

DECEMBER 2011



# 37 Years of Local 2011 ILSR Program Report



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## 2011: A Year of Crisis and Opportunity

As 2011 draws to a close one is reminded of William Butler Yeats' famous line, "Things fall apart. The center cannot hold."

The uprising of what came to be known as the Arab spring ended up toppling Tunisia's Zine el-Abidine Ben Ali, Egypt's Hosni Mubarak, Libya's Gaddafi while Yemen and Syria's authoritarian regimes are teetering.



The U.S. has experienced what might be called our American fall with the emergence of the Occupy Wall Street movement in September and hundreds of #Occupy initiatives around the country.

Across the Atlantic a bitter European winter is upon us as the financial crisis spreads from Greece to Italy and Spain and France and the Eurozone itself now teeters on the edge of dissolution.

Both the grassroots desire for political democracy in Arab nations and the grassroots movements for economic democracy in Europe and the U.S. manifest a universal public uprising against concentrated and non-transparent power and unprecedented inequality.

For 37 years, ILSR has advocated for both political and economic democracy from the bottom up. We focus on the issues of scale and ownership. Our goal is a renewed sense of shared community. Our strategy is to identify and advocate for policies and structures that maximize the value extracted from local human, capital, and natural resources and equitably share the resulting benefits.

We apply our perspective broadly but given our small staff, we focus on five major initiatives. Telecommunications as Commons; Democratic Energy; Independent Business; The Public Good; and Waste to Wealth.

We want to express our heartfelt thanks to those who have supported our work this year, and in years past. We hope this report on our efforts and impact validates that support.

Best,

Handwritten signature of David Morris in black ink.

David Morris  
Co-Director

Handwritten signature of Brenda Platt in black ink.

Brenda Platt  
Co-Director

# Telecommunications as Commons

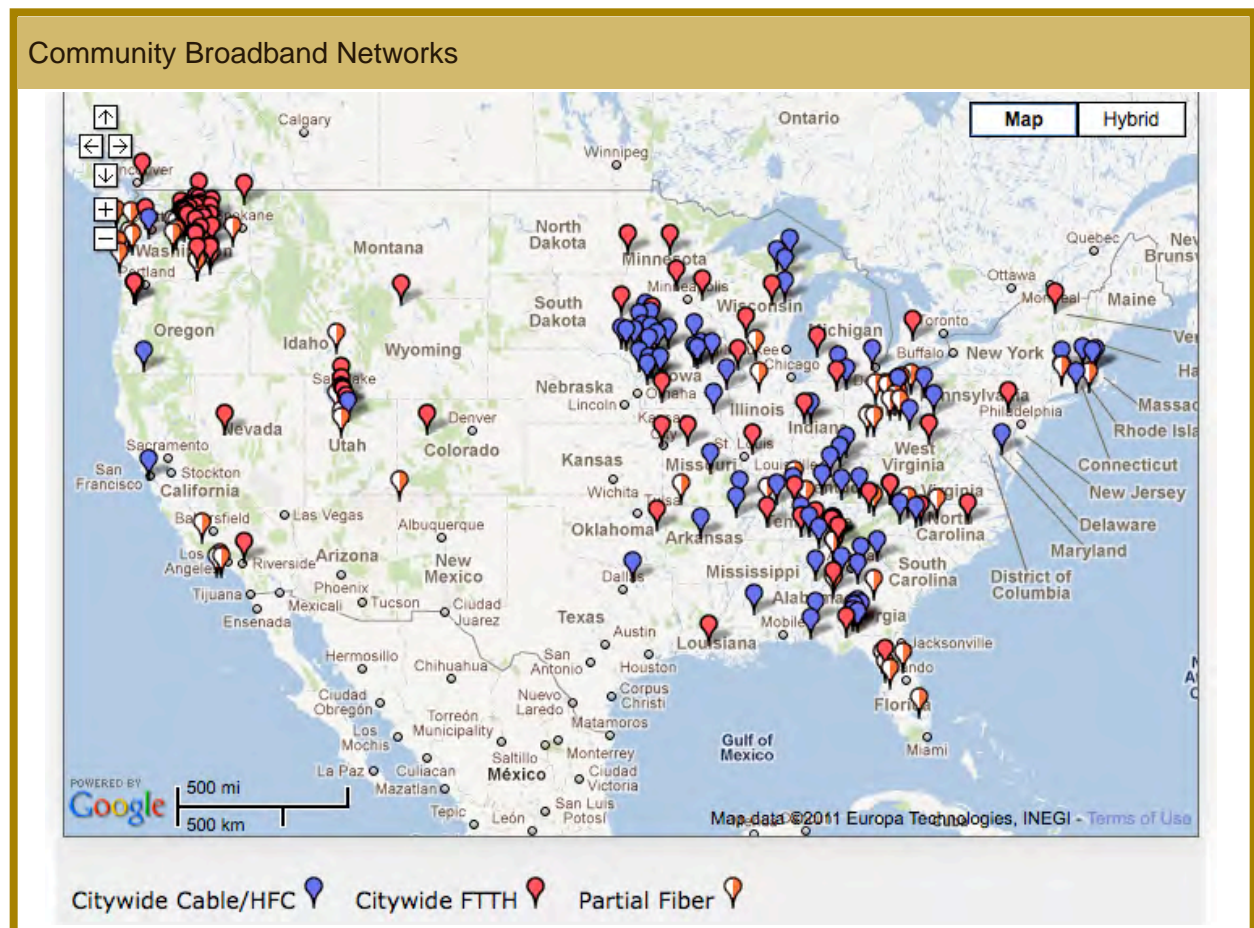
Access to fast, affordable, and reliable Internet connections is now a crucial component to modern, economically competitive and socially inclusive societies. But our reliance on increasingly unregulated and monopolized private delivery networks has resulted in the U.S. plummeting from 1<sup>st</sup> to 16<sup>th</sup> in the worldwide ranking of access to high speed broadband.

Frustrated by the glacial pace of investment by private companies and infuriated by their rapid price hikes, cities and counties have begun to build their own public telecommunications infrastructure. Community owned networks offer an alternative in which the customer is the owner and can participate both directly and indirectly in writing the rules for the next information-based economy.



ILSR has become a leading organization in the movement to educate communities of the benefits they can derive from building their own broadband networks and in the fight to defend their right to do so.

Our two year-old [MuniNetworks.org](http://MuniNetworks.org) website has become the premiere clearinghouse for information related to community networks with regular updates published 3-4 times a week.



In February 2011, ILSR published the first comprehensive *Community Broadband Map*, an interactive map identifying the nation's 150 publicly owned city wide cable and fiber networks, networks that allow 2 million Americans to access high speed broadband at affordable prices. The map received 10,000 views the first week and continues to be widely disseminated, providing visual evidence that community broadband has become a mainstream strategy.

In March we published a complementary report, *Publicly Owned Broadband Networks: Averting the Looming Broadband Monopoly*. It argues for community ownership as a key non-Washington-based strategy to fight the national trend toward less competition and local accountability in broadband networks.

