

HOUSE COMMITTEE ON NATURAL RESOURCES

May 20, 1993 Hearing Room D 4:00 p.m. Tapes 34 - 37

MEMBERS PRESENT: Rep. Ray Baum, Chair Rep. Carl Hosticka, Vice-Chair
Rep. Marilyn Dell Rep. Sam Dominy Rep. Bill Fisher Rep. Tim Josi Rep.
Dennis Luke Rep. Bill Markham Rep. Chuck Norris Rep. Nancy Peterson Rep.
Bob Repine Rep. Liz VanLeeuwen

STAFF PRESENT: Kathryn Van Natta, Committee Administrator
Catherine Fitch, Committee Administrator Pat Zwick, Committee
Coordinator

Karen McCormac, Committee Clerk

MEASURES CONSIDERED: Work Session - HB 2244 - HB 2538 - HB 3234
- SB 117 A-Engrossed - HB 2107 - HB 2153

Public Hearing - HB 2701

WITNESSES: BEV HAYES, Water Resources Department RICHARD
KOESAN, Water for Life REP. CARL HOSTICKA

KARYN KAPLAN, Recycling Coordinator, University of

Oregon JACK MCGOWAN, Executive Director, Stop Oregon Litter

and VandaliSM(SOLV) JOHN MATTHEWS, Garten Foundation

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in
quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes. [--- Unable To Translate
Graphic ---]

BILL PUNTNEY, Clayton-Ward Recycling Company ALEXANDER PATTERSON,
Pacific Bottle Regeneration JOEL ARIIO, Oregon State Public Interest
REsearch Group

(OSPIRG) TOM GALLAGHER, ARCO AM/PM PAUL ROMAIN, Oregon Beer and
Wine Distributor's

Association BRUCE HANNA, Oregon Soft Drink Association KEN PASTEGA,
Oregon Soft Drink Association KAY JURAN, Association of Oregon Food
Industries BRIDGET FLANAGAN, NW Division Public Affairs Manager,

Safeway ROBIN V. KORDIK, Solid Waste Services Director, Cascade

Pacific Engineering

TAPE 34, SIDE A

005 CHAIR BAUM: Calls meeting to order at 4:10 p.m.

OPENS WORK SESSION ON HB 2244

010 CATHERINE FITCH, Committee Administrator: House Bill 2244 is from the Subcommittee on Agriculture and Forestry with a 7 - 0 vote, and was at

the request of the Department of Agriculture. Currently, most violations of fire protection statutes and rules carry a fine of up to \$1,000 and/or jail time of not more than 60 days, punishable as a Class A Misdemeanor. This bill would authorize the use of new uniform citation procedures for the Department of Forestry. It establishes classifications of crimes from \$50 to \$500, and makes violations that directly threaten human life or cause property damage of \$10,000 or more a Class A Misdemeanor.

The fiscal impact is "indeterminate/minimal."

034 MOTION: REP. VanLEEUEWEN: Moves HB 2244 to the floor with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE HB 2244-1 AMENDMENTS (LC 939), dated 4-29-93 by the Subcommittee on Agriculture and Forestry.

055 CHAIR BAUM: Restates motion and calls for discussion.

058 REP. DOMINY: Why did it take so long to get to this committee from the subcommittee?

061 FITCH: The relating clause in HB 2244 was not sufficiently broad, and it was necessary for legislative counsel to retool those proposed

amendments.

067 REP. PETERSON: Do the amendments de-criminalize the offenses?

068 FITCH: As written, HB 2244 was seen by the attorney general's office as very cumbersome. They asked that it be rewritten to be more

comprehensible.

