

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

March 5, 1997 Hearing Room E

1:00 P.M. Tapes 31 - 32

MEMBERS PRESENT:

Rep. Leslie Lewis, Chair

Rep. Frank Shields, Vice-Chair

Rep. Michael Fahey

Rep. Mike Lehman

Rep. Dennis Luke

Rep. Mark Simmons

Rep. Jim Welsh

STAFF PRESENT:

Judith Gruber, Policy Analyst

Pat Zwick, Policy Analyst

Marjorie Taylor, Administrative Support

MEASURE/ISSUES HEARD:

HB 2021 Reconsideration and Work Session

SB 84 Work Session

Informational Meeting on Aspects of Recycling

(Oregon State Public Interest Research Group

(Calbag Metals Company

(Oregon Refuse and Recycling Association

(National Association for Plastic Container Recovery

(American Forest and Paper Association

(Container Recovery Incorporated

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 31, A		
004	Chair Lewis	Calls the meeting to order at 1:05 p.m. and opens the reconsideration and work session on HB 2021.
<u>HB 2021 RECONSIDERATION AND WORK SESSION</u>		
005	Rep. Shields	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on HB 2021.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Simmons
013	Chair Lewis	The motion CARRIES.
014	Rep. Shields	MOTION: Moves to RECONSIDER the vote by which HB 2021 was sent to the floor as amended with a do pass recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
026	Chair Lewis	The motion CARRIES.
028	Chair Lewis	HB 2021 is now back in committee and will be scheduled at a later time. Opens the work session on SB 84.
<u>SB 84 WORK SESSION</u>		
037	Judith Gruber	Policy Analyst, updates the status of SB 84 since the public hearing. Indicates that -1 and -2 amendments have been drafted by Legislative Counsel (EXHIBITS A and B).
056	Mike Grainey	Representative, Office of Energy. Explains the amendments. The -1 amendments were requested by Portland General Electric and the Office of Energy to clarify that a federal agency can't use the loan program to enter into sales competition of electricity and limit the size of hydroelectric plants that can use the loan. The -2 amendments define a priority list of agencies that have access to the loans and increase the rate charged to federal agencies.
091	Rep. Fahey	MOTION: Moves to ADOPT SB 84-2 amendments dated 3/4/97.
	Chair	

096	Lewis	Hearing no objection, declares the motion CARRIED.
098	Rep. Fahey	MOTION: Moves to ADOPT SB 84-1 amendments dated 2/19/97.
100	Chair Lewis	Hearing no objection, declares the motion CARRIED.
101	Rep. Fahey	MOTION: Moves SB 84 to the floor with a DO PASS AS AMENDED recommendation.
104	Rep. Luke	Asks if the sponsors on the Senate side are happy with the amendments.
106	Grainey	Answers affirmatively.
		VOTE: 7-0
		AYE: In a roll call vote, all members present vote Aye.
113	Chair Lewis	The motion CARRIES. WELSH will lead discussion on the floor.
115	Chair Lewis	Closes the work session on SB 84 and opens the informational meeting on aspects of recycling.
<u>INFORMATIONAL MEETING ON ASPECTS OF RECYCLING</u>		
130	Chair Lewis	Announces a video from Container Recovery Inc. "Container Recovery"
313	Chris Taylor	Environmental Advocate, Oregon State Public Interest Research Group (OSPIRG). Explains how the bottle bill and other current recycling legislation fits into the broader picture of recycling. States that in 1971, Oregon was the first state to pass bottle recycling legislation. Describes successes related to the bottle bill legislation. The bottle bill has encouraged Oregonians to take care of the land (EXHIBIT C).
383	Taylor	In 1983, the Opportunity to Recycle Act (SB 405) launched the curbside recycling programs. During the 1991 legislative session, SB 66 was passed which addressed markets and collection of materials. Explains the importance of SB 66 and it's encouragement of market development and recycling standards.
TAPE 32, A		
007	Taylor	Focuses on the successes of Oregon's recycling programs and where improvements can be made. Explains the state's goal of a 50% recycling rate by 2000 and that the majority of Oregonians support the idea. Progress can be made by expanding the bottle bill to include non-carbonated beverages, decreasing commercial solid waste, and increasing the

