

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

May 14, 1997 Hearing Room E

1:00 P.M. Tapes 88 - 89

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

Marjorie Taylor, Administrative Support

MEASURE/ISSUES HEARD:

HB 3282 Work Session

HB 3385 Public Hearing and Work Session

HB 3227 Work Session

HCR 16 Work Session

HB 3419 Public Hearing

HB 2413 Work Session

HB 3419 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
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TAPE 88, A		
002	Chair Lewis	Calls the meeting to order at 1:29 p.m. and opens a work session on HB 3282.
<u>HB 3282</u> <u>WORK</u> <u>SESSION</u>		
009	Judith Gruber	Policy Analyst, summarizes provisions of the bill.
016	Dave Barrows	Representative, Chemical Waste Management. Describes the history of hazardous waste fees at Arlington. Explains the effects of Idaho legislation. Expresses support for -2 amendments
043	Mary Wahl	Administrator, Waste Management and Clean Up, Department of Environmental Quality. Indicates that concerns have been resolved and expresses support for the bill.
049	Rep. Lehman	MOTION: Moves to ADOPT HB 3282-2 amendments dated 5/7/97. (EXHIBIT A)
053	Chair Lewis	Hearing no objections, declares the motion CARRIED.
054	Rep. Lehman	MOTION: Moves HB 3282 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Welsh
064	Chair Lewis	The motion CARRIES. REP. LEHMAN will lead discussion on the floor.
065	Chair Lewis	Closes the work session on HB 3282 and opens a public hearing on HB 3385.
<u>HB 3385</u> <u>PUBLIC</u> <u>HEARING</u>		
070	Rep. Thompson	State Representative, District 4. Explains that HB 3385 is related to HB 2218.
083	Chair Lewis	States that previous testimony from HB 2218 should be included with HB 3385 testimony.
086	Dave Hunt	Resident of Fossil. Explains the rural need for the bill. Indicates that the next closest gas station to his is 21 miles away. His station serves a need for the police and fire departments, and the community. Expresses support for the bill. (EXHIBIT B)
115	Rep. Thompson	Explains that there is a great deal of interest in the bill.
		Economic Development Director, Wheeler County. Expresses the need

121	Lyn Jensen	for rural gas stations. (EXHIBIT C)
140	Chair Lewis	Understands the needs of the rural communities.
145	Rep. Thompson	Explains that many agencies have worked to find a solution to the problem.
150	Rep. Luke	Asks where the money will come from.
154	Rep. Thompson	They have asked for money from the Department of Environmental Quality budget.
161	Chair Lewis	Asks if the bill is to go to Ways and Means.
163	Rep. Thompson	Thinks that would be the best place for the bill to go.
166	Chair Lewis	Closes the public hearing on HB 3385 and opens a work session on HB 3385. Written testimony was presented to the committee. (EXHIBIT D)
<u>HB 3385</u> <u>WORK</u> <u>SESSION</u>		
168	Rep. Luke	MOTION: Moves to ADOPT HB 3385-2 amendments dated 4/22/97. (EXHIBIT E)
170	Chair Lewis	Hearing no objections, declares the motion CARRIED.
171	Rep. Luke	MOTION: Moves HB 3385 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
175	Rep. Simmons	Asks about the details of the bill.
181	John Gardner	Legislative Assistant, Office of Rep. Thompson. Explains provisions of the bill.
195	Rep. Luke	Explains that this issue has been addressed during several legislative sessions.
204	Rep. Thompson	Explains that the bill isn't perfect, but time is running out to come up with solutions to the problem.
211	Rep. Simmons	Verifies that there will be a prioritization system.
213	Rep. Thompson	Indicates that funds are limited, therefore a system must be in place to help those most in need.
217	Rep. Lewis	Indicates that HB 2218 is very similar to HB 3385.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Welsh
228	Chair Lewis	The motion CARRIES.
		Closes the work session on HB 3385 and opens a work session on HB

