NOT AT
YOUR SERVICE
A LOOK AT HOW NEW YORK CITY’S COMMERCIAL WASTE SYSTEM IS FAILING ITS SMALL BUSINESSES

TRANSFORM DON’T TRASH NYC
ABOUT THE REPORT

This report and the underlying research were produced by the Transform Don’t Trash NYC coalition, with Justin Wood and Erin George of New York Lawyers for the Public Interest (NYLPI) and Brigid Flaherty of ALIGN: The Alliance for a Greater New York (ALIGN) as lead researchers and authors.

Many thanks to the office of the Manhattan Borough President Gale A. Brewer and B’Nai Jeshurun Synagogue for their support in surveying small businesses throughout New York City.

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ABOUT US

The Transform Don’t Trash NYC (TDTNYC) coalition is dedicated to reforming New York City’s commercial waste industry to reduce waste and pollution, increase recycling, foster clean and healthy communities for all New Yorkers, and create good, local jobs. Members include the New York City Environmental Justice Alliance, ALIGN, the International Brotherhood of Teamsters Joint Council 16 & Locals 813, 831 and 210, NYLPI, the Natural Resources Defense Council, and B’Nai Jeshurun synagogue.
EXECUTIVE SUMMARY

New York City is renowned as a metropolis where diverse small businesses thrive in the shadow of icons like the Empire State Building. The city’s nearly 200,000 small businesses are essential to the city’s economy and account for much of its economic growth in recent years.¹

Nonetheless, these diverse and innovative businesses are still obligated to use an inefficient and antiquated system for managing the waste and recyclable materials that they generate through their day-to-day operations.

In New York City, individual businesses have to hire one of the hundreds of private hauling companies that the city has licensed to handle commercial waste. Every night, thousands of commercial garbage trucks from these companies crisscross New York City’s streets collecting garbage and recyclables with great inefficiency and little accountability.

As detailed in Transform Don’t Trash NYC’s previous report, Dirty, Wasteful, and Unsustainable, this system undermines our collective efforts to build a more sustainable, safer, and more just city. The private waste industry recycles far too little (only about 25% of material collected), unfairly burdens a few low-income communities and communities of color with pollution, and erodes the wages, benefits, and working conditions of the hard-working men and women who collect and process millions of tons of commercial waste each year.

Our current research finds that the commercial waste system also fails many of the businesses, in particular small businesses, that are required to pay for and utilize it. In interviews with more than 500 business owners conducted for this report, one theme became clear: the commercial carting industry needs to change. Despite a major overhaul two decades ago, intended to eradicate the organized crime associated with the industry, standards to ensure that private haulers process waste sustainably, transparently, and at a fair price are greatly lacking.

Through survey research and interviews with NYC businesses, we found that large businesses in NYC, business that have substantial purchasing power, are able to attract competitive bids from multiple haulers and to negotiate collection contracts that specify a collection price tied to the actual amount of waste they generate, specify recycling services to be provided, and offer discounted rates for recycled materials that generate a profit. These contracts also contain clear customer service terms to ensure high quality waste collection.

We also found that NYC’s small businesses, who have much less purchasing power, fare very differently:

- **Sixty-one percent of NYC small businesses do not have a written contract with their waste hauler.** This leaves these businesses at the whim of the hauler with respect to price/price increases and recycling services provided, and also deprives them of protection in the event that services are substandard.

- **Ninety percent of NYC small businesses pay a flat rate for waste collection, a rate disconnected from the amount of waste they generate.** Despite NYC regulations requiring haulers to base these rates on surveys of actual amounts of waste generated, only 14% of businesses say they received a waste survey. This billing method also eliminates a critical incentive for achieving the City’s overall sustainability goals — charging businesses less as they generate less waste.
• **Ninety-five percent of small businesses receive no discount for separating recyclables.** Unlike their large business counterparts, small businesses do not share in the profitability of recyclable materials and thus have less incentive to keep recyclable materials out of the waste stream.

• **Few businesses separate recyclables for collection by their hauler, even as 75 percent of businesses want the city to require more recycling.** In speaking to small business owners, it was clear that many were told by their hauler not to separate recyclables. Those that tried to ensure that their recyclables would in fact be recycled were by and large unable to gain assurances that this was true. At the same time, the great majority of small businesses recognize and support the need for greater recycling.

