

**HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY**

**January 24, 1997 Hearing Room E**

**1:00 p.m. Tapes 6 - 7**

**MEMBERS PRESENT:**

**Rep. Leslie Lewis, Chair**

**Rep. Frank Shields, Vice-Chair**

**Rep. Michael Fahey**

**Rep. Mike Lehman**

**Rep. Mark Simmons**

**Rep. Jim Welsh**

**MEMBER EXCUSED: Rep. Dennis Luke**

**STAFF PRESENT:**

**Pat Zwick, Policy Analyst**

**Marjorie Taylor, Administrative Support**

**MEASURE/ISSUES HEARD:**

**Association of Oregon Industries**

**Oregon Forest Industries Council**

**Northwest Pulp and Paper**

**Orphan Site Funding**

**American Electronics Association**

**Ted Hughes Associates**

**Oregon State Public Interest Research Group**

**Governor's Office**

**Oregon Concrete and Aggregate Producers Association**

**Oregon Metal Industries Council**

**Farm Bureau**

**Special Districts Association**

**Parks Sub-Committee Announcement**

**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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 6, A</b>		
001	Chair Lewis	Calls meeting to order at 1:03 p.m.
006	Chair Lewis	Offers to reschedule speakers due to a full schedule.
014	Chair Lewis	Calls for Association of Oregon Industries.
<b><u>ASSOCIATION OF OREGON INDUSTRIES</u></b>		
016	John Ledger	Representative of Association of Oregon Industries (AOI).
023	Ledger	Describes the membership of his organization.
028	Ledger	Many AOI members work very closely with the Department of Environmental Quality (DEQ) - heavily involved with their rule making.
032	Ledger	AOI and DEQ work together to find solutions to common problems.
039	Ledger	Expresses concern for building certainty into the inspection system so that businesses can prepare long term plans.
047	Ledger	AOI is interested in allowing regulatory authority to rest with the state rather than the Environmental Protection Agency.
056	Ledger	Shares AOI's basic philosophy - Oregon needs to have a strong economy to help protect the environment.
065	Ledger	Legislation that builds a strong economy builds a strong environment.
069	Rep. Simmons	Asks for examples of alternative regulatory approaches.
072	Ledger	Responds that there are unlimited alternatives available.
079	Ledger	It depends on the current system, what needs to be done, and what risks can be taken in a situation.
086	Rep. Simmons	Inquires about DEQ and AOI working without limitations.
		States that it is easier to find solutions when there are

093	Ledger	fewer limitations.
095	Rep. Lehman	Asks what type of relationship AOI has with the community and government agencies.
098	Ledger	Explains the positive working relationship of AOI with other agencies.
111	Rep. Lehman	Inquires to which relationships and areas need improvements.
113	Ledger	Indicates that relationships with small businesses need improvement - unlike large businesses they don't have specific staffs to work on issues with AOI and other agencies.
126	Rep. Fahey	Inquires if any House members belonging to AOI.
128	Ledger	Indicates that he doesn't know the answer to that question.
133	Chair Lewis	Calls for the Oregon Forest Industries Council and Northwest Pulp and Paper Association.
<b><u>OREGON FOREST INDUSTRIES COUNCIL</u></b>		
145	Ray Wilkerson	Representative from Oregon Forest Industries Council (OFIC).
150	Wilkerson	OFIC works for large, private, forest land owners. They work on regulation of private forest lands, and land management.
158	Wilkerson	Speaks of current legislation of interest to OFIC.
166	Wilkerson	Land use issues in this committee are of interest to OFIC.
173	Wilkerson	OFIC supports land use system - resource lands need to be used for resource production.
183	Wilkerson	Stresses importance of appropriate land use.
198	Wilkerson	Indicates that OFIC supports the Governor's salmon plan.
210	Wilkerson	Encourages the state to put resources into the salmon plan.
221	Rep. Lehman	Asks if OFIC has investigated what the impact would be if there is a listing of endangered species.
225	Wilkerson	Not at great depth due to the amount of speculation involved.
250	Rep. Lehman	Asks how involved OFIC members are with watershed councils.
252	Wilkerson	Answers that he believes that members are actively involved with watershed councils, especially in southern Oregon.