ILSR's case studies of community networks have been widely used to inform activists and cities and counties exploring the possibility of public networks. By the end of 2011 we will publish three new studies and analyses of public networks in Bristol, VA; Chattanooga, TN; and Lafayette, LA.

In 2007, ILSR issued the first detailed report on Burlington Telecom that highlighted its progress. In early 2011 Burlington's municipally owned network suffered serious financial and legal setbacks, creating the need for an in-depth analysis of what went wrong and what lessons other fledgling or proposed public networks can extract from Burlington's problems. In August 2011, we released *Lessons From Burlington Telecom*.

This past year we began to use non-print media to augment our public education efforts. We've released three videos, available on YouTube, on the superiority of community-owned broadband networks and the structural disadvantages they face. The videos have been cross-posted by many other organizations. We know of several cases where viewing one of these videos has spurred action in a community to consider building a community network.

ILSR continues to provide direct technical assistance to cities and counties exploring the potential for community ownership. Over the past year we've provided technical assistance to over 30 communities in 10 states. In over half we provided on-site assistance. We have also testified before city councils, community commissions and planning committees. In the fall we advised and brought national attention to an important [grassroots movement in Longmont, Colorado](#) to re-establish local authority to use publicly owned fiber to offer services to residents and businesses. Despite a \$300,000 cable scare-campaign of misinformation, the town of 80,000 voted 60 percent "Yes" on the referendum question.

*"I sent a couple of hundred students towards muninetworks.org. I was giving a rabble-raising speech and they asked what they could do. I said 'march on City Hall' and demand municipal broadband. Your site's the one for information."*

*Susan Crawford*

*Former Special Assistant to President Obama for Science, Technology and Innovation Policy*



As public networks have proven successful, private telecommunications firms have aggressively lobbied state legislatures to inhibit or even outlaw them. We work with local and state activists to thwart these efforts. Some efforts are successful. Others are not. As a result of the election of its most conservative legislature in over 100 years, in November 2010 and after a multi-year effort, Time Warner Cable finally succeeded in getting the North Carolina legislature to enact anti-public legislation. Nevertheless, we and our allies in the state were able to water down the bill to exempt existing networks and allow them to modestly expand.

Our effort included writing Op Eds for major North Carolina dailies and speaking to editorial boards and reporters. In a personal letter,

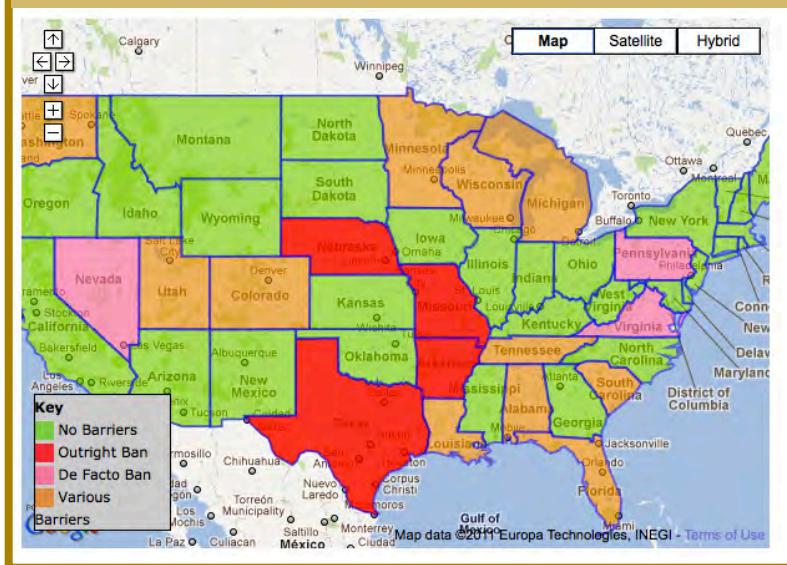
Catharine Rice, the person leading the fight in North Carolina for the Southeast Association of Telecommunications Officers and Advisors wrote, “Once again, you always say the right thing on these interviews. You’ve absolutely made an enormous difference on this issue and I thank you from all of North Carolina.”

When AT&T launched an 11<sup>th</sup> hour attack on WisNet, a coop run by schools and libraries in Wisconsin that offered them affordable telecommunications services, we helped bring national attention to the issue and assisted those working in Madison to successfully preserve the public network.

In September, Christopher Mitchell, Director of the Telecommunications as Commons Initiative, was recognized by NATOA as “champion (of) community interests and broadband deployment in local communities nationwide.”

Chris has become a go-to person for journalists writing about municipal telecom networks. He regularly presents to national and local conferences and debates opponents of government involvement in broadband networks. This past year he participated in a two-hour Oxford style debate in Washington, D.C. hosted by the Information Technology & Innovation Foundation on the question: *Governments should neither subsidize nor operate broadband networks to compete with commercial ones.*

## State Laws Hindering Community Broadband



*ILSR's Christopher Mitchell is a "champion (of) community interests and broadband deployment in local communities nationwide."*

*National Association of Telecommunications Officers and Advisors*

## Democratic Energy

Aside from its benign environmental impact, renewable energy has another potentially revolutionary feature. It is available everywhere, enabling a radical decentralization of power generation and a democratic electricity system.

For our first 30 years, ILSR worked to generate public awareness about the potential for renewable energy and to design and advocate for public policies that would move renewable energy out of tinkerers' garages and into the broader marketplace.

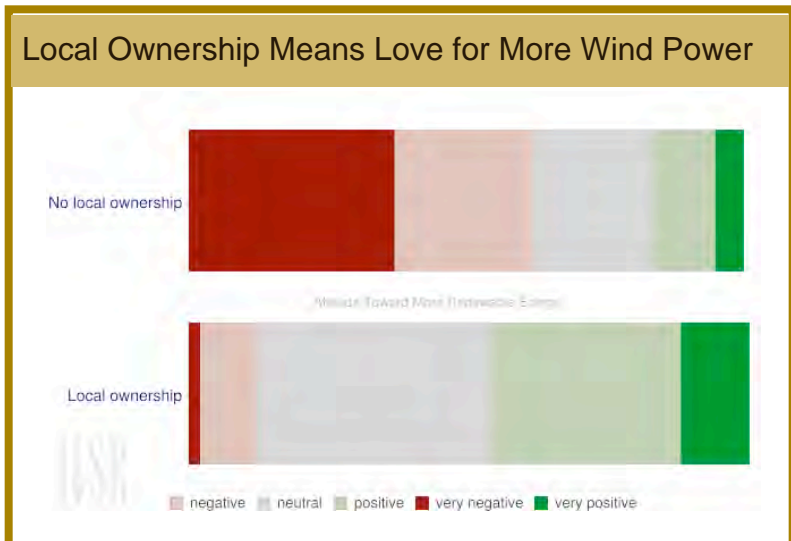
Today the renewable energy industry is large and growing rapidly. Therefore we now focus less on its expansion than on the structure of a renewable energy future, on issues of scale and ownership and the potential for a more democratic energy system.