The city’s One NYC Plan, released in April 2015, sets ambitious goals to increase recycling and thereby reduce the greenhouse gas emissions caused by trucking the vast majority of our waste long distances to distant landfills. The city is also introducing new rules requiring the largest generators of food waste (stadiums, hotels, and food producers) to compost this waste stream and expanding the list of materials that businesses must recycle.

These are important, incremental steps forward, but they are not enough to get us to our goal. Given the immense size and diversity of New York City’s small business sector, and the opaque, sprawling and inefficient nature of the current commercial waste system, it is clear that we need comprehensive reform. All businesses must have the opportunity and incentive to recycle and reduce far more of their waste, and the city must have effective mechanisms for ensuring that this actually happens. To achieve this, the “rules of the game” under which the private hauling industry operates will need to change.

TDTNYC proposes that New York City adopt a zoned collection system, an approach to commercial waste management that has proven successful in a number of other cities. In such a system, commercial waste haulers compete for the exclusive right to collect waste within designated collection zones over a set period of time. In order to win the right to serve a commercial zone, haulers are required to meet ambitious recycling targets, develop and maintain high-quality, modern customer service systems, and charge stable, transparent prices that reward businesses for minimizing waste and maximizing recycling. In return, haulers benefit from the high efficiency and economies of scale engendered by a steady, sizable, and dense base of customers. For New York City, this system would benefit communities, workers and businesses while advancing our critical sustainability goals and ensuring effective public oversight.

Studies of exclusive zone systems compared to “open” systems like the one that exists in NYC consistently find better recycling and better prices for businesses in the former. The potential for achieving these gains in NYC is illustrated in the case study of the Brooklyn Navy Yard, discussed at the end of this report. There 40 business tenants who had previously contracted for waste services independently of one another pooled their purchasing power and piloted what is essentially a zone collection system. Specifically, these businesses negotiated a contract with a single hauler to provide all of their collection services. In so doing, they found that they were able to decrease their collection prices by 27% and decrease the number of garbage truck trips needed to service the businesses decreased by 90%.
SOURCES AND METHODOLOGY

- From 2014 to 2015, TDTNYC members and partners interviewed and surveyed hundreds of small business owners in more than twenty diverse neighborhoods across the city (see Appendix). Key results from this survey are presented in this report.

- Through a Freedom of Information Law (FOIL) request, we obtained a 2008 study performed by PricewaterhouseCoopers (PwC) for the NYC Economic Development Corporation was obtained, for which PwC surveyed almost 4,000 businesses and 26 private hauling companies to better understand billing practices and the effect of New York City’s “rate cap” on waste prices.2

- Via public records requests, we obtained contracts for waste and recycling services from several large public corporations including New York City Transit, JFK Airport, and Amtrak’s Penn Station. We also interviewed and obtained pricing and contract information from the managers of a large multi-tenant industrial building and several large commercial office buildings. These contracts and interviews provide examples of how diverse large-waste generators negotiate for waste services in New York City’s current system.

On the whole, NYC businesses — especially small businesses — face problems endemic to a system that is non-transparent, often arbitrary, and fails to provide opportunities and incentives to recycle and reduce waste. The experiences of innovators like Seattle, San Jose, San Francisco, and Los Angeles are that by taking greater control of the commercial waste system, city government can boost recycling rates while ensuring high quality customer service, and fair, stable pricing.
THE PROBLEMS

1. Small businesses lack market leverage, pay higher prices, and have fewer recycling options than do large waste generators.

Large commercial buildings and businesses each generate thousands of tons of waste each year, and solicit bids from private haulers for waste and recycling contracts worth millions of dollars. The key features of these contracts reflect the relative market power of these large generators:

**Competitive bids on prices.**

Given the sizeable profits that can be gained from providing their waste collection services, large waste generators in NYC are able to attract competitive bids from multiple waste hauling companies. This enables these businesses to compare prices and negotiate fair collection rates.

