

Testimony of Honorable Robert G. Viens  
Mayor of Putnam  
Committee of Energy and Technology  
HB 5817, The Mission of the Department of Public Utility Control  
March 7,2008

Good morning, Chairman Fonfara, Chairman Fontana, and members of the committee.

I am Robert Viens, Mayor of the Town of Putnam, Connecticut. I am testifying today in opposition to HB 5817. This bill would make it the mission of the Department of Public Utility Control to regulate tipping fees at a facility for solid waste disposal or at an ash residue facility. As I testified last week before the Environment Committee, I am opposed to any legislation whether the regulations are set by the Department of Environmental Protection or the DPUC.

As Mayor of a town with a population of almost 10,000 citizens, I am daily made aware of the importance of solid waste disposal. It is one of the town's key, essential services and one that, if it weren't provided, would negatively impact the quality of life in our community.

Solid waste collection and disposal is a major ticket item in my annual town budget. My projected FY 2008-2009 budget for this item totals \$360,000 out of a \$4.7 million general government budget, or almost 8 percent of the budget. Putnam is also home to what is soon to be the state's only ash landfill disposal site.

If there is any potential changes in the regulation concerning tip fees, that will also impact us as a host community and our ash landfill fees. I don't feel it's fair as the Mayor of Putnam that my state would put me at a disadvantage in negotiations. Keep in mind that there is another ash landfill in Millbury, Massachusetts, which is a mere 20 minutes north of Putnam. We can not be in a position where we can not viably negotiate

with our competitor to the north. Just for your information, this means at least \$2 million to us a year in our general government budget. Shouldn't we do everything within in our power to keep Connecticut monies benefiting Connecticut's people?

The possible scenarios for the impact on Putnam if this legislation were to pass is as follows: if the regulated tip fees at Putnam is set too low, Wheelabrator, the company operating the ash landfill in Putnam, may find that continued operation of Putnam is uneconomical and if Putnam doesn't have any ash coming it, we are out over \$2 million of revenues in our operating budget.

Even if Putnam's ash landfill is excluded from this legislation, there would still be problems for Putnam. If the regulated rate at plants is set too low by the regulatory agency, the plants may become too uneconomic to operate and this would have a negative effect on quantity of ash brought to Putnam. If the regulated rates are set too high, there will be no incentive for towns to bring their trash to the plants and they could take their trash elsewhere. Again, Putnam loses as less ash comes to our town.

So make no mistake about, as a Mayor, I'm deeply concerned about state regulation involving disposal fees. I'm scared to death that the state may stick their nose into this business through adoption of this legislation or similar proposals that are circulating through this legislature.

We haven't had state regulation of disposal fees for the past twenty years and I see no reason why the state should get involve in this business now. We only have to see the great track record of state regulation of other utilities as my community has faced rate

increase after rate increase for electricity and this is after taking necessary energy conservation steps.

I'm afraid this will just become another unfunded state mandate that will have tremendous hidden cost impact on municipalities for years to come. First, the state will have to pay for the startup of a new regulatory mechanism with whatever state agency assumes this task. Municipalities will also have to incur costs to defend their positions before any rate making body. It has been pointed out to me that one of the states close by, New Jersey, instituted solid waste disposal rates regulation and they now have a rate set of paying a little over \$100 per ton as compared to under \$80 per ton before regulation. Is this an example that Connecticut wants to follow? It doesn't always follow that rate regulation means lower rates.

The other specter that's raised about disposal fees is that a monopoly will soon be created once certain trash-to-energy plants go into private ownership. My research shows that there are still viable choices for trash disposal. Municipalities like Norwalk and six other surrounding towns have issued a Request for Proposal for trash transport and disposal. They have a number of proposals from different companies under consideration. Communities of the Housatonic Resources Recovery Authority oppose this legislation because it is their view that significant competition exists for solid waste disposal services in Connecticut.

Do you as state legislators really want to open the door on this issue? We have a 20-year history where the market forces have seemed to work perfectly well. You

Testimony of Mayor Robert G. Viens  
Committee on Energy and Technology

HB 5817  
March 7, 2008

shouldn't be throwing impediments into the way of towns' options to be able to negotiate about their trash disposal methods.

Again, thank you for this opportunity to present my views and I hope that this Committee will not report this legislation out.