Our 2009 report, *Energy Self-Reliant States* (since updated) remains the most complete atlas of state-based renewable energy potential. The report revealed that every state could meet its renewable energy standard with in-state renewable resources, virtually all could generate 20 percent of their electricity from rooftop solar alone and over 60 percent could satisfy all their electricity needs from renewable resources. The document and its data have become important tools for those advocating for a more humanly scaled energy system.

Our *Energy Self-Reliant States* blog celebrated its first anniversary in October and continues to broaden its readership and deepen its impact. It has rapidly gained a reputation for high quality analysis and the ability to translate highly complex data into easily accessible graphs and charts.

The site has attracted 1,500 visitors a week. Its articles are syndicated to *Renewable Energy World*, *Grist*, and *CleanTechnica*. Many stories are republished by *Treehugger* and *Climate Progress*.

In 2011, ILSR released four data-rich reports on the benefits and implications of decentralized energy generation.



*"John, I don't know who your client/foundation is that's supporting your news/postings but they're getting their money's worth. this is really useful stuff!"*

*Paul Gipe  
Author of Wind Energy Basics*

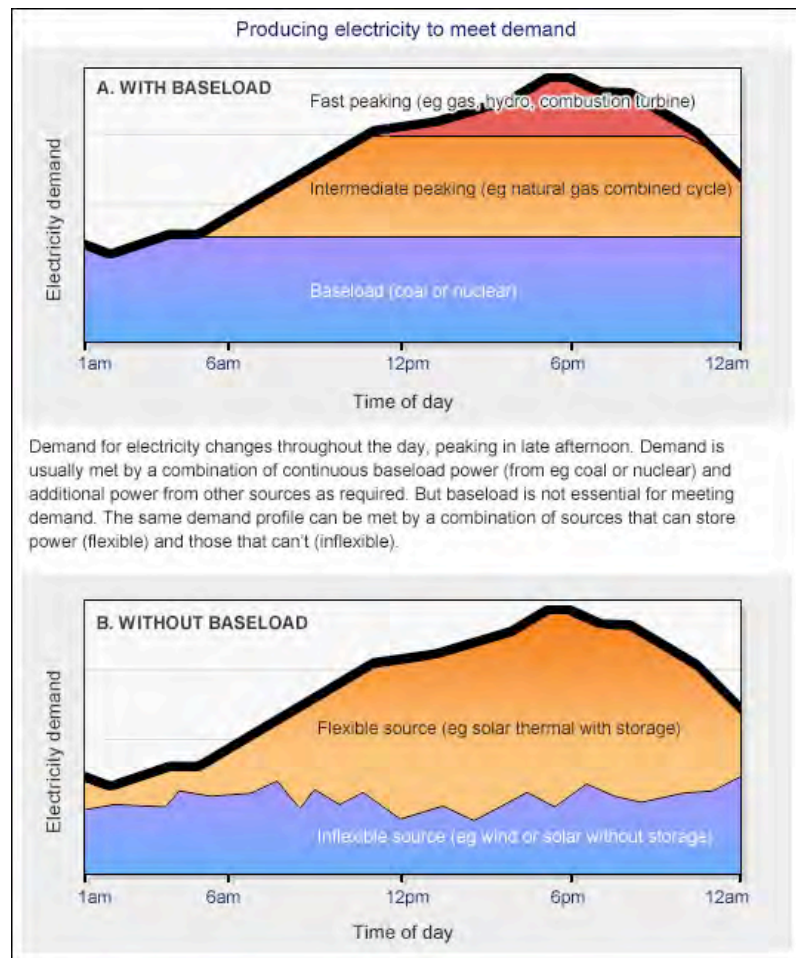
*Democratizing the Electricity System* estimates the economic and technical potential of local renewable energy generation and identifies the policy barriers that impede that potential.

*Maximizing Jobs From Clean Energy: Ontario's 'Buy Local' Policy* describes the Canadian province's clean energy policy and its unique "buy local" provisions that may enable Ontario, with a population equal to that of Illinois or Ohio, to generate as many as 40,000 high paid jobs from its increased use of renewable energy. Many U.S. states have enacted renewable energy mandates but few have coupled this environmental initiative with an economic development strategy, resulting in their households and businesses paying, at least in the short term, higher electricity prices that spur job creation in other states.

*Pricing CLEAN Contracts for Solar PV in the U.S.* provides detail-rich maps of the cost of solar power across America, illustrating the increasing cost-effectiveness of solar across the United States and the pricing strategies that could be used by states adopting a Feed-in-Tariff, that is, a set premium price utilities must pay to renewable energy producers. Feed-in-tariffs, or as they are called in the U.S. – CLEAN energy contracts – have proven enormously successful in Europe, spurring not only dramatic expansions in the generation of renewable energy but in some countries, a new decentralist structure to the electricity system that maximizes local ownership.

*CLEAN v SRECs: Finding the More Cost-Effective Solar Policy* is an in-depth comparison of the cost of solar under two popular financing policies, CLEAN Contracts and solar REC markets. The report, requested by a major organization working to introduce optimal pricing policies for renewable energy, compares the risks and costs of "market-based" policies and transparent and stable CLEAN contracts.

John Farrell, director of our Democratic Energy Initiative, continues to advise cities as well as community groups on distributed generation strategies. In April 2011 he presented to Boulder, Colorado's Clean Energy Action group and Mayor and City Council to inform their strategy to make Boulder a 100 percent renewable energy city. In November, the citizens of Boulder voted to allow the city to form a municipal utility to increase local energy production. John has also presented to the Arizona Corporation Commission and was the luncheon speaker at the annual conference of the mid-Atlantic Solar Energy Industries Association in Washington, D.C.



## Independent Business

For almost 15 years, ILSR has been helping propel a movement to rebuild local economies in a more equitable and sustainable manner. We focus on the retail sector because retail is where business meets the household and commerce is linked most intimately to community.

Our work piggybacks on the struggles by small business and communities against the invasion of big box stores like Wal-Mart and on-line, untaxed giant retailers like Amazon. We often transform these defensive battles into broader, proactive campaigns to constrain corporate power, enhance community self-determination, and facilitate an economy that supports the common good.

We establish partnerships with the business community and try to instill in them an awareness that locally owned and rooted businesses have a different self-interest that requires different policies than do large absentee owned corporations. To develop this self-awareness, ILSR helped found the [American Independent Business Alliance](#) (AMIBA), which in the last ten years has established independent business associations in many cities.

Stacy Mitchell, director of our Independent Business initiative, delivered the keynote address at the inaugural meeting of the Advocates for Independent Retail (AIR), which brought together more than 30 trade associations that represent independent businesses, from booksellers to bankers, to discuss common challenges and policy strategies. ILSR is the only non-business organization serving on AIR's steering committee. This coalition has played significant role this year in the passage of legislation in several states to require large online retailers to collect sales tax (as their brick-and-mortar competitors must).