**Discounts for the value of recyclable waste.**

Large waste generators are also able to negotiate substantial discounts and credits for the value of the recyclable materials in their waste stream. For example, the NYC Transit Authority’s (NYCTA) hauling contract requires that all source-separated recyclable material such as paper, metal, and plastic be collected by their commercial hauler at no net cost. The NYCTA receives credit for the value of these materials when market prices are sufficient. Moreover, the NYCTA receives a 50% discount on the mixed refuse collected from garbage cans on subway platforms, as the contractor (Action Carting) is required to use a mechanized sorting process to extract recyclable materials such as newspaper, metal, glass, and plastic containers from this waste stream.³

Similarly, the managers of several large commercial office buildings interviewed by TDTNYC report being able to negotiate discounted prices for the different recyclable components of their waste stream, prices that are substantially below the maximum collection rates allowed by the New York City Business Integrity Commission.

**Specialized services.**

“I don’t have enough garbage for them to pick up twice a week. I am getting charged more than I should because my trash is minimal. My prices have gone higher. They are telling me that I’m on the lowest scale, but every year, they come out with new updates and cost of maintenance. I know they are not weighing my garbage. And that’s annoying.”

— Randy Martinez, King Hardware, Bedford-Stuyvesant, Brooklyn
Large waste generators are able to negotiate for specialized services such as waste collection during specific time frames, and on-demand collection from centralized dumpsters and compactors. For example, the NYCTA’s contract includes specific time windows during which “refuse train platforms” must be serviced each day, and allows the Transit Authority to modify these times in the event of train delays.\(^4\)

**Enforceable monetary penalties.**

Large waste contracts feature enforceable monetary penalties if the waste hauler fails to provide an agreed upon service. For example, if the waste hauler for JFK Airport fails to collect a trash container within a specified time period, they are assessed 200% the price of the missed pickup. If a dumpster is not cleaned or replaced within a four-hour window after being emptied, the penalty is $200 per hour of delay. Similarly, the NYCTA’s contract with Action Carting imposes damages ranging from hundreds to thousands of dollars per instance of delay or failure to pick up waste containers from various locations.\(^5\)

2. **Most small businesses do not have an enforceable contract with which to ensure high-quality service and fair pricing from waste haulers.**

   In stark contrast, small businesses have *drastically* less leverage to negotiate competitive prices and sustainable services with haulers. We found that many small businesses face problems with pricing, billing, lack of recycling services, and customer service.

   In 2008, Pricewaterhouse Coopers found that 68% of NYC businesses did not have a written contract or did not know whether they had a contract specifying the price and terms of their waste collection services. PwC found that the use of contracts was more consistent among larger institutions and firms.\(^6\) In our survey, TDTNYC found that 61% of small businesses did not have a written contract or did not know whether they had a written contract. This means that a majority of small businesses do not have the contractual protections against price increases or service lapses afforded to larger generators.

   Moreover, the sample contracts collected during our survey place very few obligations on the private haulers that write them. They do not specify which materials will be recycled, and often allow haulers to increase prices with little or no notice to the customer.

3. **Almost all small businesses pay a flat fee to their hauler, decoupled from the actual weight or volume of the waste they generate.**
Ninety percent (90%) of small businesses surveyed by TDTNYC pay a flat monthly or weekly fee. Similarly, PwC’s survey found that 83% of all businesses paid a flat fee. While the large institutions we evaluated were able to solicit bids grounded in a detailed analysis of the weight, volume, and recyclability of their waste streams, the fees paid by small businesses are almost never based on an in-depth analysis. Only 14% of businesses surveyed by TDTNYC report ever receiving a waste survey or audit from their private hauler, similar to PwC’s finding that only 10% of customers had received a waste stream survey within three years.

4. Fees charged by waste haulers are non-transparent and often arbitrary.

The PwC study found that, unlike other goods and services, “Haulers do not appear to have ‘standard rates’ that are publicly available to all customers. Instead, they quote each customer separately. This makes it very difficult for a potential customer to compare standard rates from separate haulers.” TDTNYC found many instances in which the same private hauler charged vastly different rates to similar businesses, even when those businesses were located within the same neighborhood or even the same building.

