



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

STATEMENT OF FINDINGS

OFFICE OF THE MAYOR

NEW YORK CITY COMMERCIAL WASTE ZONE PROGRAM

DATE ISSUED: October 28, 2019

CEQR No. 19DOS003Y

SEQR Classification: Unlisted

Lead Agency: New York City Department of Sanitation
125 Worth Street, Room 708
New York, NY 10013
Contact: Abas Braimah, Bureau of Legal Affairs
Phone: 646-885-4993

Location: Citywide

INTRODUCTION

This Statement of Findings is issued pursuant to Article 8 of the New York State Environmental Conservation Law, the State Environmental Quality Review Act (SEQRA), 6 NYCRR Part 617, and the New York City Environmental Quality Review (CEQR) process as set forth in New York City Mayoral Executive Order 91 of 1977, as amended and the Rules of Procedure for City Environmental Quality Review, found at Title 62, Chapter 5 of the Rules of the City of New York (CEQR). This Statement of Findings has been prepared to: 1) certify that the procedural requirements have been met; 2) consider the relevant potential environmental impacts, facts, and conclusions disclosed in the Final Generic Environmental Impact Statement (FGEIS) for the New York City Commercial Waste Zone (CWZ) Program; and 3) weigh and balance the

relevant environmental impacts of the Proposed Action with social, economic, and other considerations.

Pursuant to CEQR, the New York City Department of Sanitation (DSNY) was the lead agency responsible for conducting the environmental review to determine whether the proposed action would have significant impacts on public health and the environment. The New York City Office of the Mayor (OOM) was identified as an Involved Agency under CEQR.

For the CWZ Program, an FGEIS was certified as being complete and a Notice of Completion was issued on September 17, 2019. Subsequent to the FGEIS, modifications were made to the program and analyzed in a Technical Memorandum, issued on October 25, 2019.

This statement sets forth the findings of OOM, as Involved Agency, with respect to the potential environmental impacts of the CWZ Program as analyzed in the FGEIS and Technical Memorandum.

DESCRIPTION OF THE PROPOSED ACTION

The City of New York is proposing to improve commercial waste carting by implementing a CWZ Program across the five boroughs of the City, consisting of 20 zones with 3 private carters authorized to operate per zone (“the Proposed Action”). Implementation of the CWZ Program would involve several discretionary approvals. The City entities involved in the environmental review and approval process for the Proposed Action are:

- DSNY acting as lead agency for the environmental review, potential rulemaking, and CWZ Program implementation including approvals of zone contracts;
- Office of the Mayor, City of New York for authorizing legislation;
- New York City Council for authorizing legislation; and
- New York City Business Integrity Commission (BIC) for oversight and potential rulemaking.

City Council Bills to authorize the proposed CWZ Program include Intro. 1574-A (to create a CWZ Program), and Intro. 1082-A (requiring GPS devices on carting trucks operating in a CWZ system).

PROJECT DESCRIPTION

The City of New York is proposing to improve commercial waste carting by implementing a CWZ Program across the five boroughs, consisting of 20 zones with 3 private carters authorized to operate per zone (the “Proposed Action”).

The CWZ Program would regulate the collection of commercial refuse, designated recyclables, and source-separated organic waste. It would exclude specialized or intermittent commercial waste streams, which would continue to be collected in the current manner under existing City and State regulatory requirements. The excluded waste streams include construction and demolition (C&D) debris; hazardous or radioactive waste; medical waste; electronic waste; textiles; yard waste (collected by landscapers); waste hauled by junk haulers or one-time bulk waste services; grease; and waste papers collected for the purposes of shredding or destruction.

The CWZ Program would be a non-exclusive system whereby private carters would competitively bid for the right to service businesses within geographic collection zones. Carters that win zone contracts would be obligated to meet certain contractual requirements aligned with the City's program goals and objectives. The CWZ Program would standardize the carting contract process by requiring written service agreements between carters and customers and by making the pricing structure more transparent. Customers would be able to negotiate supplemental services beyond the required minimum, for an extra fee.

