RESOURCES RECOVERY & ECONOMIC DEVELOPMENT

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Discussion by

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The audacious Port Authority plan to develop industrial parks by using “cheap” energy from resource recovery facilities is the first of its kind. The concept appears to be feasible due simply to the presence of the necessary ingredients at the right time and at the same place: cost of energy, scale of the planned facilities, availability of waste materials, scarcity and cost of alternative waste disposal methods and sites and, most importantly, the vast resources and jurisdiction of the implementing agency.

Even with most of the ingredients at their fingertips, most political entities, municipal and regional governmental agencies could not muster the necessary manpower and financial base needed for the implementation of a program of such magnitude.

The imaginative departure from the traditional “market first” concept was, of course, made possible by the unique and critical solid waste situation in the Metropolitan New York-New Jersey area and will probably not be duplicated too often, if at all, in other areas in the U.S.

Nevertheless, the implementation of such a plan presents a tremendous challenge in solving a multitude of institutional and licensing problems which, in this case, overshadow by far technological difficulties and considerations; truly, a mammoth task which can be undertaken only by an institution such as the Port Authority.

Hopefully, the Port Authority’s project will serve as an incentive to other areas of the country to finally move into resource recovery, instead of only talking about it.

Discussion by

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The authors deserve credit for reminding us of the plight of the Greater New York area which was caused by the considerable loss of business and employment in recent years. Their description of the Port Authority’s financial strength in terms of assets and revenues resulting from the ownership and operation of major transportation facilities (airports, seaports, tunnels, bridges, etc.) is probably an understatement.

The informed reader is tempted to recall an article, “How the Richest Public Agency Lost its Way,” which appeared in Business Week several years ago (December 12, 1977). At that time, Business Week called the Port Authority the “country’s richest and most powerful public agency.”
Therefore, it comes as a pleasant surprise to learn from the authors that the Authority now wishes to participate in the “concept of regional reinvestment.” This surprise changes to apprehension, however, when the thesis is postulated that such reinvestment can be best accomplished by the creation of “industrial or urban recycling parks” where municipal refuse is to be converted into energy and reusable materials for the benefit of newly attracted industry.

The authors diligently trace the Port Authority’s deepening involvement with resource recovery during the seventies but, in the absence of any “hands-on” experience, this involvement consists exclusively of studies, conferences and plant visits. At this point, it might have been helpful to single out one particular model which would describe in sufficient detail how resource recovery and economic development can be successfully combined:

a. Anywhere in a large urban area.
b. Particularly in the complex climate of New York City.
c. Under the leadership of a transportation agency.

A fleeting reference to the “Houston petrochemical complex” does not alter this apparent lack of constructiveness.

The aforementioned Business Week article talks of an “identity crisis” and somehow the subject paper doesn’t quite explain:

a. Why the Port Authority wishes to enter the utility field in an area as difficult and controversial as waste disposal and energy delivery.
b. How, in the absence of commercial manufacturing and sales experience, the Port Authority can secure the long-term markets for recycled materials.
c. By what means the lack of prior and specific experience in these areas will be overcome.

It is rather logical to ask why the Port Authority doesn’t concentrate its vast resources on mass transit, a pressing problem of even greater dimensions in the New York area.

Besides such matters of basic philosophy, several technical points need clarification.

How can the Port Authority sell waste-derived electricity at less than 4¢ per kWh when the traditional utilities, Con Ed and PSE & G, have to charge between 4.3 and 7.3¢ per kWh (using the September 1976 figures cited)? Is refuse a cheaper and more efficient fuel than the conventional fuels used by the utilities? Is cogeneration (i.e. the simultaneous production of electricity and heat) involved? Will the Port Authority provide these services merely at cost to its potential industrial park tenants? Are there any subsidies and/or tax exemptions involved? What guarantees are involved for noninterruptible service in case of municipal disturbances, such as a garbage collector’s strike?

In terms of technological choices, the authors briefly mention mass burning and RDF combustion as the major candidate technologies. While they acknowledge the “proven technology aspect of mass burning,” they also state that “within a year or two there may be sufficient evidence… to justify reevaluation.” Why?

Generally, resource recovery facilities are financed over a 20-year term and while there are scores of mass burning facilities which have continuous operating records of from 10 to 40 years, there are no comparable facilities in the RDF category. What difference can another year or two make in having to come to grips with the financial risks of such long term ventures in resource recovery? If the underlying issue concerns one of increased economic benefits to potential industrial park tenants by shifting from energy to materials recovery, then this point is not made.

The authors are conversant with the ever-increasing maze of organizations and projects in the Greater New York area. It is conceivable, however, that in some instances there is overlap or even competition for the same garbage. Therefore, it would be desirable to provide an addendum to the basic paper which would list—possibly in matrix form—these many organizations and projects in relation to each other.