5. Recycling services are limited for small businesses.

The City of New York Department of Sanitation (DSNY) has estimated that on the whole, only about 25% of NYC’s immense commercial waste stream is recycled — a rate far lower than the recycling rates of 60-80% found in leading US cities. This woeful rate comes as no surprise to small business owners who directly witness poor recycling practices by private haulers. TDTNYC found that cardboard (which has a high economic value to haulers) is the only item consistently source-separated by small businesses for collection (91% of respondents), while only a minority separate items such as glass (26%), plastic (39%), and paper (38%) for recycling collection. Even fewer (12%) separate food waste.

Our survey found that a large majority (75%) of small businesses believe that the City should require private haulers to recycle more materials.

“There have to be more than eight garbage companies picking up on this block. But I’m having difficulty finding a company to pick up my waste at a fair price, because the companies don’t want to deal with my business — they say restaurant waste is too heavy. My hauler told me there would be a 20-30% increase last year, but then it doubled — and now my bill is $3,000 a month! I have a friend who has a restaurant with the same amount of business as me, and he’s paying one-quarter what I am . . .”

— Geronimo Diaz, Yayo’s Restaurant, Park Slope, Brooklyn
Many businesses expressed frustration at not knowing whether the materials they source-separate are, in fact, being recycled by private waste haulers. Business owners report seeing bags or bundles of recyclables being thrown into the same waste truck as putrescible garbage. Others have been explicitly told by private carters to dispose of items like glass and plastic in the same black bags as refuse and food waste. Several of the business owners and employees interviewed for this report routinely bring various recyclable items home with them to ensure that they are in fact recycled.

6. The rising cost of landfilling and incinerating waste is passed on to small businesses.

Currently, most commercial waste is trucked excessively long distances, on average 270 miles, to out-of-state landfills. Businesses bear the rising costs of this environmentally harmful practice. In the last five years, the maximum rates that the City allows haulers to charge customers have increased by 50%. Haulers are likely to argue for further increases when the City reconsider the rate ceiling later this year. For small businesses, TDTNYC’s survey found that annual rate increases of 10% or more are common — an increase far greater than the rate of general inflation.

7. Prices for small businesses do not incentivize waste reduction and recycling.

It is well established that “save as you throw” pricing structures for waste collection, in which the size of a customer’s bill is based upon the amount of waste they throw away, have a significant, positive impact on reducing the amount of waste sent to landfills and increasing the amount of waste that is recycled. The use of arbitrary, flat prices by commercial haulers in New York City eliminates the economic incentive for businesses to manage their waste sustainably. This is a significant impediment to achieving NYC’s overall landfill reduction goals.

8. Almost all (95%) of small businesses surveyed by TDTNYC say they do not receive any discount for recycling.

Ninety-five percent of the small businesses surveyed by TDTNYC reported that they receive no discount from their hauler for recycling materials.

“As a sustainability consultant to film productions, I see how much waste this industry produces and how little control we have over what happens to it. Many times, the reality is that everything goes into a giant dumpster and we can’t determine how much our production is responsible for, and can’t measure our progress toward waste reduction and recycling.

The City should require film industry and the waste industry to provide real transparency and incentives for waste reduction. Once we know how much waste we produce and where it goes after it leaves the set, we can begin to cut down the amount we waste. There are enormous opportunities to save valuable materials and reduce the quantities of garbage sent to landfills by one of NYC’s booming and very influential industries.”

— Emellie O’Brien, Earth Angel Productions, Greenpoint, Brooklyn
rather than landfills. Even worse, many of the hauler invoices collected by TDTNYC indicate that no recycling service is even offered. These haulers simply bill their customers a flat price for "loose garbage." Several haulers do not include any estimate of volume or weight in their customer invoices, a practice that violates Business Integrity Commission rules (for examples, see Appendix 2). In contrast, many small businesses reported wanting to use environmentally and socially responsible hauling companies.

9. Customer service is inconsistent and highly problematic.

While business owners on the whole think that garbage haulers meet their limited expectations — i.e., the garbage is picked up — a substantial number of those surveyed mentioned service problems such as missed pickups. Several business owners reported difficulty in switching haulers due to intimidation and other issues.

SMALL BUSINESS TESTIMONIES

“I am an immigrant from Puebla, Mexico and own a deli in Brooklyn with my family. When I opened, a representative from a major NYC hauler came to my business. Speaking only English, he demanded that I hire them. He told me if I didn’t, I would be fined by the city. He handed me a stack of papers I could not read and insisted I sign them. When I asked if they were a contract, he told me, ‘No, just something to show the city that we are picking up your garbage.’