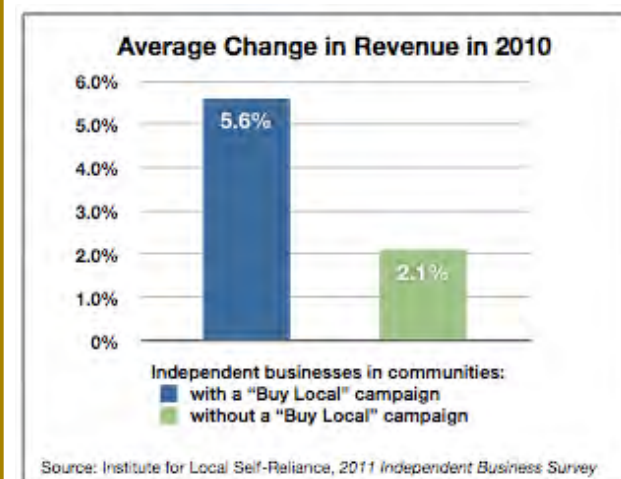
ILSR continues to provide important support to local business alliances, now active in more than 140 cities, encompassing some 40,000 independent business members. Many of these groups have relied on our research and strategic advice in their formation and expansion.

In January 2011, we conducted our fourth and [largest national survey of independent businesses](#). More than 2,800 retailers participated. The survey found that independent businesses in communities with active alliances and "buy local" campaigns fared better than those in cities lacking such campaigns.

In June, ILSR produced a white paper for the American Specialty Toy Retailing Association that explored the implications of internet retailing for both small manufacturers and independent retailers. The paper addressed a critical challenge in the industry: brick-and-mortar stores provide valuable showroom space and sales support for small toy makers, without which their products would struggle to find an audience. But a growing number of consumers are browsing in independent stores and then buying online, where Amazon's price is often pennies above the wholesale cost.

ILSR also produced a related article – *Why Publishers, Not Amazon, Should Set Book Prices* – analyzing European book pricing laws and their applicability in the U.S. Widely read in the book industry the article has helped to spark

Survey Finds Boost for Business with Buy Local Campaign



*@new\_rules Who wouldn't follow you? You guys are one of the best research centers for the people. Thanks for everything you do!*

*Portland Oregon Buy Local (@supportland)*



a lively discussion among booksellers and publishers about developing a new pricing and distribution model better suited to the internet age while recognizing the unique value that brick-and-mortar stores provide by supporting browsing, author readings, and other services.

In April, Stacy took a leaf from the Harper's Index and published *The Localism Index*, a compilation of positive statistics about the comeback of local. The Index was widely disseminated and published in *The Nation*.

In September, Stacy published a commentary in *Business Week* that took localities and states to task for providing incentives to large retailers: "[Don't Subsidize Big Boxes at Local Shops' Expense.](#)" This followed up her 2010 *Business Week* commentary that criticized the U.S. Chamber and the National Federation of Independent Businesses for not representing the interests of small businesses, "[Misrepresenting Small Business.](#)"

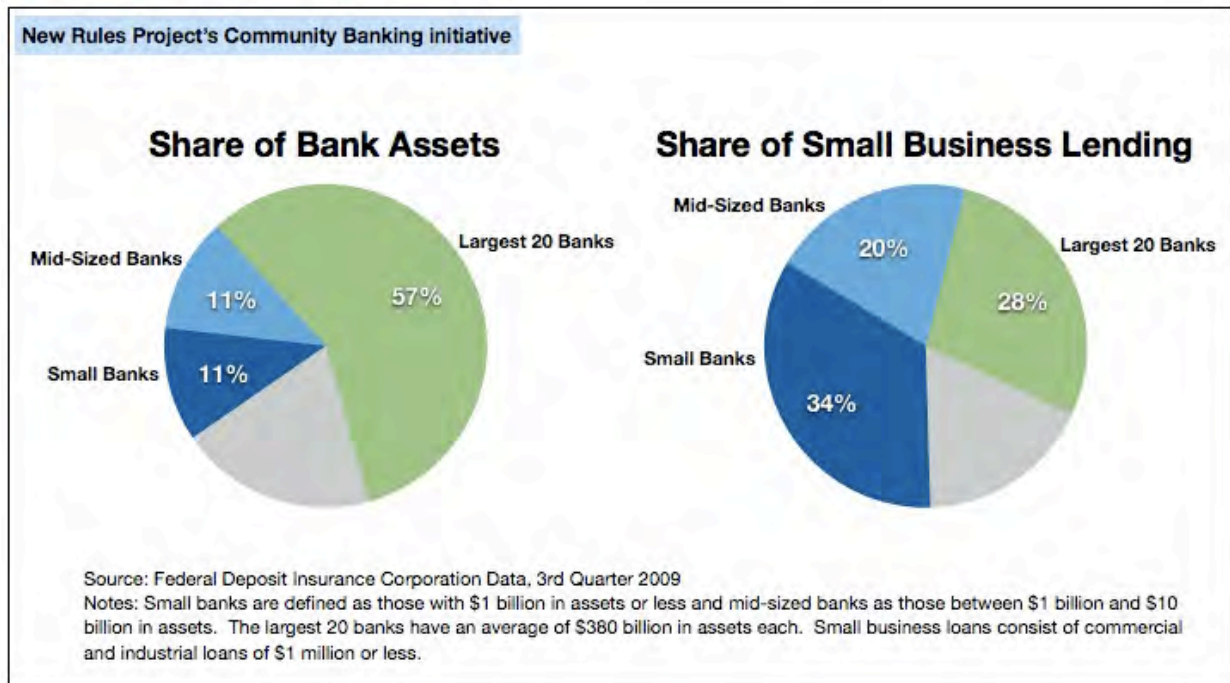
In the fall of 2011, Stacy published a [multi-part series on Wal-Mart and sustainability](#) that serves as a powerful response to the support Wal-Mart has received by some environmental organizations for its green initiatives. The series became one of the most read on Grist. It includes new information that has not appeared in other reporting, as well as ILSR's analysis of the major issues at stake. The series was written to inspire journalists and prompt a conversation in the environmental community about developing a more comprehensive and critical response to Walmart's business model and its inherent unsustainability.

The screenshot shows the Grist website interface. At the top, the Grist logo is on the left, and navigation links for 'CLIMATE & ENERGY', 'FOOD', 'CITIES', 'LIVING', and 'BIZ & TECHNOLOGY' are in the center. A search bar is on the right. Below the navigation is a large blue banner with the headline 'Walmart's greenwash: Why the retail giant is still unsustainable'. Underneath the banner are social media sharing icons for Twitter (172), Facebook (4), and StumbleUpon (5). The main article title is 'Sustainability as growth strategy' by Stacy Mitchell. The article text begins: 'Walmart adopted sustainability as a corporate strategy in 2005. It was struggling mightily at the time. Bad headlines stalked the chain, as its history of mistreating workers and suppliers finally caught up with it. One analysis found that as many as 8 percent of Walmart's customers had stopped shopping at its stores. Grassroots groups were blocking or delaying one-third of its development projects. Stockholders were growing nervous. Between 2000 and 2005, Walmart's share price fell 20 percent.' To the right of the text is a photograph of a Walmart store with a red 'STOP' sign in front. Below the photo is a caption: 'Walmart's growth has been go-go-go ever since it launched its sustainability initiative.' On the right side of the article is a sidebar titled 'in this series' with a list of links: 'Series Intro', 'Walmart by the numbers: Green vs. growth', 'Is your stuff falling apart? Thank Walmart', 'Think Walmart uses 100% clean energy? Try 2%', and 'Walmart's promised green product rankings fall off the radar'.