230	Chair Lewis	3227.
HB 3227 WORK SESSION		
235	Rep. Thompson	State Representative, District 4. Explains provisions of the bill relating to storage tanks. (EXHIBIT F)
252	John Gardner	Legislative Assistant, Office of Rep. Thompson. Explains the financial requests for the program to support tank rehabilitation and replacement in ports and airports.
270	Rep. Luke	Verifies that the -3 amendments are desired by the proponents. Asks about facilities that are working for a profit and if they will be assisted.
279	Rep. Thompson	There is a request for \$500,000 in general fund moneys.
281	Rep. Luke	Asks if other sources have been studied to find funds.
287	Gardner	Explains that other solutions have been attempted, but time is running out.
293	Rep. Luke	States that the deadline has been in place for a long time and other people have met it.
300	Ken Armstrong	Executive Director, Oregon Public Ports Association. Understands that the deadline has been in place for a long time, but urges the committee to remember that the public ports provide public facilities. Explains that the ports have tried to find other funding sources.
341	Rep. Luke	Asks about the inclusion of private, for-profit facilities in the bill.
350	Paul Donheffner	Director, State Marine Board. Indicates that the amendments to the bill have narrowed the scope to not include private facilities.
370	Armstrong	Explains that the amendments restrict funds to port owned and operated facilities.
378	Rep. Luke	Explains the set up of the Port of LaPine. Asks if ports have taxing districts.
386	Armstrong	Answers affirmatively.
387	Rep. Luke	Asks if the public ports are at their maximums in their taxing districts.
388	Armstrong	Believes that they are.
408	Rep. Luke	Asks if the deadline is federally or state imposed.
409	Mike Kortenhoff	Underground Storage Tank Manager, Department of Environmental Quality. The deadline is federally mandated.
TAPE 89, A		
004	Rep. Luke	Verifies that the state can not make adjustments or exceptions to the rule
005	Kortenhoff	Answers affirmatively.
006	Rep. Luke	Asks how long the Department of Environmental Quality has been involved to solve the problems.

006	Kortenhoff	About a year.
007	Rep. Luke	Asks if the ports have tried to solve the problems on their own.
010	Kortenhoff	Understands that some ports have fixed or replaced their tanks.
013	Rep. Simmons	Indicates that ports were established to create economic subsidies for local communities and this assistance is more subsidy for them. Suggests that funds come from the Economic Development Department.
018	Armstrong	Indicates that is a very large policy debate with many factors. Doesn't know where funds would come from in the Oregon Economic Development Department (OEDD) but it is a good idea. Explains that the Department of Environmental Quality has the right program for the problem.
037	Rep. Simmons	Asks how much money is currently in the OEDD budget.
038	Armstrong	The proposed OEDD budget has approximately \$800,000 for the ports. Explains what the funds are used for.
051	Rep. Simmons	Asks how much money was allocated to the ports during the 1995-1997 biennium.
053	Armstrong	Approximately \$500,000.
062	Rep. Simmons	Asks if the OEDD has discussed targeting funds to resolve storage tank problems.
064	Armstrong	No.
065	Rep. Simmons	Asks if they have considered discussing it.
066	Armstrong	Explains that the proposed legislation is an easier way to solve the problem than working through OEDD.
073	Rep. Simmons	Indicates that with the legislation, state subsidy of ports will double.
075	Armstrong	Asks how that can be done.
076	Rep. Simmons	Explains the OEDD already provides \$500,000 for the ports and the proposed legislation would provide another \$500,000.
078	Armstrong	Discusses the role of the state in economic development in rural areas. States that the public ports serve a public need and therefore the funds aren't really a subsidy.
091	Rep. Luke	Asks how much money is in the revolving loan fund.
092	Armstrong	Explains that the assets are around \$12 million.
093	Rep. Luke	Suggests that the funds for the program come from the revolving loan fund.
096	Armstrong	Explains why the revolving loan fund can't be used.
101	Rep. Luke	Suggests that creative bookkeeping be used to fix the problem.
114	Armstrong	Finds the suggestion intriguing and asks if the ports could get assistance