They started charging me $73 a week for garbage collection. As I talked to neighbors and friends with the same type of business, I learned they were paying $25 a week for the same services. There was no way we could afford $73 a week. When I returned to the hauler to ask for a fair price, they refused to negotiate. After weeks of trying in vain, I finally told them that I was going to switch haulers. They stopped collecting my garbage immediately and I stopped my payments.

The same representative came back and threatened me that I would get fines and that I needed them. Again, I refused and I found another hauler that would take my garbage for $25 a week. A few weeks after I found a new hauler, I found out I was being sued for breach of contract. I didn’t even know we had a contract! They were demanding $5,000 to pay for the rest of the contract term. Seeing no other choice, I found a lawyer and watched as what little profit we have disappeared into legal fees. I have paid almost $2,000 in legal fees simply for trying to change haulers.” — Javier Salas, Deli owner, Bushwick, Brooklyn
“The first carting company I had doubled my fee after one year. When I threatened to end the service, they told me ‘go ahead and leave because no one else is going to pick up your trash.’” — Pharmacy owner in Brooklyn

“The haulers don’t always come to pick up the waste, sometimes for as many as 3 days in a row, so my employees have to repeatedly bring the bags back into the restaurant each morning. I can’t cancel the service. When I call the company, they say they will call me back later but then they never do.” — Restaurant owner in Brooklyn

“I speak Cantonese, not English, and think that the [hauling] company takes advantage of that. I think the monthly fee is too expensive for the services I get and want to switch haulers, I don’t know of any others and the language barrier makes it difficult.” — Store owner in Manhattan

THE SOLUTIONS

Small businesses want New York City to take action on commercial waste. TDTNYC’s survey found that business owners think the city should require more recycling. Additionally, large majorities of business owners support city oversight to ensure safe working conditions and living wages for private sanitation workers.

Other major cities are proving that the most effective way to accomplish these goals while ensuring fair prices and good customer service for small and large businesses alike is a system of competitive waste zones. Through such a system, the city can pool the purchasing power of NYC’s businesses, create economies of scale and leverage efficiency to create better customer service and extend recycling and composting services to small and large businesses alike at rational prices that reward sustainable waste management.

1. Pooling the purchasing power of small and independent businesses can produce economies of scale and reduce prices while expanding recycling.

Faced with rising disposal costs, inconsistent recycling practices, and excessive waste truck traffic, a few innovative New York City businesses and property owners have found that by consolidating their purchasing power they can improve the quality and decrease the cost of their private waste and recycling services.

CASE STUDY: THE BROOKLYN NAVY YARD PILOTS ZONED COLLECTION

The Brooklyn Navy Yard is home to over 275 industrial businesses ranging from small manufacturers and distributors to an urban farm. In 2010, concerns about excessive garbage truck traffic, overflowing dumpsters, and a lack of recycling led the Navy Yard to launch a pilot program for the more than 40 tenants in Building 3. Through the pilot project, these tenants negotiated jointly for garbage and recycling services, choosing a single hauler who collects waste and recyclables from a centralized compactor.

Navy Yard staff and consultants studied the impact of the pilot and found:

- Businesses participating in the program reduced their monthly waste bills by 27% on average.
- Sanitation truck trips to and from the Navy Yard were reduced by 90%.
- Businesses that had not been receiving discounts for recyclable collection now did.
- Bulky, dirty dumpsters cluttering building hallways were replaced with smaller plastic totes used to take waste to the compactor as needed:
Just as the Navy Yard has improved recycling and aesthetics and reduced diesel truck traffic by negotiating with a single hauler, entire cities can realize these benefits by using a competitive RFP process to select a single hauler for each commercial district or zone in exchange for fair prices, uniform recycling practices, and a verifiable, high rate of diversion from landfills.