ILSR continues to be a national leader in exposing the hidden costs of the big-box economic model. This year, we worked closely with coalitions in Boston, Chicago, New York, and Washington D.C., cities where Walmart is planning to open dozens of stores. In all of these cities, we established connections between local business groups and labor and community organizations, provided research and strategy advice to the coalitions, and worked closely with several of them to craft policy proposals.

Stacy was a lead testifier in a hearing on Wal-Mart's impact on small business held by the New York City council. She also submitted written testimony and a written analysis of Wal-Mart economic impact studies in other cities, including Chicago and Baltimore. Her testimonies and analyses have been widely disseminated.

In 2009, ILSR launched the *Community Banking Initiative* as part of our advocacy work for independent businesses. Since then ILSR has become a recognized voice on this issue. Our data-rich and accessible graphs and Tool Kits have been widely used by grassroots groups and independent business alliances.



Our [analysis of the state-owned Bank of North Dakota](#) as a potential model for other states, published in YES! Magazine has also been widely circulated.

We helped develop the criteria and other supporting research used by [Oregon Banks Local](#), a widely publicized web site that helps people evaluate financial institutions in their area according to a set of community and local economy factors.

## Defending the Public Good

Throughout our history, ILSR has focused on the issues of scale and ownership. The recent aggressive attack on all things public led us to establish, in January 2011, a new initiative that focuses on the public and the private. The goal of *Defending the Public Good* is to change the current narrative in which the private is revered and the public is vilified. In recent months its work and ambitions have been significantly assisted by the rise of the Occupy movement.

In its first year, *Defending the Public Good* has begun to build a body of work through a series of long and empirically grounded essays. The articles originate at *On the Commons* and are posted at the *Huffington Post* and *Common Dreams* and *Alternet*.

From late January to mid October 2011, fifteen of these essays have been published, ranging in length from 1,500-3,000 words. The titles reveal their content and perspective.

- *When Unions Are Strong, Americans Enjoy the Fruits of their Labor*
- *The Real American Exceptionalism*
- *All Hail the PUBLIC Library*
- *And the Winner is...The Public Sector*
- *Why is Mighty Time Warner Scared of Tiny Salisbury North Carolina?*
- *Why is the Most Wasteful Government Agency Not Part of the Deficit Discussion?*
- *S&P Says Microsoft More Creditworthy than US Government*
- *The Case for the Post Office*
- *The Tea Party vs. Occupy Wall Street.*

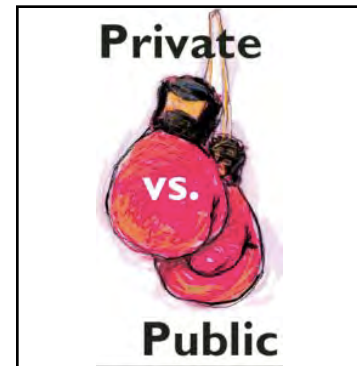
All essays have gained visibility. Several have been very widely disseminated and discussed. For example, *American Exceptionalism* was reposted on over 300 websites, including *MoveOn.org* and the *Wall Street Journal*. Over 12,000 downloads were made from our web site alone and as many as 200,000 downloads were made from all sites.

Several times the pieces have been among the most read on *Common Dreams* and *Alternet*.

The article comparing the cost effectiveness of private and public enterprises generated over 160 comments on *Huffington Post* alone, a high number for a non-front page, non-featured, and long piece on that site.

The essay on the Public Library was reposted by several library associations and by *YES!*, the latter under the title, *The Library Manifesto*. The essay on the Post Office was distributed by a number of postal workers. The piece *It's Labor vs. Capital, Stupid*, a discussion of how the Occupy Wall Street movement has begun to refocus the national discussion from deficits and government to corporate influence was viewed over 40,000 times on *Alternet* alone.

Surprisingly, the length of these articles does not appear to be a major deterrent to readers. Interestingly, only the Huffington Post refuses to publish long pieces (over 1,500 words).

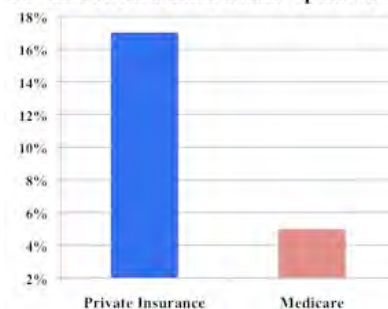


*I'm not sure why I'm sending you this note except that I feel compelled to tell you what an outstanding article American Exceptionalism is. I'd sure like to see it go viral.*

*Peace,  
Don McCanne, MD  
Senior Fellow, Physicians for a National Health Program*

### And the Winner is...The Public Sector

Percent of Insurance Dollar Spent on Overhead



# Waste to Wealth

Our Waste to Wealth program specializes in transforming waste from a liability into a resource. We battle trash burners, promote composting, prepare zero waste plans, link recycling with job creation and local economic development, and address the unique public health and environmental problems posed by single-use disposable plastics. This year we wrote a Zero Waste Plan for the City of Atlanta, helped win passage of composting legislation in Maryland, provided technical assistance for a resource recovery industrial park in Alachua County, Florida, created the National Recycling Archives at the University of Illinois, Springfield, launched a no-styrofoam business pledge campaign with youth activists, and produced environmentally preferable purchasing specifications for biobased compostable products. Interest in our Waste to Wealth work has grown as more communities are realizing they can protect the environment, create jobs, and save money by aiming for zero waste.

## Fighting Incinerators

ILSR is one of the few national organizations providing direct technical support to zero waste and anti-incineration efforts at the local level. Incinerators have serious drawbacks. They require waste and make the job of conserving resources harder not easier. Capital costs are enormous, dwarfing nuclear power plants on a megawatt-for-megawatt basis. While new incinerators emit less air pollution than their predecessors, they are far from clean, releasing acid gases, particulate matter, nitrogen oxides, mercury, lead, dioxins, and more. Garbage in, garbage out. Trash burners also compete directly with the three Rs – reuse, reduce, and recycle. In order to shore up their shady financial outlook, the burn industry has sought subsidies under state renewable energy portfolio standards. ILSR actively fought the qualification of trash incineration as renewable energy in Maryland and Arizona this year.

In Maryland, ILSR worked with the Maryland Sierra Club, Environment Maryland, Maryland Clean Water Action and others to encourage a veto of Maryland Senate Bill 690, which would qualify waste incineration as a Tier 1 renewable energy source, on par with wind and solar. ILSR produced fact sheets, wrote an op-ed that was printed in the Baltimore Sun, and was a key organizer of the veto campaign. While we failed to stop the bill, we succeeded in raising awareness of trash burners' pitfalls among elected officials and citizens.

