

## PRESS RELEASE

# Waste: by the end of 2019 the first national tariff method and new transparency rules

*incentives for investments to improve management and quality of service, in the first phase of the new regulatory system. Permanent round table with local and regional authorities*

Rome, 11 September 2019 - The ongoing consultation on ARERA's **guidelines** relating to the **first tariff method and transparency obligations towards users, to be applied throughout Italy** with regard to WASTE, will continue for a few more days, until 16 September.

ARERA today presented the details of its proposals regarding both the first Tariff Method and Transparency, which are the subject of public consultation, to an audience of **over 650 participants** - **including representatives of public utilities companies, institutions, local authorities and national consortia**, but also **business owners, employers' associations and trade unions** in the waste sector. -

All stakeholders in the waste cycle were involved in the consultation, as part of a process that will lead the Regulator to define - **by the end of 2019** - tariff criteria to promote the transparency of information towards users, the efficiency and selectivity of the objectives to be pursued and the measures to correctly allocate incentives at the various stages of the supply chain.

This **tariff method** is thought to gradually make the country uniform, both at an industrial level and in terms of *territorial governance*, starting from very diversified conditions.

New tariff variations will be subjected to improvements in management quality or changes to the scope of service provision (new phases added to the cycle or the development of new services). Towards users, operators will have to implement information tools, for example by providing a **Service quality charter** and making this accessible on their website. Specific **transparency obligations** will also be expected for tariff payment documents, which must be clear and include all useful information.

### THE TARIFF METHOD

With **DCO no. 351/2019/R/rif**, ARERA began the consultation process for the **first tariff method**, which will restate costs recognised for the current two-year period (2018-2019), with a gradual approach and according to efficiency criteria, and will define the criteria for the resulting TARI fees (*waste disposal fees*) that will be applied to users in 2020-2021.

The scope of the tariff adjustment has been defined: **road sweeping and cleaning, waste collection and transport, processing recycling and disposal, payment collection and the relationship with users**.

As happened previously for the water sector, the aim is to introduce a methodology that defines criteria to quantify tariffs within an "*asymmetrical*" adjustment, considering the different local conditions that act as the starting point.

More specifically, there are **four different types of tariff schemes** within which each authority will be able to identify the most effective solution, depending on its own objectives in terms of quality improvement, management development and specific territorial features in terms of the limited annual growth of tariff revenues.

**The timing of this measure** particularly depends on municipal council requirements, as they must issue tariff provisions by the end of the year to therefore have access to ARERA's method, aimed at

unifying the complex composition of TARIFFS and TAXES on urban and related waste, including differentiated waste. Clear tariff rules, efficient services and the right infrastructure.

#### TRANSPARENCY

**DCO no. 352/2019/R/rif, dedicated to transparency, instead provides for an initial adjustment period that - if confirmed by the consultations - may run from 1 April 2020 to 31 December 2023 for domestic and non-domestic users** (municipalities with less than five thousand inhabitants except, for which application will be more gradual).

**For service providers, including the municipalities that manage them on a tight budget, it will be mandatory to prepare the ‘Quality Charter’ and to publish this online** together with the general aspects of the services.

Payment collection documents sent to users must then contain all the summary data regarding the amounts charged and the calculation of the tariff, the payment methods, contact details and complaints procedures, information on service provision and on the **achievement of environmental targets**.

**Users must be notified of any significant changes to service provision conditions with plenty of notice** and the various players involved in the supply chain must communicate with each other in order to transmit all the required information to users.

#### THE PERMANENT ROUND TABLE

To ensure continuous discussion between the various players involved in the governance of the waste sector, ARERA has also established a permanent round table with local and regional authorities meeting for the first time on this occasion.

#### ARERA’S STRATEGIC FRAMEWORK AND EU PRINCIPLES

The whole regulatory process for the waste sector is developed in accordance with ARERA's provisions in the OS8 objective as part of its 2019-2021 Strategic Framework. As part of this objective, the Regulator has provided for a tariff mechanism able to **contribute to the ability of local systems to fully manage the waste cycle**, in line with European Directives on the Circular Economy which - in addition to reaffirming the “*pay as you throw*” principle - have also set targets for the recycling of materials and landfill reduction (starting from 2035, these can only hold a maximum of 10% of urban waste).

#### THE PRESIDENT’S STATEMENT

"The waste management objectives that Italy's 2018 Finance Law entrusted to ARERA were ambitious: improvement of the service provided to users, uniformity between different areas of the country, assessment of value for money and ensuring adequate infrastructure. It is easy to understand how difficult it would be to accomplish any kind of unified reform without the knowledgeable and active contribution of each segment of the supply chain. - **stated the president of ARERA, Stefano Besseghini** - The rules issued by the Regulator and tariff incentives must support both changes to each user’s behaviour and the technological development of processing plants, keeping in mind that social and environmental objectives must be accompanied by the pragmatic economic sustainability of the measures undertaken".