thank you for giving me the opportunity to testify in support of HB 2168 the “Waste Management Bill” on behalf of our Board of Directors and our membership.

Starting in May of this year Arlington County made public its proposal to franchise waste hauling for the county. The initiative being proposed covers Three main topics:

1. The county will only use one solid waste hauler and will decide which private hauler that will be.
2. The county will set the pricing (non-controlled cost).
3. There will be a five year notice of displacement to haulers.

On June 3rd county staff met with commercial haulers to discuss the proposal for franchising. The Arlington staff related the reasons for the franchising initiative. They want both better controls of recycling information, and to control the flow of waste to support the incinerator and generate funding for additional county programs. The staff declined to conduct a feasibility study. The restaurant community was not invited to this meeting.

What does this mean to the restaurant and hospitality industry? The first topic above addresses the limited ability for a free, open and competitive market for solid waste providers. This is essentially a monopoly. Monopolies have never saved anybody money and restaurants lose the freedom of choice. Topic two allows for the county to charge what it wants for trash pick-up regardless of market pricing. Restaurants have an average 4% profit margin nationally. This initiative will in all likelihood decrease that margin for all restaurants. So any benefit to the Arlington County government will translate into a negative effect for businesses and increase the cost of doing business. Since Arlington County is basing their model on that of Plano, Texas, which increased their trash collection fees 18%, they will be charging 18% more for a less flexible pick-up.

Arlington has mentioned in the press that trash collection will happen only once a week. Many restaurants in Arlington have trash removed from their facility six times a week. If restaurants have to cut back on the frequency of trash pick due to franchising then health issues begin to arise. The rodent and pest population will increase, which heaps on more cost to the restaurants and the surrounding community in the form of pest control. The smell of built up garbage will be a strong presence in Arlington County come July. Imagine a seafood restaurant with three days worth of trash outside in the middle of July. According to FDA Food Code which was adopted by Arlington County; Health Code 5-502.11 states “*Refuse, recyclables, and returnables shall be removed from the premises at a frequency that will minimize the development of objectionable odors and other conditions that attract or harbor insects and rodents.*” With the increase of trash build up

there will be need for more space to store it. This will add construction costs to restaurants.

Arlington County has a significant number of minority owned businesses. The majority of these businesses are small family run establishments and believe in a free and open market. What kind of message is sent to these business owners when there local government tries to monopolize an efficient industry and raise prices? It is apperint that this resolution was pushed through the proveribl back door to the distress of our Arlington county membership. These business owners will not get due process.

RAMW asks for your support on this issue. Thank you for your time.