We also garnered the support of MD Gov. O'Malley for composting and reducing mercury in consumer products.



**Remediation rates**

Percentage of Maryland 2007 high school graduates who needed remediation

Race	Percentage
White	14.2%
Hispanic	21.2%
African American	27.7%
Asian	36.2%
Native American	36.2%
Other	36.2%
Female	15.7%
Male	28.2%
All Groups	21.1%

Source: Maryland Higher Education Commission

**Trash incineration doesn't deserve state support**

By Brenda Platt

take a break to work between high school and college. With free, online programs — but the numbers for those going directly from high school to all types of programs in Maryland are terrible.

According to the Maryland Higher Education Commission, 30 percent of those who do not attend postsecondary education, and 50 percent read it in math. This year, 47 percent needed remediation, 39 percent in math. The bill for taxpayers is \$10 million annually. That figure does not cover the millions spent by individual students who must use financial aid to pay to learn things they should have known before leaving their high schools.

It's time to stop the state's English and math tests as well. Several districts, including Maryland College Park, created coalitions of remedial math in the fall of 2010. It also counted 60 sections of college credit precalculus and calculus, which would be considered high school subjects.

There, too, research shows knowledge of basic math for students of all ethnic groups in Maryland has been dropping over the past decade.

Maryland is to blame alone in this predicament. As the 2010 documentary "Nothing for Tomorrow" showed, poor people spending in U.S. schools has more than doubled in inflation-adjusted dollars in the past 40 years, while student achievement has stagnated. The more money the government "pours in" to schools, the more it's likely to do nothing.

The question for Maryland is how many more high-achieving students graduate before he and his peers the crucial final change: superior those who signed their diplomas? How well would they do in college? Maryland is a member of the National Public Policy Institute's Center for the Study of Public Policy. For values appear regularly in The Baltimore Sun. Email: [msl@baltimorejournal.com](mailto:msl@baltimorejournal.com)

Maryland power suppliers are required to generate 30 percent of the state's electricity from renewable energy by 2022. The bill would fund that goal with tax breaks and out-of-state trash burning and could also allow Maryland to sell its renewable energy to lead the nation in incineration that contribute to the state's energy needs. But it will place incinerators companies like Constellation Energy, which stand to profit if their plants are allowed to burn trash.

Bill proponents narrowly view the debate as a 50-50 choice of renewable versus trash. The issue is actually whether Maryland will continue to receive energy and coal waste reduction. Incinerators have not only reduced the use, they require waste and made the job of conserving resources harder. Capital costs are enormous, dwarfing nuclear power plants on a megawatt-for-megawatt basis. They produce more CO2 per megawatt hour than natural gas or wind.

While new incinerators would have an advantage over their predecessors, they are far from clean. Inhaling acid gases, particulate matter, nitrogen oxides, mercury, lead, dioxins and more. Last year, a Constellation incinerator was shut down for excessive dioxin emissions and used by the Connecticut attorney general. Another Constellation plant in New Jersey was found to emit dioxin after allegedly violating the Clean Air Act. In Massachusetts, 90 incinerators recently agreed to pay \$2.1 million to settle a state lawsuit alleging they had made hazardous air emissions for years.

Incinerators do not make landfill disappear. Some materials don't burn well and get straight to the landfill. Consistency of burning but not the same, requiring landfill elsewhere. Besides, the higher the air pollution control, the more toxic the ash. Bidding more waste incinerators to control waste is like lowering one's belt to control obesity.

Frequently there are excessive opportunities to Maryland to expand into other states such as composting. Compared to self-compost offers the added benefits of creating employment, managing manure more effectively, getting it off the Chesapeake.

**nse of moderation**

INTERNATIONAL BURN A KORAN

In Arizona, ILSR is opposing Mohave Electric Cooperative's request to the Arizona Corporation Commission to allow a planned waste incinerator to qualify as an eligible renewable energy resource. Arizona's rules do not recognize incineration as legitimate renewable energy. Mohave is seeking an exemption. Working in partnership with Sound Resource Management, ILSR prepared expert testimony for the Grand Canyon Chapter of the Sierra Club and the Arizona Center for Law in the Public Interest. A decision is not expected until 2012.

*"Let me just say Neil, that you and your colleagues have indeed been VISIONARY and have held to that vision over decades of economic and political intransigence and you are one of my favorite HEROES!"*

*~ Wynne Coplea, Manager, Waste & Recycling, City of Springfield, IL*

ILSR is on call to government agencies and grassroots organizations in numerous cities and counties to advise on anti-incineration and landfill policies and projects that inhibit economic growth. These include: Detroit, Cleveland, Los Angeles, Bridgeport, New Orleans, Mason City, IA, Peoria and Springfield, IL, Chester/Delaware County, PA, Orange and Dutchess Counties, NY, Frederick and Carroll Counties, MD, and Falmouth (Cape Cod), MA.

## Expanding Composting

Compost adds needed organic matter to soil, sequesters carbon in soil, improves plant growth, reduces water use by 10%, avoids landfill methane and waste incinerator emissions, reduces reliance on chemical pesticides and fertilizers, and helps prevent nutrient-run-off and soil erosion. It represents a win-win solution to urban food waste problems as well as rural animal manure problems. Furthermore, unlike recycling, composting is inherently local and part of the natural ecosystem. Recovered organics cannot be shipped abroad to be made into compost; composting happens locally with myriad benefits to the local economy and environment. Growing the composting sector has become a central part of ILSR's Waste to Wealth program. We now have two licensed compost operators on staff. While our focus has been in the Mid-Atlantic region, we also work nationally to advance better composting policies.

*"The [composting] bill that we passed in Maryland actually came about in large measure because of the help of Brenda Platt and Jeremy Brosowsky on your show. They both testified in favor of the bill."*

*~ MD State Delegate Heather Mizeur on the Kojo Nnamdi Show. ILSR's Brenda Platt was part of the roundtable for the "From Food Scraps to Fertilizer: Urban & Suburban Composting" segment.*

In Virginia, ILSR was contracted by Freestate Composting Company (FCC) to estimate the tonnage of food scraps generated within 25, 50, and 75 miles of their proposed compost facility. To make this estimation, ILSR used the GIS Mapping System for Organics Waste that we developed with the Virginia Recycling Association and Virginia Tech University under a previous grant. We found that within 50 miles of FCC, there is over 1.5 million tons of food scraps available to be collected for composting. This figure showed us all how there is a great need for more facilities in the area to handle organics recycling.

ILSR continues to co-chair the National Capital Region Organics Task Force with the Metropolitan Washington Council of Governments and the Alison Ferguson Foundation to expand composting in the Washington, DC metro area. As part of this work we researched and documented model state composting regulations. These efforts have paid off. This year, ILSR helped win passage of MD Delegate Heather Mizeur's Compost Bill (HB 817), which requires the state to improve its composting regulations, policies, and outreach. Del. Mizeur introduced the bill at ILSR's suggestion.

