

SENATE COMMITTEE ON
AGRICULTURE AND NATURAL RESOURCES

February 28, 2003
8:30

Hearing Room B
Tapes 27-28

MEMBERS PRESENT: **Sen. Frank Shields, Chair**
 Sen. Roger Beyer, Vice-Chair
 Sen. Bill Fisher
 Sen. Tony Corcoran

STAFF PRESENT: **Judith Callens, Committee Administrator**
 Megan Jensen, Committee Assistant

MEASURE/ISSUES HEARD: **SB 196 Public Hearing**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 27, A		
005	Chair Shields	Calls meeting to order at 10:00 a.m. and opens public hearing on SB 196.
<u>SB 196 – Public Hearing</u>		
010	Judith Callens	Committee Administrator. Gives overview of SB 196 and -1 amendments.
042	Sen. Beyer	Inquires how SB 196 can have no revenue impact if it raises fees.
044	Callens	Explains that the fees are dedicated to the technical assistance program and offers to research the issue.
060	Dick Pedersen	Department of Environmental Quality (DEQ). Provides testimony in support of SB 196 (EXHIBIT A): <ul style="list-style-type: none">● Support DEQ's business assistance program authorized by the Environmental Protection Agency (EPA)● Create a one-time fee to obtain a new hazardous waste identification number● Create Hazardous Waste Compliance Assistance Fund● Increase the hazardous waste tonnage fee and the fee cap
120	Pedersen	States that DEQ needs adequate funding to maintain the authorization to implement the federal hazardous waste law. Believes that without a fee increase, DEQ will potentially lose its business assistance program.
190	Sen. Shields	Asks for clarification on how EPA would manage the business assistance program.
205	Pedersen	Responds that DEQ has established a good partnership with local businesses while EPA is not locally based.
226	Sen. Fisher	Asks about how much waste remains hazardous after processing.
242	Pedersen	Offers to research the issue.
260	Dave Barrows	Chemical Waste Management. Provides testimony in support of SB 196. Explains that having the hazardous wastes program adequately funded is critical because it permits the program to be delegated to DEQ.
297	Don Haagenson	Chemical Waste Management Attorney. Provides testimony in

		support of SB 196. Explains why DEQ should manage the program instead of EPA.
357	Sen. Fisher	Asks if a metric ton is heavier than a regular ton.
370	Haagenson	Affirms.
374	Sen. Fisher	Asks about fee limits.
384	Haagenson	Explains the fee process.
TAPE 28, A		
027	Chair Shields	Comments that generating waste is an unavoidable byproduct of industry.
033	Haagenson	Agrees.
042	Sen. Fisher	Reiterates the concern that small businesses might end up paying a larger share of fees than big businesses under the SB 196 fee schedule.
060	Haagenson	Discusses working with businesses to reduce hazardous wastes.
080	Sen. Fisher	Inquires if businesses are not required to pay fees on hazardous wastes that can be recycled.
084	Haagenson	Affirms.
103	Sen. Beyer	Asks how a bill that raises fees would not have a revenue impact.
107	Mazen Malik	Legislative Revenue Office. Explains that the bill imposes fees and should by definition offset costs.
120	Chair Shields	Inquires if fees always cover costs.
127	Basil	Explains that by definition, fees should offset costs as opposed to a tax or a penalty.
136	Sen. Beyer	Asks why the fee needs to be in statute.
142	Bob Danko	DEQ. Explains that the fee is an administrative rule and it would be beneficial to have it as statute.
152	Sen. Beyer	Asks about the budget for the Hazardous Waste program.
156	Danko	Defers to Dick Pedersen.
161	Sen. Beyer	Asks for clarification.
163	Danko	Responds that there would be no fee on waste water that goes through a sewage treatment plan and explains how fee calculations apply to hazardous wastes.
180	Sen. Beyer	States that historically the aluminum industry generated most of the waste and asks how the fee plan will be affected.
188	Pedersen	Explains the fee plan.
206	Sen. Beyer	Inquires about the program budget.
208	Pedersen	Replies that the overall budget is \$10 million dollars a biennium.
220	John Ledger	Association of Oregon Industries. Provides testimony in support of SB 196. States that AOI supports the state taking over the program. Discusses concerns about the use of penalty money in the general fund.
304	Chair Shields	Asks about AOI's participation in the work group for SB 196.
321	Ledger	Describes AOI's participation in the work group.
357	Bill Linden	Oregon Metals Industry Council. Supports SB 196 but expresses concern over funding issues.
380	Chair Shields	Asks about other funding options.
405	Linden	Discusses funding options.
TAPE 27, B		
005	Sen. Beyer	Asks if DEQ would have to get the fee increase approved during the next legislative session without this bill.
011	Callens	Explains that the legislature must approve any kind of fee increase regardless of whether it is an administrative rule or in statute.
015	Sen. Beyer	Comments on putting the fee into statute.

