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State of Connecticut
General Assembly
Planning and Development Committee

Testimony, Brian Anderson, Council 4 AFSCME

March 9, 2009

Good morning Chairman Sharkey, Chairman Coleman and members of the Planning and Development Committee. My name is Brian Anderson. I am a legislative representative for Council 4 AFSCME, a union of 35,000 public and private employees. Our union represents the bulk of the workers at the Mid-Connecticut Project – the resources recovery facility located in Hartford.

Council 4 supports SB 1058, AAC Community Economic Development. This bill allows for the establishment of a Mid-Connecticut Project Oversight Committee. This bill gives the towns that use the Mid-Connecticut Project some say over the facility and some ability to protect the ratepayers who count on it. The bill is badly needed because the Mid-Connecticut Project is one of the few resource recovery facilities left in public hands. It is also quite apparent that the Connecticut Resources Recovery Authority, the state's statutory watchdog, is either very interested in allowing the privatization of the state's vital resources recovery infrastructure, or not competent to stop it. Council 4 was shocked when Mr. Kirk, the CRRA's president testified before the legislature's Program Review and Investigations committee last September that CRRA does not favor the privatization of the state's resource recovery facilities. This is because the CRRA has allowed two of the four resource recovery facilities – that it was supposed to control – to slip into private ownership. Moreover, the CRRA continues to try very aggressively to break a contract it has with the Metropolitan District Commission to operate the Mid-Connecticut Project so that it can fully privatize out the facility's operation. CRRA has spent over $1 million in ratepayer funds to break the MDC contract in order to facilitate this operational privatization. It has gone as far as to privatize part of the Mid-CT Project's operation already – and with disastrous results. CRRA chose the Covanta corporation to run the boiler operation at the Mid-CT Project. Since Covanta has been on the job the boilers have been operated very poorly and actually shut down for long periods of time. This has cost the ratepayers money.

Now, due to CRRA's action or inaction, two private corporations with troubled financial and ethical histories run most of Connecticut's resources recovery infrastructure. One is

Covanta. This corporation is involved in the management and operation of four of Connecticut's six resource recovery facilities. The other is the Wheelabrator Corporation, whose parent company is Waste Management, Inc. It runs the other two facilities. Covanta went bankrupt in 2002. The Virginia-Pilot newspaper reported in 2006 that one "well-known financial advisor this year labeled the company a bad risk." In 2001, the Chicago Tribune reported that Waste Management, Inc. "agreed to pay $457 million to settle a class action lawsuit that alleged it violated federal securities laws." Both of these corporations have been cited numerous times for pollution. Both have records of not listening to citizen and government complaints when asked to stop polluting.

Council 4 believes that privatizing resource recovery facilities, similar to any other vital piece of public infrastructure, will be harmful to the public in the long run. Our country has seen many privatization experiments that have involved selling off public highways, drinking water reservoirs and plants, railroad lines and other parts of the public infrastructure. Almost every one of these privatizations has turned out to be a losing proposition for the public.

As municipal landfills around our state continue to close because they have reached capacity, resource recovery facilities will become ever more valuable. By keeping these facilities in public hands the state will have some ability to control the cost to the public of the basic necessity of getting rid of or recycling solid waste. If these facilities are privately controlled, there will be very little ability for the government to stop owners from seeking the highest possible profit and gouging the public.

If the public decides that CO2 emissions need to be reduced, public ownership of resource recovery facilities is vital. The public will then be able to dictate the policy of what is separated out at such facilities and what is burned. In private ownership, strict adherence to burning is more likely. It is cheaper on the whole to continue to burn waste then go through the more expensive process of separating out reusable waste. There will be a profit incentive for private resource recovery facilities to lobby against government attempts to pass laws to increase recycling and cut down on burning.

For more than twenty years, the MDC employees, by all accounts, have run and continue to run the Mid-CT Project very well. They do a hard and dangerous job. They are exposed to dangerous environmental contaminants every day. They operate shredding machines, waste conveyers, large trucks and other heavy equipment. Yet, the CRRA has tried to duck its financial responsibility to these workers by trying to get out of its contractual obligation to pay into the

workers' pension and health care benefits. At the same meeting at which CRRA leadership voted to dump their obligation to the workers' pensions and health care and attack their already agreed upon COLAs, it attempted to pass a "market progression adjustment" for its director of operations. That is a euphemism for a pay raise. It did not disclose at the meeting how much money that pay raise was planned to be. CRRA never posts on its websites nor publishes in its minutes how much its executive pay, raises or benefits are. This can only be obtained through FOI requests. This is unconscionable for a public agency. CRRA's management continues to be among the highest paid state employees. Yet, CRRA's responsibility has drastically shrunk, with the loss of two of the four facilities that it was supposed to control.

Also, CRRA continues to operate in a clandestine manner at its board meetings. We believe that the board and management have violated both the spirit and the letter of FOI law. CRRA uses executive session to screen actions from public. When the board comes out of executive session, they do not disclose what action they are taking as a board, but simply authorize CRRA management to proceed with what was discussed in executive session. They are bound by FOI law to disclose to the public what action that they are taking in the minutes. A government agency is not supposed to vote to take an undisclosed activity. That is why minutes exist. That is why a special law was passed to try and make CRRA more transparent.

An overriding question is where is Governor Rell? She has the responsibility for making sure that CRRA, which is purely an instrumentality of the state, runs properly. Yet, this agency continues to slip back into a shady manner of operation that is reminiscent of the Enron fiasco days. We believe that Governor Rell certainly needs to address the problems with CRRA acting in a clandestine manner during its meetings. Governor Rell also needs to address CRRA management's inability to stop privatization of a valuable state resource while it mouths opposition to privatization, and at the same time works actively for privatization. The public appearance of this couldn't be worse.