		opportunities to recycle other items. States that more than half of the state's waste is from businesses.
043	Taylor	Discusses how the beverage container landscape has changed since implementation of the bottle bill in 1971 and focuses on the expansion of the bottle bill. Indicates that non-carbonated drinks have grown rapidly and are the fastest growing members of the beverage market. Shows two identical bottles, one carbonated beverage and one non-carbonated stating that the bottle with carbonated beverage is recycled more than the non-carbonated bottle.
080	Taylor	Summarizes by saying that no recycling program has achieved a 90% recycling rate without the economic incentive to do so. Expresses the need for legislative action related to recycling when a new drink enters the market. Expresses OSPIRG's desire to find a compromise in language of the bill and that they are aware of industry concerns.
132	Rep. Lehman	Asks what share of the market are non-carbonated beverages.
136	Taylor	The non-carbonated "new age beverage" market is 10-15% of what is currently covered by the bottle bill.
143	Rep. Lehman	Asks if the non-carbonated market includes non-alcoholic beverages only.
144	Taylor	Answers affirmatively.
145	Rep. Lehman	Asks if alcoholic drinks can be included in the recycling.
147	Taylor	Indicates that wine and liquor comprise only half of what the "new age" market is.
164	Gary Conkling	Representative, Calbag Metals Co. The Calbag company proposed to merge the waste streams of curbside collection and in-store redemption to produce greater economies of scale for the metals industry and more convenient recycling at consumers curbsides. Indicates that curbside recycling will lower garbage costs and it has been found in California that redemption centers are not as effective as in-store redemption (EXHIBIT D) .
225	Conkling	Explains the bottle bill recycling concept with the aid of a packet. Focuses on the redeeming process and states that some retailers over redeem and others under redeem. With the creation of a bottle bill trust fund retailers could collect and deposit nickels from redemption. The fund will also encourage greater curbside recycling with the involvement of local governments.
		Answers questions that have been asked by retailers and consumers. Bottles will be picked up from retailers since there is a market and will continue to be a market for the containers.

273	Conkling	The nickel trust fund will be able to work without the direct role of local government. Retailers will want to be involved so that there won't be an in-store redemption expansion. With the help of local governments, curbside recycling will be strong because of the trust fund.
315	Rep. Fahey	Asks what the yearly value of the aluminum is.
320	Conkling	Indicates that consumption in Oregon is equal to one container per person per day of which 75% are aluminum. The value of the aluminum is not clear, but can be based on the number of containers consumed.
341	Rep. Fahey	Asks what would happen if the beverage manufacturers changed containers from aluminum to another product.
349	Conkling	Indicates that aluminum has changed and that the market is changing. The way to capture the value from the market is to merge the waste streams from recycling and the bottle bill.
367	Rep. Luke	Asks if the container producers can be asked to assist in the recycling effort. They make the determination of which products will be recycled by choosing which containers to use.
385	Conkling	Does not provide an answer.
389	Rep. Fahey	Asks if there has been thought of standardizing beverage containers.
394	Conkling	Explains that he can't answer the question accurately.
404	Chair Lewis	States that it is difficult for Oregon to dictate package requirements to manufacturers since the population is so small.
413	Rep. Fahey	States that Oregon was first with the bottle bill and the retailers are still selling products here.
415	Rep. Luke	States that if someone leaves the market someone else will enter.
TAPE 31, B		
011	Rep. Shields	Asks what will happen to small communities that need recycling.
015	Conkling	States that the recyclable materials are out there and because of the value, someone will pick them up. Calbag makes money by sorting materials for their customers that want the scrap.
032	Rep. Luke	Asks if there is a large problem of people not wanting to sort their redeemable recyclables.
044	Conkling	Indicates that when the wholesaler is removed from the recycling equation, the value of the material is maximized.
		Representative, Oregon Refuse and Recycling Association. Focuses on the changes in recycling programs since the implementation of the bottle bill in 1971. The Opportunity to Recycle Act was passed in 1983, and the Oregon Recycling

069	Kristan Mitchell	Act was passed in 1991 which have induced the creation of many recycling programs. States that the 1991 act established a recycling goal of 50% by the year 2000. Indicates that the recovery rate includes only post-consumer materials, so industrial and manufacturing recycling do not count toward the goal (EXHIBIT E).
108	Mitchell	By statute, the hierarchy of managing waste is to reduce, reuse, recycle, compost, recover energy, and dispose. Programs have been established to meet the goals. Speaks of recycling programs in communities. Speaks of promotion and education efforts of recycling programs. Indicates that recycling of paper and other materials has increased. Recycling programs work in Oregon due to the combined efforts of many people and organizations.
173	Rep. Luke	Asks if container manufacturers can be required to submit a plan of how their containers will be recycled.
188	Bob Emerick	Governmental Affairs Committee Chair, Oregon Refuse and Recycling Association. Indicates that there are many options available.
193	Rep. Luke	States that the problem with recycling is that people must figure out what to do with a product once it is used, whereas ideally there should be a plan before it is made.
200	Rep. Simmons	Asks if there is a lack of market for glass materials.
205	Mitchell	States that the glass industry is losing market share to plastic, therefore it is a low value product.
221	Rep. Simmons	Verifies that there can be a decreasing intake of glass and an increasing market share of glass.
227	Emerick	Answers affirmatively.
231	Rep. Luke	Indicates that some glass is being used experimentally in asphalt.
233	Chair Lewis	Speaks of carpets made from crushed glass.
236	Mitchell	Verifies that there are other markets for glass.
244	Chair Lewis	Asks about programs that are designed to improve commercial recycling and food and yard debris recycling.
251	Emerick	Indicates that commercial customers are difficult to work with since they have different needs, but there is increasing involvement. The Metro area has a good compost program and other programs are increasing.
		States that there are pilot projects for the recycling of food waste in the Metro area. DEQ has spent time working on

