

16 January 2015

Mr. Bob Schwartz
City Manager
110 West Clark Street
Oxford, Georgia 30054



Dear Sir,

This letter is written to provide further explanation of Latham Home Sanitation's request to eliminate all glass from Oxford's recycling collection service. The year 2014 was a tumultuous one for the recycling industry. The full force and effect of China's "green fence" was felt across the nation. The "green fence" is a common reference to describe the nation of China's refusal to buy or accept single stream recycling commodities in their ports. This policy forced American processors to incur export and import shipping costs and created a glut of recyclables in the United States; thus, triggering a collapse of the single stream commodities secondary markets.

In June 2014, Southeastern Fiber Technologies (SP), the largest Southeastern processor, abruptly closed its doors in the Atlanta market to single stream recyclables. Furthermore, it ceased all operations in October 2014. This decision left local recycling haulers scrambling for available floor space and sorting services with the few local companies remaining in the processing business. As a result of this classic economic supply and demand scenario, the processors no longer provided recycling incentives to their haulers. In fact, the exact opposite occurred. They began charging tipping fees or tonnage fees for their services on every ton dumped. However, since LHS holds ten metro cities under recycling contracts and because we have a reputation for providing "clean" recyclables, we were able to avoid those tonnage fees...until now.

Beginning in November 2014, RockTenn, our Gwinnett processor, no longer accepts single stream recycling commodities that include clear, green, or brown glass, gratis. All trucks containing glass is charged \$21.00 per ton. Per our company's negotiations, the only way to avoid this charge is to immediately exclude glass from single stream collection. The reason glass is a target for elimination is that the most secondary markets for glass are currently non-existent. In addition, glass has proven to be troublesome due to the fact it damages the processing equipment by shredding conveyor belts and interfering with the sorting machines.

Per our conversation this week, I understand the City of Oxford does not wish to incur these fees, even temporarily. This decision is a wise one because it is our sincere belief that glass will eventually be phased out altogether as an acceptable recyclable product. The best strategy moving forward is to eliminate glass and keep operating costs status quo.

Mr. Schwartz, thank you for the opportunity to share this information with you and the City of Oxford.

Sincerely,


Barbara Latham Jarvis
President