258	Chair Lewis	Calls for Northwest Pulp and Paper.
<b><u>NORTHWEST PULP AND PAPER ASSOCIATION</u></b>		
260	Kathryn VanNatta	Representative from the Northwest Pulp and Paper Association. Describes her industry relations <b>(EXHIBIT A)</b> .
277	VanNatta	Industry uses a lot of energy but co-generates about 50% of energy needs at mill sites. Explains recycling efforts in the industry.
292	VanNatta	Explains who the NW Pulp and Paper Association works with in helping to improve environmental conditions.
301	Chair Lewis	Calls Orphan Site Funding.
<b><u>ORPHAN SITE FUNDING</u></b>		
308	Tom Gallagher	Representative from Orphan Site Funding <b>(EXHIBIT B)</b> .
315	Gallagher	Provides definition and history of Orphan Site Funding - the people responsible for contamination are unknown, unwilling, or unable to pay for clean up.
330	Gallagher	Since 1989, DEQ has been identifying and working on a bonding program to pay for evaluation and clean up of the sites.
351	Gallagher	Explains that some people have discontent with the hazardous possession fee.
371	Gallagher	Indicates that Portland's pollution comes mainly from cars and that it's hard to attach a fee to owners for the clean up.
380	Gallagher	Explains that there are good ideas for the financing of orphan sites.
<b><u>TAPE 7, A</u></b>		
006	Gallagher	Explains the Governor's plan for the funding of orphan sites - the controversial hazardous possession fee.
010	Gallagher	The major issue related to orphan sites is not where they are, but how to pay for clean ups.
017	Gallagher	Most groups conclude that payment should come from general revenues of the state since they are general health problems affecting all.
021	Chair Lewis	Calls for the American Electronics Association
<b><u>AMERICAN ELECTRONICS ASSOCIATION</u></b>		

024	Jim Craven	Representative from the American Electronics Association (AEA) <b>(EXHIBIT C)</b> .
028	Craven	Provides a description of the electronics industry in the state.
048	Craven	AEA supports strong environmental policies and protection in Oregon, but laws should be reasonable and cost effective. AEA has worked with community and government agencies in the past and hopes to in the future to develop environmental policy.
057	Craven	Speaks of current business and marketing practices in relation to environmental issues. Businesses need certainty and flexibility when it comes to environmental laws and rules.
068	Craven	Focuses on the uncertainty and rigidity of current laws placed on businesses to protect the environment.
080	Craven	Expresses appreciation to DEQ for being attentive to the needs of the electronics industry.
085	Craven	Speaks of the troubling passage of the toxics control ordinance in Eugene.
102	Craven	Expresses that Oregon can't support the duplication between the Eugene ordinance and DEQ - Oregon has too little time and resources to do that.
110	Craven	Summarizes his presentation.
115	Rep. Welsh	Inquires to possible solutions for the issue in Eugene.
117	Craven	Responds that some work is happening now, but more needs to be done.
135	Chair Lewis	Calls for Ted Hughes Associates
<b><u>TED HUGHES ASSOCIATES</u></b>		
139	Ted Hughes	Representative for the Pacific Northwest Paint Council <b>(EXHIBIT D)</b>
158	Hughes	Expresses concern for the current structure of the hazardous substance possession fee - 1985 brought about Community Right To Know Act and hazmat training fee which the industry approves of.
175	Hughes	States that 1989 brought the toxics use reduction program fees which were added to the possession fee - expresses concern about this.
183	Hughes	States in 1989 or 1991 orphan site funding was tagged onto the fee - again, expresses concern for this additional fee.
199	Hughes	Expresses that his clients have no orphan sites, nor do they want toxic use reduction and do not want to pay