294	Mitchell	composting rules so that the process won't affect the watersheds.
307	Richard Kosesan	Representative, National Association for Plastic Container Recovery (NAPCOR). The organization focuses on the recycling of PET (polyethylene terephthalate) products. Encourages the committee to examine existing recycling programs and discusses existing state requirements for recycling programs. States that current statutes focus on paper products and suggests that PET products be included (EXHIBIT F) .
335	Chair Lewis	Asks if current recycling programs should include higher contents of recycled plastics.
344	Kosesan	States that there is a wide variety of recycled PET products and encourages the state to provide incentives to buy PET products.
345	Paul Cosgrove	Representative, American Forest and Paper Association, and the Proctor and Gamble Company. Distinguishes between recovery rates and amounts and discusses recovery rates and amounts of different materials. States that 28% of what is thrown away is paper. Indicates that Oregon has had recycling programs for years and explains some of the requirements for cities of different sizes (EXHIBIT G) .
TAPE 32, B		
014	Cosgrove	A 1996 DEQ study indicates that the most successful municipal recycling programs are those with weekly curbside residential recycling of at least 10 different materials. Recycling programs cost money, but the costs are offset by the amount saved by not throwing materials away. The bottle bill costs money also since there are so many extra steps involved with getting the material from the consumer to the recycler. To improve recycling in the state, programs need to be modified at the local level to reduce costs, increase education and make programs more efficient. Suggests that the state's program resources be redirected to assist local governments develop recycling programs that fit their needs.
072	Rep. Shields	Agrees that the programs need flexibility. Asks how a system can be developed that will eliminate the competition between those that want expansion of the bottle bill and those that don't.
087	Cosgrove	Suggests spending time in local communities to decide how recycling efforts can be changed and improved. More ground work needs to be done instead of policy work.
134	Keith Burns	Representative, Container Recovery Inc.
		President, Container Recovery Inc. (CRInc.) was formed in

137	John Fletcher	1987 to work exclusively with the Oregon bottle bill. Over 800 million containers are processed and recycled each year. Approximately 53% of beverage containers in the state of Oregon are processed through CRInc. and 100% of the beverage containers in the Metro area. Through experience, CRInc. knows how recycling will work and how it won't work. A simple change to the current process will become a big problem if implemented. Suggests that the curbside programs still need time to grow, so it would be bad to imbalance the system with bottles. Suggests that if the bottle bill is to be changed, it should be scrapped and totally redesigned (EXHIBIT H) .
196	Rep. Luke	Asks how "outside" containers are stopped from entering the system.
197	Fletcher	Auditors monitor for Oregon containers in the recycling system. Indicates that the nickel becomes an incentive to recycle in Oregon when metal values are down.
213	Rep. Fahey	Asks how containers from different states can be separated.
216	Fletcher	Indicates that is a big problem with major manufacturers.
227	Rep. Fahey	Agrees that it must be a tough job to distinguish cans.
228	Fletcher	It's impossible.
230	Rep. Shields	Asks if the number of cans recycled decreases if the price of metal increases.
234	Fletcher	Answers affirmatively, but not as often and cans won't arrive from as far away.
254	Rep. Fahey	Asks what happens when a large store like Fred Meyer's or Safeway has to take many cans that they didn't sell, and beverage prices are lower at other stores.
269	Fletcher	Verifies that is a problem.
275	Rep. Fahey	Asks if the price to the retailer can be based on what they return.
280	Fletcher	Indicates that probably isn't possible.
283	Rep. Fahey	Understands some companies hesitation to expand the bottle bill when they are currently swamped with bottles from other companies.
291	Rep. Shields	Asks how to reach the goal of increased recycling without expansion of the bottle bill.
301	Fletcher	Indicates that if curbside recycling was as convenient as the bottle bill then more recycling would occur.
320	Rep. Shields	Asks how people can recycle on the go.

324	Fletcher	Suggests that the figures related to containers disposed for convenience sake are incorrect.
337	Chair Lewis	Suggest that recycling is an ethical issue. People that want to recycle will recycle.
347	Rep. Shields	States that stewardship of the planet is an ethical issue.
348	Fletcher	Agrees that person that throws away a container with a nickel or not doesn't care about recycling.
358	Rep. Fahey	Asks if CRInc. recycles cans without nickels.
360	Fletcher	States that there is some focus on the nickel.
370	Chair Lewis	Adjourns the meeting at 2:58 p.m.

Submitted By, Reviewed By,

Marjorie Taylor, Judith Gruber,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - SB 84, -1 amendments, Committee Staff, 1 p.

B - SB 84, -2 amendments, Committee Staff, 4 pp.

C - Recycling concept, Written testimony, Christopher Taylor, 12 pp.

D - Recycling concept, Written testimony and materials, Gary Conkling, 11 pp.

E - Recycling concept, Written testimony, Kristan Mitchell, 4 pp.

F - Recycling concept, Oregon Statutes, Richard Kosesan, 10 pp.

G - Recycling concept, Written testimony, Paul Cosgrove, 4 pp.

H - Recycling concept, Written testimony, John Fletcher, 1 p.