

The Result Of Waste And Mismanagement

By now you are aware of the astonishing proposal put forth by the VI Waste Management Authority for an “environmental usage fee” that will tax nearly everything that comes into the territory. The fee affects everything from food and milk to, literally, the kitchen sink. It applies to items purchased through retail outlets and items that enter the territory through the mail. Fees go from a minimum of 7 cents per pound of imported food to 12 cents per pound on clothing and footwear. About the only way to come into the VI free, under this proposal, is to come in dead; coffins, corpses and the accompanying flowers are exempt from the fee. Additionally, individuals connected to the public sewer system could expect the wastewater user fees to double next year, from \$50 to \$100, and continue to rise 15% for the next 15 years.

There has got to be another way. A waste management plan is long overdue for the Virgin Islands. A short drive down any road illustrates the issues around trash disposal. Additionally, there are federal mandates that require that the territory implement or fund solid waste and wastewater management programs. But to approach the issue with this broad stroke is to disregard the impact it will have on the daily quality of life of the residents. The NJR Consulting group, who performed the study that produced the plan, estimated the following financial impact of the proposal:

- \$47 million total loss in economic output
- \$14 million in lost wages
- Elimination of 274 jobs

The offset, NJR says, will be the \$68 million in capital spending Waste Management is anticipating for new facilities, estimated to create 400 jobs. But if history is an indicator, the majority of those positions will not be held by VI residents and the resulting income will only temporarily benefit the territory. Meanwhile, the cost of everything will go up as businesses pass along the fee to the consumers, and this, in a community where the cost of living eclipses the mainland by as much as 40% in some categories, is simply unacceptable. Combined with the relatively low average household income in the territories (75% of households earning less at 50k annually per the 2000 census), a disastrous situation looms. And if this isn't enough to scare you to death, two politically appointed bodies, the VI Waste Management Board and the Public Services Commission, would become the regulating bodies for these fees going forward. And while it's difficult to predict the direction the Waste Management board might take, let us not forget – the PSC is the regulatory” body that through years of deliberate non-action and bending to outside forces brought you the Innovative Telephone debacle. There has got to be another way. Municipalities around the globe have found creative ways to deal with waste disposal issues. Their plans incent the reduction of waste and this one does not. This plan penalizes the importer, who in turn will pass the expense to the already burdened consumer and there is not one thing in this approach that will turn people away from the essentials – people will continue to buy milk for their children because they need it and

will not stop because of the cost attached for disposal of the container in which it comes. It penalizes the customer, who shops online for items not available in the VI or that can be acquired elsewhere at a much less inflated price than exists in the territories. Businesses will cut back. Jobs will be lost. Already scarce items will become scarcer and availability of items in general will decrease. As a result, revenues and incomes will fall and the overall economic impact will be negative. Other alternatives must be studied before this burden is placed on the shoulders of the VI residents. Approaches as simple as recycling incentives can make a significant difference in how and at what cost waste can be managed. And while the larger issues will certainly require more complicated solutions, the proposal as it stands cannot be accepted as the answer to this question now or in the future. The PSC has an opportunity to begin to dig itself out of the credibility pit it dug in its mismanagement of the Innovative situation. Let's hope the new chairman takes the opportunity to reject this proposal and seek a more realistic approach to this very real issue.

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