		for the additional fees.
211	Hughes	Indicates that orphan sites and toxics use reduction should be funded by lottery and general fund if the programs are continued.
222	Hughes	Acknowledges the past help of the Environment and Energy committee, but indicates that work is still needed.
230	Hughes	Comments on the toxic control issues in the city of Eugene. Expresses discontent with the new ordinances.
248	Hughes	Summarizes presentation and calls for questions.
251	Rep. Welsh	Asks if there is a lack of knowledge about the state programs which could have provided information that was requested in Eugene.
257	Hughes	Doesn't know exactly what happened with the Eugene issues, but it is possible that they didn't know what was available to them.
275	Chair Lewis	Calls on Oregon State Public Interest Research Group (OSPIRG).
<b><u>OREGON STATE PUBLIC INTEREST RESEARCH GROUP</u></b>		
278	Christopher Taylor	Environmental Advocate with Oregon State Public Interest Research Group ( <b>EXHIBIT E, F</b> ).
303	Taylor	Speaks of the organization and what legislation is of interest to them - toxics use reduction, hazardous waste reduction, state super-fund sites.
310	Taylor	Indicates what groups and agencies OSPIRG has worked with.
320	Taylor	Speaks of specific environmental interests in recycling and solid waste - Increase collection and developing markets for the refuse.
328	Taylor	Also, working to protect Oregon's drinking water supplies, toxic use reduction and clean up, and finding clean, renewable energy sources.
339	Taylor	OSPIRG currently has no significant legislation on the books, but is definitely interested in proposals.
348	Taylor	Expresses hopes of expanding the bottle bill - increase recycling by people and businesses.
362	Taylor	OSPIRG also wants to promote the popularity of residential recycling.
370	Taylor	Speaks of disposal costs and indicates economic benefit related to recycling.

378	Taylor	Summarizes the presentation and calls for questions.
380	Rep. Simmons	Asks if OSPIRG is funded with student activity funds.
388	Taylor	Answers that Rep. Simmons might be thinking of the Oregon Student Public Interest Research Group. Mr. Taylor's organization does not receive public funding.
395	Chair Lewis	Calls for the Governor's office.
<b><u>GOVERNOR'S OFFICE</u></b>		
<b><u>TAPE 6, B</u></b>		
008	Robin McArthur Phillips	Governor's land use and transportation advisor.
015	Phillips	Speaks of two programs - Community Solutions Team and the Regional Problem Solving Program.
017	Phillips	The way government works must change. Agencies need to work across boundaries to solve problems.
019	Phillips	The programs have a more collaborative way of problem solving and providing non-linear solutions.
024	Phillips	The Community Solutions Team approach brings the right agencies together to solve local problems. Five agencies are involved.
030	Phillips	Describes a pilot project approach - discusses a Malheur county project
041	Phillips	Indicates that the community works with the agencies to solve problems.
053	Phillips	Focuses on the Regional Problem Solving Program.
057	Phillips	Program addresses inter-jurisdictional issues and problems that need to be solved with an inter-disciplinary approach.
064	Phillips	Department on Land Conservation and Development (DLCD) selected the four pilot sites for the program.
077	Phillips	Continues to discuss pilot sites.
083	Phillips	DLCD is currently reviewing the program.
092	Rep. Simmons	Requests that the collaborative work be shared with the Federal Govt.
097	Phillips	Expresses appreciation for the praise.
099	Chair Lewis	Calls Oregon Concrete and Aggregate Producers Association (OCAPA).
<b><u>OREGON CONCRETE and AGGREGATE PRODUCERS</u></b>		

<b><u>ASSOCIATION</u></b>		
101	Rich Angstrom	Managing Director, Oregon Concrete and Aggregate Producers Association.
112	Angstrom	Speaks of gravel and rock producers in the state.
119	Angstrom	OCAPA has six issues that they are concerned with - First is HB 1083, which is related to the procedures of Land Use Board of Appeals (LUBA).
131	Angstrom	Indicates that OCAPA would like rulings based on facts and proposes an amendment to impose time limits to correct the record - wants orderly conclusion to the process.
143	Angstrom	Expresses a final concern with HB 1083 - wants all issues raised at LUBA resolved before they're passed on.
150	Angstrom	Other issues that OCAPA is concerned with include submission of legislation requiring agencies using guidelines to go through a rule making process.
170	Angstrom	Aggregate issues solved with the farmers.
175	Angstrom	OCAPA supports collaborative problem solving.
188	Angstrom	Indicates that collaborative problem solving works in his field.
194	Angstrom	OCAPA is involved with Governor's coastal salmon recovery plan on the Umpqua river, and in total support of it.
207	Angstrom	OCAPA has reviewed DEQ's plan for fee increase by rule not legislation - don't agree with it because it is such an internal process.
227	Angstrom	Summarizes and calls for questions.
230	Chair Lewis	Calls for the Oregon Metal Industries Council
<b><u>OREGON METAL INDUSTRIES COUNCIL</u></b>		
240	Kathleen Dotten	Executive Director, Oregon Metal Industries Council (OMIC) <b>(EXHIBIT G, H).</b>
250	Dotten	Discusses the membership of OMIC.
272	Dotten	Describes the geographic representation of OMIC in the state.
284	Dotten	Metals industry does have significant capital investment in environmental concerns.
299	Dotten	Acknowledges that the metals industry is a huge consumer of energy.
311	Dotten	OMIC works closely with DEQ on environmental issues focusing on air quality, water quality, solid



