

Recycling in Austin: *Understanding the Facts*

Austin is an environmental leader that deserves the best possible recycling program. **Greenstar was proud to be a part of the City's transition to single stream recycling where volumes of recyclables collected increased by 70% during the two year program.** The citizens of Austin played a major role in this growth and Greenstar was proud to provide the capabilities leading to this admirable effort in reducing waste.

The recycling program with Greenstar began in October 2008 just as commodity values were plummeting; in line with the overall economy. The City initially lost money on the new program solely due to the collapse in commodity values having chosen a revenue sharing contract. **However, those losses turned to profit under the Greenstar program when commodity values recovered. In July 2009, Greenstar initiated a proposal for an alternate agreement to the City to work together to improve the** financial performance of the recycling program for the citizens of Austin. The City did not accept this offer, **missing out on \$1.3 million in savings over the next 14 months and the opportunity to save approximately \$1 million per year.**

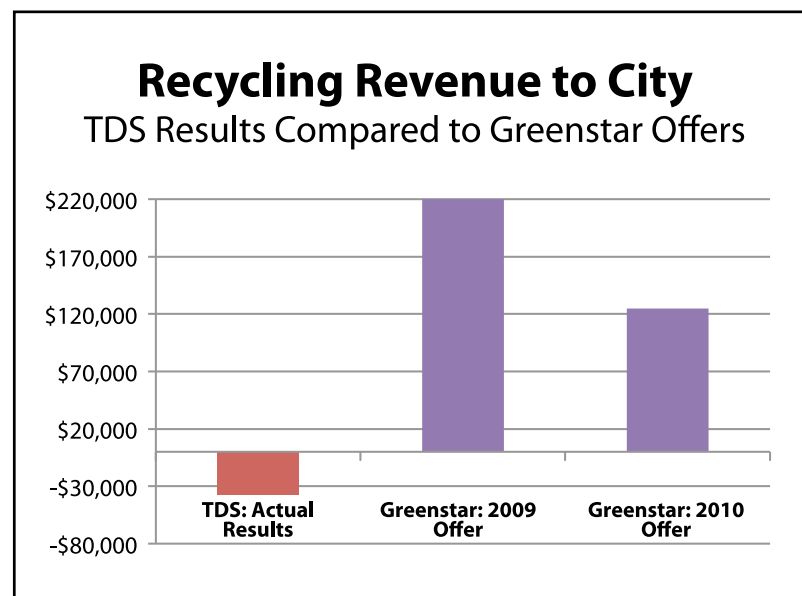
Last year, Austin City Council voted to reject all bids that were submitted for a proposed new recycling plant to meet the needs of the successful efforts of its citizens. **Instead, the City abandoned the competitive bid process and negotiated a deal directly with its landfill operator, Texas Disposal Systems (TDS).**

Throughout the ups and downs of the commodity market and the negotiation process, Greenstar Recycling has been diligent about providing the citizens of Austin the facts about its recycling program. Greenstar published one full page ad and several online ads in June 2010 and wrote three letters to the editor between December 2009 and June 2010. In continued pursuit of the facts, Greenstar has requested and received the performance data for TDS' first quarter of operations.

Unfortunately, despite good overall commodity prices, the City has lost money and recycling volumes have decreased since TDS assumed responsibility for the recycling program.

Volume of recyclables collected decreased by 10% from Q3 2010 (Greenstar Recycling) to Q4 (TDS).

As the graph indicates, **the City lost approximately \$37,000 on its contract with TDS in the fourth quarter of 2010, but would have made \$125,000 or \$220,000 with**



Numbers based on actual, quarterly results for 2010 and include transportation fees.

Greenstar Recycling's previous offers are the clear winners.

Greenstar's previous offers.

Greenstar urges the citizens of Austin to know all the facts and strongly supports its pursuit of a zero waste community. For more information, visit GreenstarRecycling.com/About Us/Austin.

