

INVITED TESTIMONY ON

CONTAINER TAX

TAPES 027 - 028 A/B, 29 A

SENATE REVENUE COMMITTEE

FEBRUARY 3, 1997 - 9:00 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes

Sen. Tom Hartung

Sen. Randy Leonard

Testimony: Steve Marks, Senior Policy Advisor to Governor

Paula Burgess, Governor's Assistant for Natural Resources

Robert Meinen, Director of Parks

Stub Stewart, Parks Commission

Bruce Andrews, Director, Oregon Department of Agriculture

Geoff Pampush, Executive Director, Oregon Trout

Andy Anderson, Executive Vice President, Oregon Farm Bureau

Ward Armstrong, Executive Dir., Oregon Forest Industries Council

Ono Husing, Director, Oregon Coastal Zone Management Assn.

Phil Keisling, Oregon Secretary of State

Steve McCoid, President, Oregon Grocery Industry Association

Staff: Richard Yates

Carol Phillips, Committee Assistant

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TAPE 027, SIDE A

011 Chair
Baker Called meeting to order 9:09 a.m.

022 Steve
Marks (Exhibit A) The Governor appreciates interest of Senate Revenue Committee in Oregon Natural Resource Investment Account and natural resource programs it is designed to pay for and proposed expansion of container recycling in Oregon. Brief overview of testimony to follow.

200 Sen.
Hartung Stated he would be very hard pressed to change the Bottle Bill very much because the current one is very workable and simple. It deals with beer and soda cans only.

211 Marks Responded that the Governor is very concerned about the effects this proposal would have on the current Bottle Bill. He does not want to do anything that would not increase overall rate of recycling. The current system has not expanded very much over the past 25 years.

235 Paula
Burgess Overview of Natural Resources Investment Account. It allows for \$60,000,000 in a biennium. They are proposing that \$30,000,000 of that package go to support parks, \$20,000,000 to a watershed investment fund to make improvements needed to recover salmon and improve quality of streams, and \$10,000,000 toward coordinating and implementing both the salmon plan and the Healthy Streams Partnership. (Exhibit B)

331 Robert
Meinen (Exhibit C) Oregon state parks must have a long-term, stable funding source. Discussed what caused the funding crisis and how much is needed to resolve the problem. Oregon has one of the most heavily used state park systems per acre in the United States, with over 400 people per acre on a visitation basis. That impacts heavily on resources and buildings. \$6.2 million over the Governor's budget is the absolute minimum required to keep state parks operational. \$10 million is needed to repair and rebuild.

TAPE 028, SIDE A

040 Meinen Of the 63 parks originally placed on list for closure, 4 of them have been transferred to other levels of government for operation. Currently in the process of discussing 4 or 5

more. 10% to 15% of the parks could be operated by other units of government.

063 Stub
Stewart (Exhibit D) Has been involved in park management for over 25 years. Is for Governor's bill in principle but does have a few problems with it. Restated points in exhibit. Questions and discussion.

215 Bruce
Andrews (Exhibit E) Healthy Streams Partnership genesis of events with a long history. 1972 was implementation of Clean Water Act. In 1993-95 session SB 1010 was implemented to deal with Clean Water Act issues on agricultural lands. It was thought only two or three water systems per biennium would be discussed. Lawsuits in Georgia and Idaho showed that the progress with which states were addressing the Clean Water Act and listing streams potentially impaired was not fast enough to satisfy legislative rulings. The court ruled that more streams had to be identified. The 303(d) ruling in Oregon was expanded to include nearly 800 stream segments.

291 Andy
Anderson Invited by Governor to participate in Healthy Streams Partnership. State of Oregon is out of compliance with Clean Water Act. Even if agriculture cleans up problems in agricultural areas, the state will still be out of compliance with Clean Water Act because a large number of stream segments are in urban areas. The provisions of Healthy Stream Partnership were the best faith efforts of the group to come up with a way of putting the state in a position where it could defend itself from a threatened lawsuit, which is the same one that Idaho and Georgia have already lost. Oregon must clean up its own streams, or a federal judge will impose a system and timetable. How does Oregon stay in control of its own destiny and not have a federal agency dictating what must be done? Questions and discussion.

