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Greenstar takes another swipe at Texas Disposal Systems

By Mike Kanin

Greenstar Recycling has launched another broadside in what looks like a campaign against local industry rivals **Texas Disposal Systems**. The latest attack came Wednesday in the form of an online ad placed on the Web site of the *Austin American-Statesman*.

In it, the company disputes a handful of statements from both **Texas Disposal CEO Bob Gregory** and **Solid Waste Services Director Bob Gedert**. Greenstar also claims that the city has “only made approximately \$17,000 on the contract in the first four months (in a good commodity market), in comparison to the \$365,000 it could have made with Greenstar.”

“Greenstar is working on data specifically supplied by the City under (an open records request) -- much of it performance data originally reported by TDS to the City,” the ad reads. “Greenstar simply compared the performance of the (Texas Disposal) program to its own offers to the City in 2009 and 2010. The confusion here lies in the apparent lack of understanding in regards to the TOTAL cost of a recycling program to the City. We calculated based on information from the City, as well as conservative transportation estimates, the TOTAL cost of the program. Simply stating (publicly) what you paid in a rebate as the 'profit' of a program is actually a gross misrepresentation of the truth.”

The last statement is an echo of a quote from Gregory published in a recent *In Fact Daily* story (see *In Fact Daily*, Feb. 8). In that piece, both Gregory and Gedert dispute another Greenstar ad, which was also deeply critical of the city's deal with Texas Disposal Systems. According to Gregory, the city has pulled in over \$142,000 in profits since the start of its deal with his firm.

The Greenstar ad redirects interested parties to a Web site dedicated to Greenstar's Austin adventure. On that site, the company offers up a side-by-side comparison of the cost of the Texas Disposal Systems contract and what it says the city would have earned from a continued relationship with Greenstar.

Gregory remains confident in his figures. “We have no problem with any questions being raised. Information is our ally,” he told *In Fact Daily*. “I hope the city will respond with the facts and join (Texas Disposal) in responding with the truth about the questions and issues raised by Greenstar.”

Solid Waste Services spokesperson **Jennifer Herber** said via email that her shop “cannot comment at this time, particularly as the City is still in negotiations for a long-term recycling contract.”

Texas Disposal Systems and Greenstar were both involved in the heated bid for the right to process the city of Austin's single stream residential recycling. During that effort, each firm was charged with a violation of the city's anti-lobbying ordinance. Greenstar's was dismissed; Texas Disposal Systems' was upheld. Gregory still strongly disputes the charge.

Gregory's company ultimately ended up with a short-term deal to handle the city's residential program. It is currently negotiating with the city – along with **Balcones Recycling** -- over the longer agreement. City officials have indicated that the contract could be divided between the two companies or given entirely to one or the other. Staff expects to bring the agreement to City Council in March.

Greenstar's vice-president for the southwest region, **Steve Dunn**, shed a bit more light on the purpose of his company's ads. "We do business throughout the state of Texas and throughout the country," he said. "We left the table (in Austin) with ... what we felt was a black eye."

Greenstar handles a municipal recycling contract for the city of San Antonio. That deal is up for an extension this year.

Dunn said that the company's numbers illustrate that a relationship with Greenstar would have been part of a "fair program" for Austin.