On-farm composting represents one opportunity for converting biodegradable wastes into valuable assets. ILSR has specifically identified model state policies to encourage on-farm and other small-scale compost operations. We have helped train farmers and connect them to compost technical assistance experts. This October, for instance, with support from EPA, the Rodale Institute and ILSR held a one-day training program for existing and potential on-farm composting practitioners and policy makers. The event was hosted at Rodale's state-of-the-art research facility, which has an existing food and farm waste composting system. There were sessions on each aspect of running a successful food scrap composting operation – from food scrap hauling issues to on-farm composting practices. The workshop was so popular that we did not have the capacity to accept all who wanted to attend despite expanding registration to 60 participants (up from 40).



The on-farm composting workshop was standing-room only.

On the national level, an ILSR staffer is serving on the US Composting Council's Legislative and Environmental Affairs Committee and is helping the Council be more pro-active in its compost policy advocacy. ILSR also partnered with the US Composting Council to organize, facilitate, and present at its first Compostable Plastics Symposium. The symposium spurred the creation of the Compostable Plastics Task Force, which ILSR is helping to steer.

## Zero Waste Economic Development

Traditionally, city government's responsibilities for waste have focused on efficiently collecting and disposing of trash. Today the landscape has changed drastically. Conventional burn-and-bury systems are now widely recognized to perpetuate the throw-away culture, contributing to climate change, pollution, and resource depletion. This has given rise to countless initiatives across the country to stem waste at the source and address the root cause of the waste problem. Many cities and counties are embracing zero waste goals and planning, which call for 90% or more diversion of waste materials from landfills and incinerators. Cities such as San Francisco and Seattle are actively seeking to maximize recycling, minimize waste, reduce consumption and encourage the development of products that are made to be reused, repaired or recycled back into nature or the marketplace.

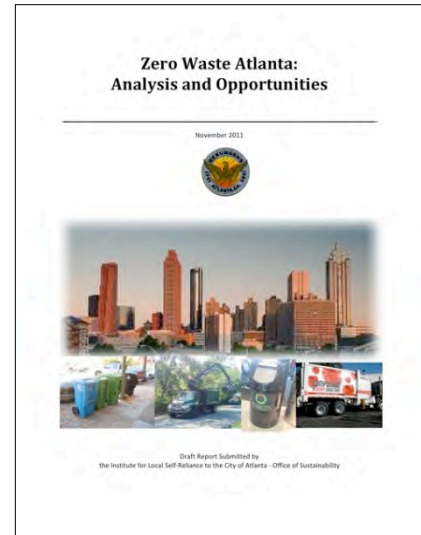


In July, ILSR held a workshop on rural and urban solid waste management for officials from Xinjiang Province, western China. Included with the delegation are Neil Seldman, ILSR president, and Nadine Souto, ILSR research intern in recycling and zero waste programs.

ILSR provides technical assistance on how to integrate the best features of the best programs to become zero waste leaders. Our forte is linking zero waste planning with local business and job creation. We have helped Austin, Texas, and Los Angeles develop zero waste plans. This year, with ILSR's help, Atlanta became the largest US eastern city to embrace zero waste planning and recycling-based economic development. We also continued our work in Alachua County, Florida, to create new recycling-based enterprises at a resource recovery industrial park. The county is striving for 75% diversion of the waste stream without incineration. ILSR-sponsored workshops throughout the year helped us connect key stakeholders and advance materials recovery.

This year ILSR provided technical assistance to nearly 30 communities. Highlights of our work include:

Atlanta – Throughout 2011 ILSR was zero waste advisor to the Sustainability Division of the Office of the Mayor in Atlanta. ILSR’s scope of work included advising the city on increasing residential recycling from 10% to 50% by 2015, and to 90% by 2020. ILSR generated an extensive zero waste plan with a 100-page appendix of model legislation. The report included specific next steps needed to implement public and private sector recycling programs including direct dollar incentives to households, backyard composting, green procurement, private sector zero waste zones, education, and municipal site recycling. The City is now pursuing implementation of select priority recommendations.



We were also tasked with the development of a local reuse sector and attraction of new companies to manufacture products from recycled glass, plastic, paper and organic matter. There will be two new reuse/repair businesses and the expansion of an existing one, by January 2012. Charitable Connections, an Atlanta-based faith and community based non-profit has established joint venture businesses with an electronic scrap company and a used textile company. ILSR also works with the City of Refuge, a prominent social service organization, and Emory University prominent to develop reuse businesses.

Alachua County, FL –ILSR continues to work in Alachua County where an incineration proposal was defeated, and ILSR has helped create a 40-acre resource recovery park for new and existing businesses, including an innovative anaerobic digestion facility to be located adjacent to the resource recovery park. ILSR has teamed with Saint Vincent de Paul to establish a series of reuse and repair enterprises as joint ventures with faith based nonprofit organizations based in Gainesville. This project will be supported by the Mustard Seed/Furniture Bank mattress recycling enterprise in Orlando, FL. Thirty-three trucks with beds and furniture have been diverted from the Gainesville transfer station to Orlando for reuse. In addition, ILSR is working with grassroots enterprises such as Bearded Brothers Deconstruction, The Wood Cooperative and The Dignity Project, which refurbishes cars, computers and bicycles for distribution to low-income residents.

Reading, PA – ILSR prepared a technical report for the City of Reading analyzing the best approach to curbside recycling collection. The report concluded that the City could save money by switching from a private contractor to unionized City workers. The report also included recommendations for increasing recycling.

Puerto Rico and US Virgin Islands – ILSR serves on the US EPA Region 2 Recycling Task Forces for these islands and provides state of the art information to planners in developing reuse, composting and recycling policies and programs.

**Outreach**

We gave more than 30 presentations at major meetings including the International Biopolymers Symposium, Potomac Watershed Trash Summit, and the Business-NGO Working Group annual meeting. Additionally, ILSR hosted several trainings.

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*Several years ago ILSR received RMC funding to determine how to market PA recycled-content building materials to green design and construction professionals. This year we conducted four "lunch and learn" workshops that explained the value of using these materials (i.e. how architects can get LEED credits) and highlighted a new database of PA businesses that make building materials from recycled content.*

## Sustainable Plastics

Our Sustainable Plastics Project is exploring the potential of bioplastics – plastics made from plants such as corn, potatoes, sugarcane waste, palm fiber, and cellulose – to substitute for harmful fossil-fuel-based products and packaging. We are also documenting and publicizing problems with single-use plastics, specifically polystyrene (more commonly known as styrofoam); and identifying policies to reduce the use of single-use plastic items. This year we coordinated the work of the Sustainable Biomaterials Collaborative, bringing more acreage of corn into sustainable production and developing purchasing specifications for biobased compostable food service ware. We launched a new No Styrofoam Business Pledge Campaign with a local youth club and provided timely assistance to Chestertown, MD Mayor Margo Bailey, enabling legislation banning single-use plastic shopping bags to pass in April.



**In October, the Young Activist Club** earned a Green Award from Bethesda Magazine. Club co-leader and ILSR staffer Brenda Platt is on the far left.