TAPE 027, SIDE B

020 Geoff
Pampush Oregon has the last great chance of any state in the lower 48 to protect and preserve an economy and those species which have contributed to that economy, i.e. the native fish species, for the last 100+ years. Poles taken over the last 8 or 9 years indicate that clean water and salmon are the most important environmental issues to Oregonians. A \$10 million investment fund annually means \$1,000 for every 10 miles of stream in this state. 20% of native salmon are left. New England states have invested tens of millions of dollars over the last 20 years to restore Atlantic salmon and have failed. Questions and discussion.

092 Burgess Two years ago Governor started work on a top priority that was identified by a natural resource transition team, and that was the recovery of salmon in Oregon. Coastal coho was declining rapidly. A federal listing alone will not bring about recovery of a species, the Governor determined that positive action by the state was needed to bring about that recovery.

174 Ward
Armstrong Oregon has unique opportunity to save salmon, and opportunity to help not limited to just forestry and agriculture. The objective is to try to avoid a listing with the National Marine Fisheries Service. Not aware of any state in the country that has put together a plan based on voluntary and existing programs to go to the National Marine Fisheries

Service to avoid a listing. Oregon does not need the federal government to regulate programs to achieve certain ends. Questions and discussion.

236 Ono
Husing Oregon Coastal Zone Management Association is a voluntary group of cities, counties, port districts, and soil and water conservation districts up and down the Oregon coast. Have spent the last year trying to sort out some of the problems they face. If the package is altered too much from its present form, Oregon is inviting a listing. April 25 is the deadline to have a package together. Suggested to the members that they approve the funding and let it work for two years to see how much valuable information is acquired. Questions and discussion.

TAPE 028, SIDE B

005 Continuation of questions and discussion.

045 Armstrong Remarked that Washington State is considering same kind of plan which Oregon is contemplating and is watching very carefully to see what goes on here. Other states as well are watching. In spite of all Oregon's efforts, if coho are listed it will be a major disincentive to other states to attempt similar programs.

062 Phil
Keisling Discussed recycling/redemption center aspects of this bill. In 1965 the Department of Forestry paid citizens to collect fir cones to reforest the Tillamook Burn. It was an extraordinary effort for its time, and an effort which was viewed skeptically by experts who said it would never work. In 1948 Oregon voters approved a \$12 million investment to reforest over 300,000 acres. That \$12 million investment was one of the shrewdest investment Oregon has ever made. That experience has made him want to be personally involved in the salmon issue.

137 Steve
McCoid (Exhibit A) Have been involved in discussions regarding change in the current system of redeeming cans and bottles. Members endorse concept of getting cans and bottles out of stores and into redemption centers. Opposed, however, to expansion of current system if it requires retailers to handle those cans and bottles, mainly because of cost.

A detailed comparison between the Current System and New System was presented by McCoid and Keisling. (Exhibit A - Pages 2 and 3) Questions and discussion.

TAPE 29, SIDE A

003 Keisling Estimated scrap mix is 75% aluminum and 25% glass and plastic. Aluminum scrap value works out to 1.5 cents per container. Scrap value of containers returned is actually far more in terms of actual dollars, regardless of what the opposition to the bill will tell you.

040 Discussion and questions regarding how Redemption Centers would work.

119 Chair
Baker Adjourned meeting at 10:58 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

Exhibit Summary:

A. Marks, Intro and Overview, 14 pages

B. Burgess, Waterbodies on 303(d) List and Proposed Endangered Species Act Listings, 1 page

C. Meinen, Oregon State Parks Must Have a Long-Term, Stable Funding Source, 5 pages

D. Stewart, A Nickel for Nature, 1 page

E. Andrews, Process for Implementing SB 1010 in Water Quality Limited Basins, 8 pages

F. Armstrong, 2 letters from Dave Bowden, Chairman of Board, OFIC, 5 pages