Each carter would be able to compete for one or more zones throughout the City based on its preferences. No carter would be able to win contracts for more than 15 zones and one city-wide containerization zone. Qualification requirements would be further defined in a Request for Proposal (RFP). The RFP would provide details on the program goals, methods for implementation, and requirements that carters would respond to in order to apply for contracts with the City to collect waste within specific zones. While the RFP would define the maximum number of carters able to operate in a particular zone, and the City expects to award that number of contracts per zone, the number of carters selected for a zone would be determined by the number and quality of the proposals received and the qualifications of the carters. Additionally, the potential to submit proposals as a consortium with other carters or organized through a broker, as well as certain subcontracting allowances, would provide opportunities for an array of different carters.

Following selection, contracts for the opportunity to collect in a zone will have a 10-year term with extension options available. Extension options will be outlined in the contract, and any extension would be at the discretion of the City for the individual carter. Pricing would be negotiated between individual businesses and carters, subject to price caps for each carter determined through the contract-award process. The overall New York City Business Integrity Commission (BIC) rate cap for licensed carters of putrescible waste would no longer apply.

Under the CWZ Program, carters would be required to comply with current regulations so they could compete for business within the CWZ Program. The CWZ Program would encourage carters to comply with industry health and safety standards and policies, as well as BIC's health and safety guidance documents. Compliance with requirements for safety equipment and training and necessary equipment maintenance would be documented and tracked.

The CWZ Program would encourage carters to comply with existing recycling and source-separation regulations so they could compete for business within the CWZ Program. As part of the solicitation process, the CWZ Program would require carters to develop "zero waste" plans and identify innovative practices to support waste reduction, reuse, and recycling and provide for additional oversight and reporting requirements to ensure that these practices are being followed. With more recycling and organic materials being separated, less waste would be sent to landfills, saving resources and energy, consistent with the City's sustainability and recycling goals.

Billing would be fairer and more transparent, with written service agreements outlining rates and any fees so that New York City businesses would only pay for the waste that they produce. Implementing this non-exclusive CWZ system via an orderly transition will enable New York City businesses to preserve customer choice and keep prices competitive and the quality of service high while substantially reducing truck traffic associated with commercial waste collection.

The CWZ Program would be implemented in multiple steps. The competitive solicitation process would be expected to begin in 2020 and the evaluation and contracting with the City would be expected to last approximately one year. The RFP would be released for all zones, and all proposals would be reviewed and awarded concurrently. Once all contract agreements with the City are executed, customer transition would be expected to begin at the end of 2021 and could take up to two years following the execution of such agreements. Customer transitions to service by an authorized carter would be expected to be complete by 2023 or early 2024. DSNY would continue to serve as the project manager for the CWZ Program, and in this capacity would oversee the competitive solicitation, the negotiation of each zone's contract between the City and the carter for the right to collect waste, and the overall transition to CWZs. DSNY would continue to enforce regulations concerning commercial waste set-out, recycling, and organics separation. DSNY would also become the primary administrator of carter zone contracts under the program and would serve as carter of last resort if carters repeatedly fail to perform services for any reason.

DSNY would create a Division of Commercial Waste to administer the CWZ Program and consolidate DSNY's commercial waste outreach, enforcement, and regulatory functions in the agency under a single chain of command. The Division of Commercial Waste would oversee the solicitation and transition processes and ensure that the CWZ Program achieves its stated goals and requirements.

In summary, the CWZ Program would build on the current regulatory system, with a contract-based system where carters are subject to clear written requirements. The contracts awarded to the selected carters would be long-term; provide for transparent and fair pricing and customer service mechanisms; require improved environmental performance; and ensure compliance with and enforcement of existing and new requirements. Non-compliance could result in monetary penalties or loss of the contract. Overall, the CWZ Program would provide stability to the commercial waste industry by providing carters with predictable business and promoting long-term investments in recycling services and cleaner trucks.

ANALYSIS FRAMEWORK

Analysis Year

Since the Proposed Action's expected year of full implementation after a two-year transition period is 2024, that was the Analysis Year for the environmental review.

Existing Conditions

For each technical area that has been assessed in the FGEIS, the existing conditions have been described. The assessment of existing conditions served as a starting point for the projection of future conditions with and without the Proposed Action and the analysis of project impacts.