080 VOTE: REPS. DELL, DOMINY, FISHER, HOSTICKA, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE.

086 CHAIR BAUM: The motion CARRIES. REP. DOMINY will lead discussion on the floor.

Additions to the record: - HB 2244 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis EXHIBIT A) - HB 2244 Hand-Engrossed with HB 2244-9 Amendments (LC 939), 4-29-93 (EXHIBIT B)

CLOSES WORK SESSION ON HB 2244

OPENS WORK SESSION ON 2538

092 FITCH: The original language of House Bill 2538 was completely replaced by the amendments before you today. This bill addresses the policies

and organization of the Oregon Department of Fish and Wildlife (ODFW). Essentially, definitions are added to the authorizing statutes, the goals of the ODFW have been better defined, and the department was admonished that wildlife should be managed to permit orderly and fair use of wildlife and provide for optimum public recreational benefits.

The department will be under the Fish and Wildlife Commission, with the director to be appointed by that commission. The commission's power to adopt rules was further defined, and many parts of the bill have to do with the functions of the director, the commission, and their relationship.

The commission will be required to make a report to the legislature on significant consultation activities with other parties, and their rule-making authority includes a requirement to conduct a public hearing on any rule-making. The commission was allowed to adopt and review optimum populations for deer and elk, is permitted to advise, consult and cooperative with other public and private entities on wildlife management issues, and should use "best available scientific information" in carrying out their duties.

This bill has "minimal/indeterminate" fiscal impact.

128 REP. PETERSON: What does "compatible" mean on Page 1, Line 12 of the -9 amendments?

144 CHAIR BAUM: "Compatible" under existing law is undefined. After some negotiations with various interest groups, the committee agreed on this definition.

162 REP. PETERSON: On Page 2, Line 12, the definition of "optimum population" was changed drastically. Is that definition anywhere else

in statutes?

167 CHAIR BAUM: That is not a change from the original version of the bill, except for the addition of "population."

178 REP. PETERSON: I have some concerns that "optimum" means "sustainability."

190 REP. NORRIS: Didn't we go from "optimum" to "sustainable" and back to "optimum"?

192 CHAIR BAUM: We went from some pretty draconian minimal levels to "self-sustaining" to "sustainable," and then back to "optimum," making

the circle complete.

195 REP. PETERSON: It says that optimum means sustainable in the definition.

196 CHAIR BAUM: That's the way they define it in the way they currently carry out their policies.

198 REP. PETERSON: Were all the interests groups involved in these definitions?

201 CHAIR BAUM: The Oregon Hunter's Association, the cattlemen, farmers, and the Oregon Farm Bureau all approved this proposal.

205 REP. DOMINY: ODFW didn't like bill 100%, but were involved in assisting with all the definitions.

212 REP. VanLEEUEWEN: We had numerous meetings, and hopefully representatives of all interest groups were involved.

218 REP. PETERSON: I received a fax from Oregon Trout which urged a "no" vote. Were they involved in this process?

220 FITCH: They provided testimony, but I don't know if they were involved in work group.

224 REP. DOMINY: They were not involved in the meetings.

227 CHAIR BAUM: Just NW Steelheaders. We didn't bring in the Water for Life folks, but we did bring in the more mainstream groups.

This is a far cry from the original bill. If this bill does not go through the process, I'm afraid that some people in resource industries will feel that the legislature let them down, and they'll simply lock up their land, which is not good for wildlife or any other non-consumptive uses.

260 REP. PETERSON: There's been some question as to whether this bill will cause the state to lose federal funds.

262 CHAIR BAUM: According to the attorney general's office, that was true with some of the original drafts of HB 3505. By defining the primary

uses on Page 2, Line 13 of the -9 amendments, I think we've strengthened our compliance with federal law.

304 REP. HOSTICKA: How will this bill improve Oregon?

308 CHAIR BAUM: It reorganizes the department, but also defines several previously undefined terms, requires that all wildlife species be

managed at optimum population levels compatible with the primary use of the land and waters of the state, and prevents the serious depletion of any indigenous species. It creates a balance.

337 REP. VanLEEUEWEN: It also encourages cooperation between ODFW and the natural resources people.

353 CHAIR BAUM: House Bill 2244 also requires the department to set population levels for deer and elk every five years, which is

significant to both hunters and landowners.

