

Title:

Here's Johnnie... or in this case Tony

Subtitle:

From Oil Spills to Public – Private Partnerships in Waste Management

Body:

Over the past few months we have all watch the potentially globally impacting ecological disaster happening in the Gulf of Mexico. I am referring to the Deepwater Horizon oil spill. I was surprised to find out in researching for this article that we actually have two other ongoing spills. The Jebel al-Zayt oil spill which started June 15th and the Taylor Energy wells spill which started back in September of 2004 which is still leaking as of today more than 2115 days since the spill started. That being said the leaks resulted from Hurricane Ivan have been largely contained, but not entirely. The Ocean Saratoga is currently drilling a relief well to hopefully permanently seal the leaks. Sounds like the same story that is being bantered around in the press about the Deepwater Horizon. Currently Transocean's Development Driller II and the Development Driller III are drilling relief well. Let's hope that they can be successful in less than 2115 days and counting.

Let's turn our attention a little closer to home and look at the Jebel al-Zayt oil spill. This is an oil spill in the Red Sea. Many experts considered to be the largest offshore spill in Egyptian history. The spill is reported to have polluted around 100 miles (160 kilometers) of coastline including tourist beach resorts. If you had plans to holiday in the Red Sea after the holy month of Ramadan, make sure you buy travel insurance because your plans may change.

What is really frightening about all of these stories is that they are not the biggest to date:

The top three leaks to date are:

Lakeview Gusher	United States,	March 14, 1910 – September 10, 1911	1,230,000 tonnes
Gulf War oil spill	Iraq,	January, 1991	1,500,000tonnes
Ixtoc I oil spill	Gulf of Mexico	June 3, 1979 – March 23, 1980	480,000 tonnes

I remember watching the story of the Exxon Valdez back in 1989. Back then we promised all types of initiatives and changes to process to ensure that these types of things don't happen anymore. To be fair the Oil and Gas industry is among the most highly regulated industries in the world. Its safety efforts are up there with the aviation industry. In fact, my company is right now is working on an In Vehicle Monitoring System for an Oil and Gas customer which will further improve the operational safety of their vehicles.

Public – Private Partnerships in Waste Management.

This leads me to the topic of this article, Public – Private Partnerships in Waste Management. How do I go from Oil Spills to Waste Management? Simple it is all about the cleanup, processing, and recycling of the waste.

Over the past few decades waste management agencies have been under increasing pressure to provide a better, cheaper solution to the growing waste management headache. Traditionally a conservative agency within the government, it has tended to venture into outsourcing to help address the problem. Outsourcing largely helps because private sector companies are incentivized differently than public sector agencies. Cost control, efficiency, and flat management structures introduce an immediate effect on the bottom line for waste management agencies. Outsourcing, as anyone in the Telecoms and IT industry will tell you, is a short term fix to a long term problem. What is truly required is the kind of initiatives that several companies which we work with are under taking to move beyond outsourcing and truly implement Public – Private Partnerships. (PPP)

- What is the difference you might ask?
Simply put Outsourcing is the utilization of external resources to do work. All of the risks remains with the issuer of the outsource contract. Public-private partnerships however, are share risk. They are based on contractual cooperation between the public and private sectors. Through this cooperation, the risks are transferred on to the partnership, i.e. to subjects that generally have a better ability to control, and thus total risks in providing a public- concern service are limited.
- Why are PPPs better?
PPPs are better because they often attract domestic & multinational companies with an interest in long term relationships and technological advancement.
- How does this relate to oil spills?
The cleanup of an oil spill is often summarily imposed PPP – usually by the court. However, the actions, process, and – the big word here – BENEFIT, of the cleanup reflect goals of a PPP. That goal is sustainability. BP will soon (if they have not already started) be selling the very oil which they have captured from the spill which they are supposedly responsible for. The income from this oil recovery, reprocessing, and selling should be used to contribute to paying for the cleanup.
- How does this relate to waste management?
We the people – one of my favorite expressions of all time – are responsible for the creation of the waste. We are responsible for the cleanup of the waste and we should all benefit from the outputs from the cleanup. While we understand this in terms of cleaner beaches, safer water, and breathable air, we don't often think of the financial and other economic benefits of a full public – private partnership.

Waste can be reused, recycled, burned, and disposed of in many ways. All of these potentially create income. In a PPP, that income is reinvested into the PPP to help sustain it. In some cases the PPP can

become so profitable that it actually starts to fund other things – look at the US toll roads and hospital projects.

Happy PPP'ing, Chris