		in maintaining the level of investment for their programs in OEDD.
121	Rep. Lehman	Expresses familiarity with the ports and revolving port funds and indicates that there isn't a lot of money for their programs.
138	Rep. Luke	Suggests that they will be scrambling to find funds, but the money is needed now to resolve problems.
150	Armstrong	Indicates that there isn't a large amount of money waiting to be dispersed out of the revolving fund.
158	Rep. Simmons	Suggests that the bill be amended such that money comes from the revolving fund.
163	Chair Lewis	Explains that she is involved with the OEDD budget, but doesn't recall what funds were in the revolving port fund. Suggests that discussion be held with Ways and Means to determine where to get funds for the program.
190	Rep. Shields	MOTION: Moves to ADOPT HB 3227-3 amendments dated 5/14/97. (EXHIBIT G)
195	Rep. Simmons	Asks what the intent is for the bill.
197	Chair Lewis	Explains that intent is to move to Ways and Means to find solutions to the funding problem.
213	Rep. Lehman	Explains that the amendments reduce the potential cost of the program by limiting the program to publicly held ports.
217	Chair Lewis	Hearing no objection, declares the motion CARRIED.
218	Rep. Shields	MOTION: Moves HB 3227 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
		VOTE: 5-1 AYE: 5 - Fahey, Lehman, Shields, Welsh, Lewis NAY: 1 - Simmons EXCUSED: 1 - Luke
230	Chair Lewis	The motion CARRIES.
232	Chair Lewis	Closes the work session on HB 3227 and opens a work session on HCR 16.
<u>HCR 16</u> <u>WORK</u> <u>SESSION</u>		
239	Rep. VanLeeuwen	State Representative, District 37. Describes provisions of the bill. Relates several stories of the Environmental Protection Agency destroying someone's property to clean hazardous waste. Suggests that owners be allowed to use cost effective, innovative measures to clean their properties. (EXHIBIT H)

373	Chair Lewis	Understands that the Department of Environmental Quality approves of the resolution.
378	Rep. WELSH:	MOTION: Moves HCR 16 be sent to the floor with a BE ADOPTED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
400	Chair Lewis	The motion CARRIES. REP. FAHEY will lead discussion on the floor.
403	Chair Lewis	Closes the work session on HCR 16 and opens a public hearing on HB 3419.
TAPE 88, B		
HB 3419		
PUBLIC		
HEARING		
003	Gary Conkling	Representative, Calbag Metals. Expresses support for the -3 amendments to the bill. Explains that the bill with the amendments will keep the bottle bill "as is" for the consumer. Indicates that changes to the processing of recyclables will happen "behind the counter." (EXHIBIT I)
036	Warren Rosenfeld	President, Calbag Metals. Explains the process of collecting and recycling materials at Calbag. States that they are the largest container exporter that is not related to agricultural or wood products. Describes innovations in creating recyclables into consumable materials. States that Calbag wants to compete for the collection of materials.
113	Conkling	Summarizes the differences in the amendments from the original bill. Describes the accounting system for containers. In regards to the collection of containers, companies would be allowed to sign "master contracts" that would guarantee collection and redemption of containers.
143	Vice-Chair Shields	States that he will support whatever legislation creates the most recycling. Asks if the legislation would "require" pick up of containers the way that the current bottle bill does.
162	Conkling	Explains how an establishment would contract with a company to pick up their scrap material.
179	Vice-Chair Shields	Verifies that it would be a contract obligation and not a statutory obligation.
182	Rep. Lehman	Verifies that if a distributor sells beverages to a rural store and the store enters into a contract with a recycler, the recycler would have to pick up the containers.
187	Conkling	Answers affirmatively.
188	Rep. Lehman	Verifies that no recycling company would be obligated to enter into contracts with rural stores.

190	Conkling	Answers affirmatively.
197	Rep. Lehman	Explains that the distinction is that someone "could, should, or would," pick up the containers, but nobody "must" pick them up.
201	Conkling	Answers affirmatively.
205	Rep. Simmons	Asks if stores are stuck with their cans if they do not enter into recycling agreements.
214	Conkling	Yes, but that would not be in their best interest.
231	Rosenfeld	Explains that a small group of people pick up recyclables to sell to companies like Calbag.
242	Vice-Chair Shields	Verifies that people would go to rural communities to pick up recyclables.
243	Rosenfeld	Answers affirmatively.
249	Rep. Fahey	Asks what happens if bottling practices change.
258	Rosenfeld	Indicates that the aluminum has always had value enough to sustain collection of glass and plastic also.
272	Rep. Fahey	Asks what would happen if the volume of recyclable materials decreased.
276	Rosenfeld	Understands theoretically, but won't argue the point.
277	Rep. Fahey	If the scrap material isn't there, how can collection be justified.
280	Rosenfeld	Agrees that the value of aluminum carries the collection of other products.
283	Rep. Luke	Explains that the value of the aluminum is currently not the driving factor for collection of materials. With the proposed legislation, there is no guarantee for collection of anything.
297	Rosenfeld	Under the current system, providers would want a subsidy for a change in economics.
304	Rep. Luke	Indicates that aluminum probably wasn't the container of choice when the bottle bill passed.
309	Conkling	Affirms the statement. Explains that the system today does have economic values.
334	Rep. Luke	Expresses concern for changing the bottle bill and concerns with the changing beverage industry.
350	Conkling	Explains that large grocers have leverage against a manufacturer to suggest new ways of bottling beverages.
337	Rep. Luke	Understands that large stores can fend for themselves, but expresses concern for the smaller stores.
384	Conkling	Explains that all stores would be able to eliminate costs and related activity to beverage containers.
404	Vice-Chair Shields	Asks about contract and statutory obligations.
TAPE 89, B		

