



# Recycling Steering Committee

Modernizing Oregon's recycling system with support from Oregon Consensus

## Clarification on “Pay As You Throw”

March 20, 2020

There has been some uncertainty regarding “pay-as-you-throw” (PAYT) as a common element in all five framework scenarios evaluated by Resource Recycling Systems (RRS). As described to the Recycling Steering Committee by RRS at the December 17, 2019 meeting, under all five scenarios, *“consumers pay set rates to service providers using variable rates (PAYT) which incentivizes waste reduction and recycling.”* PAYT is also known as a unit pricing approach.

As described in this way, PAYT just means that people pay more if they put out more garbage. It differs from many programs in the Eastern United States where garbage is a service provided by local governments and paid for out of a tax base rather than customer fees, and people can throw away as much as they want without paying directly for the service. For example, in much of Massachusetts, residents can place any amount of garbage at the curb; the amount they pay is not related to the amount of garbage they put out for collection.

All Oregon communities that DEQ is aware of currently have some sort of PAYT system.

A strong form of PAYT is to require that people pay in direct proportion to the amount of waste they set out for disposal. For example, some communities operate under a PAYT approach where residents pay a per-bag or per-container (i.e., bucket, barrel, bin, can, etc.) fee for every bag or container of garbage placed curbside for collection. In this approach, three bags of garbage cost three times more than one bag of garbage, even though the actual cost to collect is not three times higher.

Such a strong form of pay-as-you-throw is one of the program elements that cities can choose to implement under Oregon's Opportunity to Recycle Act. Very few cities in Oregon have chosen this program element, with most cities instead using a rate structure that is closer to “cost of service” for different container sizes, rather than being directly proportional to the average amount of garbage in each container. PAYT as proposed by Resource Recycling Systems does not require this strong form of PAYT – only that people pay more if they set more waste out for disposal.

Below is a link to a 2008 Skumatz Economic Research Associates, Inc. article that provides additional information about PAYT: <https://www.como.gov/Council/Commissions/downloadfile.php?id=12906>