Studies of multi-city samples from other regions demonstrate that exclusive zoned collection systems stabilize and often reduce prices for businesses while increasing commercial recycling rates:

- Nationally recognized consultant HF&H collected separate data on residential and commercial rates in 24 Los Angeles County cities using exclusive zones, and found that 21 of 24 were able to realize a decrease in customer rates by using a competitive RFP process, with a median decrease of 17%.  
- The Minnesota Pollution Control Agency surveyed garbage and recycling rates paid by households in 49 cities to quantify differences between open and zoned-based waste collection systems. On average, customers in zoned-based systems paid 13%-35% less than those in open cities.
- An Illinois county waste agency found that, on average, 90% of businesses in five Chicago suburbs received price decreases or remained at the same price level following transitions to exclusive commercial hauler systems in 2008.
A study of prices in 34 cities with exclusive zone systems in Los Angeles County found that between 2002 and 2010, commercial rates increased by only 8.7%, despite much larger increases in labor, fuel, and landfill disposal costs in the region.  

2. Exclusive waste zones can ensure that businesses save money by recycling and composting.

Unlike NYC’s current system, in which few small businesses receive incentives to recycle, cities using a competitive RFP process can negotiate fair, uniform price structures that reward recycling and waste reduction. Better prices are made possible in large part by the significant efficiencies a hauler gains under such a system. These efficiencies, as well as the benefits of a large, long-term customer base, also allow haulers to commit to infrastructure investment and other equipment and practices needed to divert more waste from landfills.

Seattle used a competitive bidding process to select two garbage haulers to serve businesses and residences in four waste zones across the city. The city’s uniform price schedule for commercial waste services ensures that businesses pay 32% less for composting service than they do for garbage service, creating a robust incentive to source-separate food and yard waste. Small businesses can also have up to 2 carts of recyclable metal, glass, plastic, and paper collected at no cost, which allows them to minimize their garbage bins and prices.

Similarly, San Francisco’s waste hauler enables all businesses and employees to recycle organic waste, recyclables, and refuse. The city requires the hauler to charge businesses according to a uniform rate structure with discounts of up to 75% off base garbage prices for businesses that correctly separate recyclables and organic waste.

Los Angeles is currently negotiating agreements with haulers that will require expansion of existing organics recycling services offered to businesses. Haulers submitting bids for zones must initially offer organics recycling to any customer who requests it, and must include a plan to eventually offer organics recycling service to all businesses generating organic waste.

3. Competitive waste zones ensure that all businesses receive consistent, high-quality service from the hauling companies selected to serve the city.
Because most NYC small businesses do not have written contracts with their haulers, they do not have access to formal complaint or grievance procedures to address service issues such as missed pickups and spillage. Individually, small businesses also lack the market leverage of larger businesses to compel better service. By implementing a competitive, exclusive zone system, cities can require selected haulers to meet customer service standards for both large and small customers, and maintain substantial leverage to enforce this requirement through explicit contract terms and, in particularly egregious circumstances, the potential threat of terminating the valuable agreement.

Los Angeles evaluated proposals from haulers interested in serving eleven commercial waste zones designated by the city in 2014. A major objective of this new system was to greatly improve customer service for small businesses. For example:

- The RFP requires that customers be able to report missed collections and make special service requests via a 24-7 call center, online websites, and mobile phone applications.\(^\text{24}\)
- The city will monitor customer service metrics including the number of customer calls received, answered, and called back. Penalties will be assessed against haulers for failure to respond to customer complaints, missed pickups, failure to maintain separation of recyclables, and failure to remit accurate reports and data on customer service and recycling to the city.
- The RFP also gives the city the ability to terminate the contract of haulers that fail to maintain high customer service and recycling standards within the zones they serve, and transfer this zone to a competing hauler or provide city services to businesses in this zone.\(^\text{25}\)

In Seattle, haulers are required to provide customers in business districts with a prepaid bag service for garbage, compost and recyclables. Haulers must offer multiple collection times each day, within a 3-hour time window.\(^\text{26}\) Haulers are charged per-instance penalties for missed collections, failure to clean spillage, or failure to deliver containers to customers in a timely manner.\(^\text{27}\) Haulers also incur bonuses or penalties for metrics such as percentage of customer calls answered within 1 minute and customer satisfaction ratings.\(^\text{28}\)

San Jose requires the city’s commercial hauler to adhere to a customer service and reporting plan, provide service in languages other than English (as needed by the business community), return customer messages on the same day they are received, and resolve customer complaints within specified timeframes.\(^\text{29}\)

**CONCLUSION**

If we are to achieve our critical sustainability goals, New York City must change the way that the commercial waste generated by its businesses is handled. Leading cities have adopted an innovative commercial waste zone model that provides transparency, stability, and improved customer service while greatly boosting recycling rates and reducing unnecessary truck pollution citywide.

