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VIA FACSIMILE AND EMAIL

Members of the Ballot Simplification Committee
Department of Elections
City and County of San Francisco
1 Dr. Carlton B. Goodlet Place, Room 48
San Francisco, CA 94102

Re: Request for Reconsideration of Ballot Digest for Garbage Collection and Disposal Proposition

Dear Members of the Board Simplification Committee:

I represent Recology, which opposes the Garbage Collection and Disposal Proposition, and I write to respectfully request that the Committee reconsider three discreet but important statements in the proposed ballot digest. Each of the proposed changes are necessary to provide voters with a clear, apples-to-apples comparison between the current system and what the proposed measure would do. Without these changes, the voters will have a false and incomplete understanding about three important aspects of existing law and the proposed measure.

I. Zero-Waste

As currently drafted, the digest gives voters the false impression that the measure provides new zero-waste goals for the City that will be taken into consideration as part of the bidding process. That false impression is created by (1) failing to reference the City's existing zero-waste goals in "The Way It Is Now" section and (2) stating in "The Proposal" section that the measure would require the competitive bidding process to consider "zero-waste goals that maximize recycling." Together, these mislead voters to believe the City does not currently have zero-waste goals under which Recology operates but the new measure does. That in turn creates an unfounded but highly advantageous argument in favor of the measure and against the current system.

The City has had a goal of attaining zero-waste by 2020 since 2002, when SF Environment adopted Resolution No. 007-02-COE. That Resolution was later adopted by the Board of Supervisors, and was one of the main reasons the Board passed Ordinance No. 100-09

(June 9, 2009), which requires all San Francisco residents to separate recyclables, compostables, and trash and require Recology to take certain steps to implement the recycling and composting programs. As a result, through the efforts of the City, its residents, and Recology, the City now diverts more than 77% of total waste from landfills and is well on its way to meeting its zero-waste goal. (See http://www.sfenvironment.org/our_programs/program_info.html?ssi=3.)

Equally important, the proposed measure provides no new zero-waste goals or policies, nor does it define the term. Rather, it is clear from the surrounding contexts in which that term appears in the measure that it is simply referring to the City's *existing* zero-waste goals, as set forth in the resolutions and ordinances discussed above.

The concept of zero-waste is extremely popular with San Franciscans and therefore it is critical that the ballot digest use it fairly in order to avoid creating an argument for or against the measure. Therefore to correct the inaccuracy and to ensure the voters are comparing apples-to-apples, "The Way It Is Now" section should be changed as follows (proposed change in bold):

Any company that collects, disposes of or transports garbage (trash, recyclables or compostables without commercial value) in San Francisco must have a City-issued permit. Each permit authorizes collection in a specific area of the City. A single company currently holds all the permits. The City does not use a competitive process to select providers. **The City has adopted zero-waste goals for maximizing recycling and composting under which garbage companies must operate.**

2. Commercial Rates

The current digest states in "The Way It Is Now" section: "For commercial properties, garbage companies and commercial property owners negotiate rates through individual contracts." That statement is misleading because it leads voters to believe that commercial rates are wildly divergent and that individual companies are left to their own devices to negotiate one-on-one with Recology for their waste collection rates. That is not the case. Rather, commercial rates are established by the Uniform Commercial Rate Tables published by the City and Recology on their websites. The Rate Tables in turn result from the setting of residential rates by DPW and the SF Rate Board. As part of the residential rate process, the companies provide financial information to the City regarding its commercial business and then adjust commercial rates by whatever percentages the City approves for residential customers.

As the name indicates, the Rate Structure sets a single set of rate tables that do not differentiate between types of commercial collection services or customers. Specifically, the Rate Structure includes base and variable rates and a recycling incentive program that includes discounts. The base rate covers fixed system costs and the variable rate is based on the service

volume for refuse, recycling and composting collection. The fixed rate remains constant and the variable rate is discounted in proportion to the percentage of diversion service volume of the customer up to 75%. As a result, contrary to the ballot digest statement, commercial rates are uniform.

Therefore, "The Way It Is Now" section should be changed to the following:

For commercial properties, the garbage companies and commercial customers follow uniform rate tables that result from setting of residential rates by Rate Board.

3. Processing and Transfer Facilities

"The Way It Is Now" section states: "Currently there is no requirement that the City own the processing and transfer facilities." In comparison, "The Proposal" section states: "The measure would require that the City own all processing and transfer facilities used under these agreements and that they be located in San Francisco."

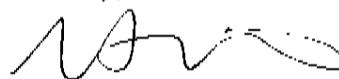
The problem with that comparison is that it fails to tell voters that the processing and transfer facilities are already located in San Francisco. Moreover, the statement about the existing system is framed argumentatively, suggesting there is something wrong with the current regime for not requiring the City to own those facilities.

In order to provide the voters with a fair comparison between the existing system and the proposed measure, "The Way It Is Now" section should be amended to the following:

Currently the City does not own or lease the processing and transfer facilities. Those facilities are currently located in San Francisco.

Thank you for considering these changes, and we look forward to meeting with you about them on Wednesday.

Sincerely,



Thomas A. Willis