		waste management, hazardous waste management, and pollution prevention.
322	Dotten	OMIC wants to promote an agenda for increased livability.
332	Dotten	Research and development is very important to metal industry to stay ahead of environmental issues and other businesses.
350	Dotten	OMIC members work with each other in risk and benefit to provide benefits to other agencies and institutions.
370	Dotten	Encourages the committee and OMIC to work together.
373	Chair Lewis	Inquires as to the membership of OMIC and if members are large or small industries.
379	Dotten	OMIC represents mostly large companies primarily in the Willamette valley.
<b>TAPE 7, B</b>		
007	Chair Lewis	Inquires whether DEQ works well with smaller businesses.
010	Dotten	Answers that small businesses don't have the personnel resources that larger companies do and therefore do have some problems.
022	Chair Lewis	Calls for the Farm Bureau
<b>FARM BUREAU</b>		
025	Don Schellenberg	Representative for the Farm Bureau.
047	Schellenberg	Agriculture is very important to the Oregon economy - crop production.
060	Schellenberg	Agriculture provides jobs to 23-45,000 workers.
082	Schellenberg	Continues to list agriculture's importance to Oregon's economy - it is a naturally renewable resource.
096	Schellenberg	Water resources can be over abundant or a precious commodity.
103	Schellenberg	Land is a finite and controllable resource.
113	Schellenberg	Supports land use planning for the purpose of protecting the resources and environment for farmers and ranchers to produce products in a healthy and profitable manner.
124	Schellenberg	Farm Bureau just reviewed and rewrote their land use policy.
130	Schellenberg	Summarizes and calls for questions.
		Inquires what is the total payroll is for the agriculture

131	Chair Lewis	industry.
144	Schellenberg	Not aware of the exact number.
160	Schellenberg	Indicates that he will speak later about the minimum wage issue and how it is related to farming.
165	Chair Lewis	Calls Special Districts Association.
<b><u>SPECIAL DISTRICTS ASSOCIATION</u></b>		
172	Burton Weast	Representative from the Special Districts Association of Oregon.
177	Weast	Discusses the 900 districts and memberships.
189	Weast	The range of districts is very broad including urban and rural districts.
200	Weast	All special districts in Oregon are represented in the organization.
206	Weast	Environmental regulation and land use issues are of concern to the special districts.
217	Weast	Issues of importance to the special districts this session - SB 122, involving special districts in land use planning.
231	Weast	Speaks about cost effectiveness with land use planning
248	Weast	Summarizes and calls for questions.
255	Chair Lewis	Concludes the meeting and calls for other groups if present.
262	Chair Lewis	Introduces Rep. Simmons, chair of the sub-committee on Parks.
<b><u>PARKS SUB-COMMITTEE ANNOUNCEMENT</u></b>		
264	Rep. Simmons	Announces the membership of the Parks subcommittee: Rep. Simmons, chair; Rep. Fahey, vice-chair; Rep. Lehman; Rep. Lewis; and Rep. Welsh. The first meeting will be 1/29/97.
273	Chair Lewis	Adjourns the meeting at 2:42 p.m.

Submitted By, Reviewed By,

Marjorie Taylor, Pat Zwick,

Administrative Support Policy Analyst

**EXHIBIT SUMMARY**

**A - Northwest Pulp and Paper - Introduction, Kathryn VanNatta, 1 p.**

**B - Orphan Site Funding - Introduction, Tom Gallagher, 2 pp.**

**C - American Electronics Association - Introduction, Jim Craven, 2 pp.**

**D - Pacific Northwest Paint Council - Introduction, Ted Hughes, 5 pp.**

**E - OSPIRG - Legislative agenda, Christopher Taylor, 1 p.**

**F - OSPIRG - Introduction, Christopher Taylor, 1 p.**

**G - Oregon Metals Industry Council - State needs assessment, Kathleen Dotten, 6 pp.**

**H - Oregon Metals Industry Council - Introduction, Kathleen Dotten, 2 pp.**