359 REP. HOSTICKA: I'm just not sure whether that means there will be more of them or less of them.

368 REP. DOMINY: In Section 11, it states that the commission may advise, consult and cooperate with other agencies of state political

subdivisions, other state and federal government, and private landowners with respect to fish and wildlife management. There have been problems

with the participation of ODFW in advising and assisting, which is the

key to why this legislation was developed.

402 REP. DELL: My only concern is that it wasn't clear during testimony that everyone saw the same thing. People's expectations are different.

I'm not sure this can be cured by legislation.

424 REP. NORRIS: I think that Section 11 lays the foundation for a potential partnership which seems to have been lacking due to the

perception that the department is somewhat autocratic and not really

concerned with private landowners.

434 MOTION: REP. MARKHAM: Moves HB 2538 to the floor with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE HB 2538-9 AMENDMENTS (LC

1226), dated 5-11-93 by the Subcommittee on Agriculture and Forestry.

440 CHAIR BAUM: Restates motion and calls for discussion.

442 VOTE: REPS. DELL, DOMINY, FISHER, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE. REP. HOSTICKA

votes NO.

TAPE 35, SIDE A

019 CHAIR BAUM: The motion CARRIES. REPS. BAUM and DOMINY will lead discussion on the floor.

Additions to the record: HB 2538 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis (EXHIBIT C) Proposed -9 Amendments to HB 2538 (LC 1226), 5-11-93 (EXHIBIT D)

CLOSES WORK SESSION ON HB 2538

OPENS WORK SESSION ON HB 3234

027 FITCH: This bill is from the Water Subcommittee, with a 7 - 0 vote. This measure was originally requested by the Destination Resorts

Coalition. Within Oregon, there are seventeen different geographic water basins. The Water Resources Department is required by law to prepare a plan for the use and control of water in each of those basins. Municipal water use is currently one of the categories which is allowed within all of those plans.

Confusion has arisen over how the term "municipal" should be defined.

The Water Resources Commission has held that quasi-municipal water use has been a legitimate use under the municipal classification, and HB 3234 seeks to clarify that within statute.

The fiscal impact statement we have just received shows there is no fiscal impact.

044 REP. NORRIS: This started out as a rather controversial issue, but after listening to testimony, a consensus was reached by various

interest groups, who approve the bill.

048 MOTION: REP. NORRIS: Moves HB 3234 to the floor with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE HB 3234-2 AMENDMENTS (LC

3128), dated 5-14-93, by the Subcommittee on Water.

050 CHAIR BAUM: Restates motion and calls for discussion.

075 REP. DOMINY: Were any groups opposed to this bill?

076 CHAIR BAUM: Let the record show that I see the thumb is up from a representative from WaterWatch. It's quivering, but it's up.

082 VOTE: REPS. DELL, DOMINY, FISHER, HOSTICKA, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEuwEN and CHAIR BAUM vote AYE.

087 CHAIR BAUM: The motion CARRIES. REP. PETERSON will lead discussion on the floor.

Additions to the record: HB 3234 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis EXHIBIT E) HB 3234 Hand-Engrossed with HB 3234-2 Amendments (LC 3128), 5-14-93

(EXHIBIT F)

CLOSES WORK SESSION ON HB 3234

OPENS WORK SESSION ON SB 117 A-ENGROSSED

100 FITCH: Senate Bill 117 is from the Subcommittee on Agriculture and Forestry, with a 7 - 0 vote. This bill maintains the requirement for

the registration of apiaries in Oregon, but makes all the Department of Agriculture's inspection activities elective for apiary owners. It clarifies that the apiary industry will pay the service fees to cover the costs of services requested, and moves the requirement for individual bee colony registration.

110 MOTION: REP. MARKHAM: Moves SB 117 A-ENGROSSED to the floor with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE SB 117-A4

AMENDMENTS (LC 975), dated 5-11-93, by the Subcommittee on Agriculture and Forestry.

112 CHAIR BAUM: Restates motion and calls for discussion. 120 VOTE: REPS. DELL, DOMINY, FISHER, HOSTICKA, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE.