In New York City, a similar system would engender fundamental changes in the way NYC businesses handle waste.
• Recycling and organics processing services would be available to all businesses (regardless of size) at lower prices than regular garbage service.
• Improved city monitoring would ensure that materials separated for recycling are actually recycled or composted.
• Hauling companies would achieve high levels of customer service, efficiency, and recycling.
• Small and large businesses alike would pay prices that fit their service needs for compostable waste, recycling, and garbage and adjust these levels as necessary. Arbitrary, flat-fee invoices would be replaced with transparent pricing structures that enable businesses to save money by maximizing recycling and minimizing waste.
• Haulers would be required to provide customer service in the diverse languages spoken by New York City’s small business owners.
APPENDIX 1: SURVEY METHODOLOGY

After interviewing dozens of small business owners in 2014, TDTNYC created a specific set of survey questions in order to assess small business owners’ experiences and opinions regarding the commercial waste system.

In-person surveys of small business owners and managers were conducted by teams of surveyors from ALIGN, the Office of the Manhattan Borough President Gale A. Brewer, B’Nai Jeshurun, and NYLPI during the summer of 2015. The Business Improvement District directors in several neighborhoods assisted in notifying member businesses of the TDTNYC survey.

Surveyors approached small business owners and managers at more than 600 businesses located along dense commercial strips in 21 neighborhoods throughout the Bronx, Queens, Brooklyn, and Manhattan. Surveys were conducted in English, Spanish, Cantonese and Mandarin. More than 370 surveys were completed.

Surveyors also collected copies of private waste hauling invoices or contracts from more than 60 businesses in these neighborhoods during the summers of 2014 and 2015.
APPENDIX 2: SAMPLE INVOICES

EXAMPLE 1, METROPOLITAN PAPER
Note: This invoice violates rules for billing established by the Business Integrity Commission.10

1) Invoice does not include any notification to customers of maximum allowable rates; 2) Invoice does not include estimated quantities of garbage and recyclables removed; 3) The method of measuring the customer’s waste to derive a flat fee is not specified.

![Invoice Example](image-url)
EXAMPLE 2, MR. T CARTING

Note: This is an example of a customer charged for “loose garbage,” with no separate itemization of estimated recyclables removed.
1The Mayor’s Office of Small Business Services estimates that 89% of all NYC businesses are “very small” with fewer than 20 employees. “Small Business First,” 2014, p. 3. Available at: http://www1.nyc.gov/assets/smallbizfirst/downloads/pdf/smallbusiness-first-report.pdf
3This post-collection sorting system is problematic in other ways, as the NYCTA’s public messaging conflicts directly with the City’s efforts to encourage source-separation of recyclable paper and containers in other public spaces and parks.
7PricewaterhouseCoopers, p. 51
8PricewaterhouseCoopers, p. 17
9PricewaterhouseCoopers, p. 52
12These figures are the numbers of businesses that indicated they separate these items, not the number subscribing to an explicit recycling service for these items.
14A 2006 EPA study of data from more than 1,000 communities found that implementation of these systems reduces disposed waste tonnage by 17% on average, with 10-11% due to increased recycling, and 6% due to waste reduction. See Skurnatz, “Pay as You Throw in The US: 2006 Update and Analysis,” available at: http://www.epa.gov/wastes/conserve/tools/payt/pdf/sera06.pdf
19Minnesota Pollution Control Agency, Section 3-3.
24Los Angeles Bureau of Sanitation, “Citywide Exclusive Franchise System for Municipal Solid Waste Collection and Handling,” Section 6.10
26Los Angeles Bureau of Sanitation, p. 8.
28Los Angeles Bureau of Sanitation, p. 79-80.
30City of Seattle, Ch. H Section 850
28 City of Seattle, Section 700 and 830.
29 City of San Jose, “Commercial Solid Waste and Recyclable Materials Collection Franchises Agreement,” 2011, Sec. 5.18 and Exhibit C-8.