011	Conkling	Explains that contract obligations are enforceable.
014	Vice-Chair Shields	Only if parties enter into them.
015	Conkling	Contracts would be in their best interest.
024	Vice-Chair Shields	Recesses the public hearing on HB 3419 and opens a work session on HB 2413.
<u>HB 2413 WORK SESSION</u>		
031	Chair Lewis	Asks Rep. Jones if he supports amendments to HB 2413.
034	Rep. Denny Jones	State Representative, District 60. Testifies in favor HB 2413 and explains provisions of the bill. Describes how hot spring water is used to aid in agricultural production without contamination. Indicates that the Department of Environmental Quality (DEQ) wants to issue permits for discharging the water. Approves of the bill "as is" but the amendments would be satisfactory.
061	Chair Lewis	Explains that DEQ testifies that the federal Clean Water Act does not allow for exemption.
065	Rep. Jones	Indicates that other rules would allow for it.
085	Lydia Taylor	Deputy Director, Department of Environmental Quality. Explains the DEQ position on the bill pointing out that the federal Clean Water Act would not allow for exemption.
100	Rep. Jones	Expresses consent to for the amendments if they truly can not be exempted from the Clean Water Act.
114	Chair Lewis	Explains that the amendment is not ready to move but will be soon.
119	Rep. Jones	Indicates that very few changes need to be made.
123	Chair Lewis	Closes the public hearing on HB 2413 and reopens the public hearing on HB 3419. Written testimony was presented to the committee. (EXHIBIT J)
<u>HB 3419 PUBLIC HEARING</u>		
138	Rep. Simmons	Asks for clarification on the -2 amendments.
163	Conkling	Indicates that -3 amendments change distributor redemption values.
176	Chair Lewis	Explains that unredeemed refunds would be used to promote curbside recycling.
181	Rep. Fahey	Asks if there are any provisions that will remove container return and redemption from the stores. Expresses concern for health safety.
199	Conkling	Indicates that the retail community would be able to answer the concerns.
		The combination of factors equal a \$14 million income per year. In

217	Rosenfeld	regards to Rep. Fahey's concerns, collection is only the first step in recycling.
234	Rep. Luke	Explains that with the proposed legislation, distributors would not have to count containers.
243	Rep. Wooten	State Representative, District 41. States advocacy of expanding the bottle bill. Suggests that the committee study HB 3419 carefully and expresses that there is bi-partisan support for more containers to be included under the redemption definition. Introduces HB 3374 as a bill that details how an expanded bottle bill would work.
361	Chair Lewis	Closes the public hearing on HB 3419 and adjourns the meeting at 3:20 p.m. Written testimony was presented to the committee. (EXHIBIT K)

Submitted By, Reviewed By,

Marjorie Taylor, Judith Gruber,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - HB 3282, -2 amendments, Committee Staff, 2 pp.

B - HB 3385, Written testimony, Dave Hunt, 2 pp.

C - HB 3385, Written testimony, Lyn Jensen, 2 pp.

D - HB 3385, Presented testimony, Committee Staff, 4 pp.

E - HB 3385, -2 amendments, Committee Staff, 9 pp.

F - HB 3227, Written testimony, Rep. Thompson, 1 p.

G - HB 3227, -3 amendments, Committee Staff, 7 pp.

H - HCR 16, Presented testimony, Rep. VanLeeuwen, 3 pp.

I - HB 3419, Written testimony, Gary Conkling, 2 pp.

J - HB 2413, Presented testimony, Committee Staff, 1 p.

K - HB 3419, Presented testimony, Committee Staff, 1 p.