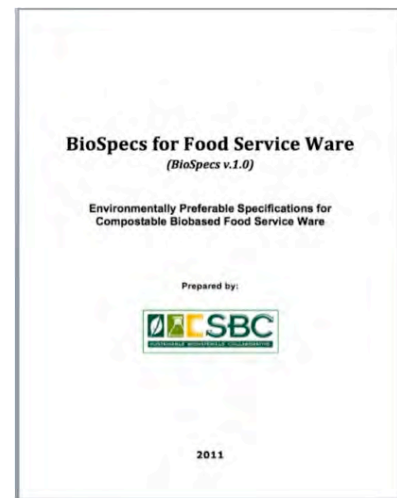
Our anti-polystyrene initiatives center around working with students at Piney Branch Elementary School in Takoma Park, MD, to replace polystyrene used for food service ware in their school and their community.

The Club's most recent project is its No Styrofoam Business Pledge Campaign. The Club is meeting with and asking local businesses to sign a pledge committing to not using polystyrene for food service ware. A dozen businesses have already signed the No Styrofoam Business Pledge and received a "Polystyrene-Free" window sticker to display, as well as informational bookmarks to distribute. In May, the Club held the first Trash-Free Lunch Day at their school. ILSR organized the event, procured the donated washable trays and forks, and arranged for the nonprofit community-based organization, growingSOUL, to collect food scraps for composting at a local farm. Compared to a waste audit the Club conducted previously, the school's recycling rate jumped from 14% to 72%, mostly due to the compostables and replacing polystyrene lunch trays and forks with durable products.



## Sustainable Biomaterials Collaborative

ILSR continues to co-chair of the Sustainable Biomaterials Collaborative (SBC), which seeks to move to shift markets from fossil-fuel-based materials to plant-based materials. The SBC saw significant growth in the Working Landscape Certificates (WLCs) program, an offset program linking sustainable corn production practices to purchase of PLA corn-based plastic. Last year the SBC secured its first major purchaser, Stonyfield Farm. This year we involved two new companies with the WLC program: Danone Germany at 1,265 acres and BioLogical Solutions at 1.5 acres. Combined with the Stonyfield Farm acreage, 1,370.5 acres have been brought into sustainable production. After an extensive public comment process, the SBC released the *BioSpecs for Food Service Ware* (environmentally preferable specifications for compostable food service ware). We also developed sample purchasing bid documents for environmentally preferable food service ware via a partnership with the Green Purchasing Institute.



Our ongoing work highlighting the problems with recycling corn-based plastic (polylactic acid/PLA) bottles has led Coca Cola and Pepsi Cola to avoid their use. Instead, both corporations have developed and introduced a new generation of PET biobased bottles. PET is plastic resin #1, which is the resin with the highest recycling level. Coca Cola's "PlantBottle" is partially derived from sugarcane-based ethanol. Pepsi's bottle is made from switch grass, pine bark, corn husks and other materials. One important benefit of these PET biobased bottles is that they are completely compatible with the existing PET recycling infrastructure. In related news, Mirel, a producer of another type of bioresin, PHA, has also opted to stay away from the beverage bottle market due to recycling concerns raised by ILSR. This year ILSR chaired the end-of-life session at the International Biopolymers Symposium, which drew additional attention to recycling PLA challenges. PLA producer NatureWorks acknowledged the importance of addressing these issues before expanding further into the beverage bottle market.



Members of the Sustainable Biomaterials Collaborative Steering Committee (from left): Cathy Crumbley, Lowell Center for Sustainable Production; Heeral Bhalala, ILSR; David Levine, Environmental Health Fund; Jim Kleinschmit, Institute for Agriculture & Trade Policy; Mark Rossi, Clean Production Action; and Brenda Platt, ILSR.

## National Recycling Archives Established

In Springfield, IL, ILSR initiated a retreat to help reconciliation between the US recycling movement and Extended Producer Responsibility organizations in order to avert ideological conflicts which could weaken all efforts to reach comprehensive recycling and economic development. Midwestern states and organizations representing recycling enterprises and programs participated in this two-day event in early June 2011.

From this meeting ILSR and Urban Ore pursued the creation of a US Recycling Movement archive. Beginning November 2011 the University of Illinois at Springfield agreed to be the repository of critical documents from the US Recycling Movement. These documents will provide detail on how recycling

became the forefront of contemporary economic and environmental policies at all levels of government, business and household activities. The first entries in the Archives have been the video and audio tapes from the 2007 Recycling Pioneers meeting. ILSR and Urban Ore are coordinating further submissions to the archives from recycling activists and practitioners located throughout the US.

## About ILSR

### Staff Members

Heeral Bhalala  
 Leigh Crenshaw  
 John Farrell  
 Linda Knapp  
 Christopher Mitchell  
 Stacy Mitchell  
 David Morris  
 Sarah Pickell  
 Brenda Platt  
 Neil Seldman

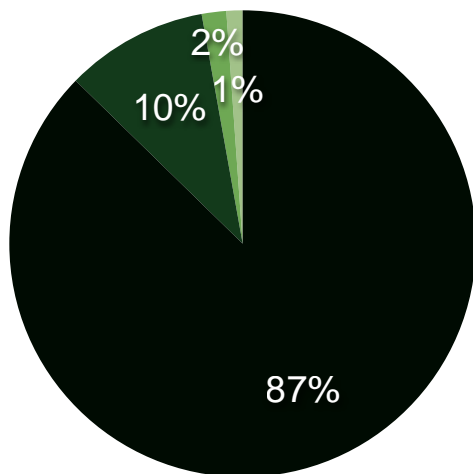
### Board of Directors

Becca Vargo Daggett - Financial Consultant  
 Jolie Jones - Take It Back Foundation  
 Kirk Marckwald - California Environmental Associates  
 David Morris - ILSR, Vice President  
 Roy Priest - Alexandria Redevelopment and Housing Authority  
 Andy Reicher - Urban Homesteading Assistance Board  
 Neil Seldman - ILSR, President

### Brief Financial Information FY2011

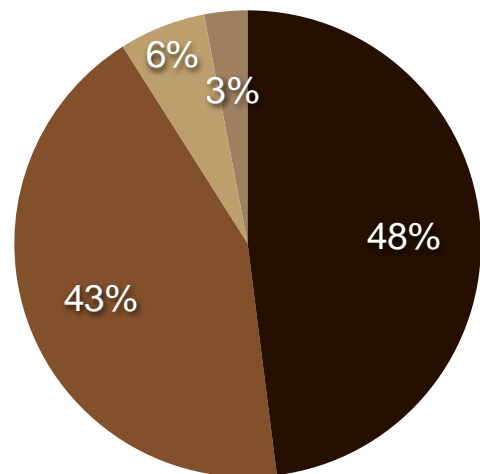
(\$1.11 million budget ended June 30, 2011)

**Revenues 2011**



● Grants & Contributions    ● Contracts  
 ● Honoraria                    ● Other

**Expenses 2011**



● Waste to Wealth  
 ● Telecom, Energy, Retail, Public Good  
 ● Fundraising  
 ● Management & General