020	Danko	Explains the procedure for making administrative rule.
031	Sen. Corcoran	Asks if Oregon Metals Industry Council participated in the work group.
034	Linden	Replies that Schnitzer Steel participated in the work group.
036	Sen. Corcoran	Comments that Ways and Means will make the final decision.
050	Linden	Replies that the Oregon Metals Industry Council has suggestions for alternative funding sources.
058	Sen. Beyer	Recommends that any amendments should not be adopted until Ways and Means has reviewed the bill.
065	Sen. Fisher	Suggests DEQ might benefit from streamlining.
090	Tom Gallagher	Schnitzer Group. Expresses concerns about DEQ funding issues.
165	Sen. Fisher	Comments that government agencies can do more streamlining similar to private industry.
182	Gallagher	Suggests SB 196 needs another work group.
242	Matt Blevins	Oregon Environmental Council. Provides testimony in support of SB 196 (EXHIBIT B). Believes that SB 196 will provide essential funding for DEQ's hazardous waste programs.
333	Dan Opalski	U.S. Environmental Protection Agency. Provides testimony in support of SB 196 (EXHIBIT C) but expresses concern about EPA participation in DEQ hazardous wastes programs.
406	Sen. Beyer	Inquires about the amount of federal funds EPA provides to Oregon DEQ.
408	Opalski	Replies that EPA provides about \$700,000 per biennium.
410	Sen. Beyer	Asks if there will be \$700,000 less spent in Oregon if the DEQ program is no longer supported by EPA.
412	Opalski	Explains EPA operating procedures.
TAPE 28, B		
010	Sen. Beyer	Comments that EPA should fund state control over the hazardous waste program.
025	Opalski	Remarks on funding the program.
038	Chair Shields	Asks how EPA operates programs in other states.
042	Opalski	Offers to research that information.
050	Sen. Fisher	Asks about other states' fees for waste disposal per ton.
052	Opalski	Offers to research that information.
070	Sen. Fisher	Asks how many fines have been imposed in Oregon
080	Pedersen	Responds that hazardous wastes violations average 25 to 30 cases a year.
101	Rhett Lawrence	Oregon State Public Interest Research Group. Provides testimony in support of SB 196 (EXHIBIT D).
120	Kathryn VanNatta	Northwest Pulp and Paper Association. Provides testimony in support of SB 196. Talks about issues from the work group and discusses funding problems.
174	Chair Shields	Asks is she agrees that general funds will not apply to the fee program.
176	VanNatta	Comments on technical assistance programs and general funds.
198	Chair Shields	Suggests convening a work group for the bill before it goes to Ways and Means. Closes public hearing on SB 196 and adjourns meeting at 12:00 p.m.

EXHIBIT SUMMARY

A – SB 196, written testimony, Dick Pedersen, 8 pp.

B – SB 196, written testimony, Matt Blevins, 2 pp.

C – SB 196, written testimony, Dan Opalski, 2 pp.

D – SB 196, written testimony, Rhett Lawrence, 1 p.