Future without the Proposed Action

The No-Action condition predicted conditions that would exist in the Analysis Year of 2024 without undertaking the Proposed Action. It provides the baseline against which the Proposed Action's impacts were assessed. Under the No-Action condition, it was anticipated that existing carters would continue to operate the same as under the existing condition (the routes, frequency,

durations and pick-up times would remain approximately the same). The No-Action condition analysis discussed the current commercial waste industry, including its shortcomings, and any regulatory changes to the industry already expected by the Analysis Year of 2024.

Future with the Proposed Action

In the With-Action condition, there would be 20 geographic zones in each of which 3 carters would be authorized to operate and be required to adhere to certain parameters intended to improve transparency, safety, and customer service. Up to 60 zone contracts and 5 city-wide contracts for containerized collection would be awarded. The identities of the carters to be awarded zone contracts are to be determined, but are expected to have carting operations and garages in the City or greater metropolitan area.

Due to the generic nature of this environmental analysis, DSNY analyzed three representative case studies of different commercial density typologies: Central Business District (CBD) Study Area (Midtown Manhattan CBD), Neighborhood Retail Corridor Study Area (Flatbush Nostrand Junction, Brooklyn), and Lower (Retail) Density Study Area (College Point, Queens).

IDENTIFIED SIGNIFICANT ADVERSE IMPACTS AND MITIGATION

Detailed analyses were provided in the FGEIS for land use, zoning, and public policy; socioeconomic conditions; solid waste and sanitation services; transportation; air quality; greenhouse gas emissions; and noise. The following CEQR technical areas did not warrant detailed discussion: community facilities and services; open space; shadows; historic and cultural resources; urban design and visual resources; natural resources; hazardous materials; water and sewer infrastructure; energy; public health; neighborhood character; and construction.

The FGEIS determined that the CWZ Program would not result in significant adverse impacts in any of the analyzed categories.

CONCLUSION

The CWZ Program would support the advancement of the City's efforts to increase commercial recycling, reduce carter truck traffic and associated air, noise, and GHG emissions, and improve carting industry operational standards. The CWZ Program would thereby help advance several key policy objectives, including improving roadway safety: Complementing Vision Zero, furthering the environmental sustainability efforts of *OneNYC*, and reducing the environmental and community impacts of the commercial waste system, a goal of the City's Solid Waste Management Plan.

Of the Alternatives studied, the No-Action Alternative would not accomplish the program's goals and objectives, and the excessive truck travel and other drawbacks of the current commercial waste system would continue. The Exclusive Zone Alternative would achieve the program's goals and objectives, but it was not preferred given concerns about the ability for exclusive carters to adequately provide waste collection services within exclusive zones, the lack of redundancy within the collection system, and the elimination of competition and customer choice within an exclusive zone system.

After considering the benefits and potential impacts of the CWZ Program disclosed in the FGEIS to improve the commercial waste industry, DSNY concluded that the social, economic, and environmental benefits provide a rationale to proceed with the Proposed Action.

CERTIFICATION OF FINDINGS TO APPROVE/FUND/UNDERTAKE

Having considered the relevant environmental impacts, facts, and conclusions disclosed in the FGEIS and Technical Memorandum and weighed and balanced relevant environmental impacts with social, economic, and other essential considerations as required in 6 NYCRR 617.11, the Office of the Mayor, as an Involved Agency, certifies that:

- the requirements of Article 8 of the New York State Environmental Conservation Law (SEQRA) and its implementing regulations found at 6 NYCRR Part 617 and the requirements of City Environmental Quality Review (CEQR) found at Title 62, Chapter 5, of the Rules of the City of New York and as set forth in Executive Order 91 of 1977, as amended, have been met; and
- consistent with social, economic, and other essential considerations of state and city policy, from among the reasonable alternatives available, the Proposed Action is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable, that no significant adverse environmental impacts were predicted from the Proposed Action, and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision mitigation measures that the FGEIS and this Statement of Findings have identified as practicable.



Hilary Semel, Assistant to the Mayor
Office of the Mayor

October 28, 2019

Date