134 CHAIR BAUM: The motion CARRIES. REP. VanLEEUEWEN will lead discussion on the floor.

Additions to the record: SB 117 A-Engrossed Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis (EXHIBIT G) SB 117 Hand-Engrossed with SB 117-A4 Amendments (LC 975), 5-11-93

(EXHIBIT H)

CLOSES WORK SESSION ON SB 117 A-ENGROSSED

OPENS WORK SESSION ON HB 2107

140 PAT ZWICK, Committee Coordinator: House Bill 2107 is from the Subcommittee on Water with a 7 - 0 vote. It provides an expedited

registration process in conjunction with a water right application for wetland, stream or riparian restoration or storm water management

projects, providing existing water rights are not injured. It gives examples of allowed projects, but does not exclude other projects if they are approved by the Water Resources Commission and the Water Resources Department in consultation with other state agencies.

Issuance of a registration would allow the applicant to begin construction of the facility and use of the water while the permitting process continues on a separate track which would avoid the current water right application backlog.

The date of the completed registration would be the priority date. Up to ten reservoirs may be included in a single application if for the same ownership on contiguous property within the same drainage basin, and storing less than 9.2 acre-feet of water with dams less than 10 feet high. A map of the project would not need to be prepared by a certified water right examiner.

172 REP. NORRIS: A great deal of work was done on this bill by a very dedicated group, and they did a good job of reaching near-consensus on

this.

177 MOTION: REP. NORRIS: Moves HB 2107 to the floor with a DO PASS RECOMMENDATION, AS AMENDED BY THE HB 2107-4 AMENDMENTS (LC 951-2) dated 5-17-93, by the Subcommittee on Water.

188 CHAIR BAUM: We don't have the fiscal analysis on this yet, although we don't anticipate any problems with it.

191 VOTE: REPS. DELL, DOMINY, FISHER, HOSTICKA, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE.

199 CHAIR BAUM: The motion CARRIES. REP. HOSTICKA will lead discussion on the floor.

Additions to the record: HB 2107 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis (EXHIBIT I) Proposed -4 Amendments to HB 2107 (LC 951-2), 5-17-93 (EXHIBIT J)

CLOSES WORK SESSION ON HB 2107

OPENS WORK SESSION ON HB 2153

208 ZWICK: Oregon's Water Law, adopted in 1909, has required a water right permit before storing or diverting the surface waters of the state.

Many reservoirs which store water have been constructed since that time without the benefit of a water right. Stored water is used for many purposes, including watering livestock, forest and rangeland management, fire protection and recreation. Many of the unauthorized reservoirs have existed without impact to existing water rights, and a process is needed to allow landowners with unauthorized reservoirs to make them legal through the water right process without threat of penalty.

The Water Resources Department also needs information on the location and size of reservoirs for inventory purposes. House Bill 2153 grants some exemptions from water right permits or certificates, extends provisions of the limited license, extends emergency fire-fighting, diverts water to water tanks or troughs from permitted reservoirs, exempts fish screens, fish ways and fish by-pass structures, and exempts reservoirs storing less than 9.2 acre-feet of water or with dams under specific conditions.

The bill is from the Water Subcommittee, after input from a working group composed of varied interest groups.

288 REP. JOSI: To qualify as an exempt water use under Section 3, it states that the user shall provide written notice to the department on or

before January 1, 1995. In Subsection 2, it states that that by rule, the Commission may require any person or public agency diverting water as described to furnish information with regard to such water and the use thereof. When will the rule-making commence? I have concerns that this may take some time, yet the 1995 application date may not be sufficient.

305 BEV HAYES, Water Resources Department: These would be exempt uses. That language would allow us to at least know where these exempt uses

are located, the quantity of water they may be using, and allows us to request that information from them. This would be by rule.

327 REP. JOSI: So any time in the future, the department could adopt informational types of regulations before or after an individual obtains their exempt water use.

334 HAYES: I think this exemption would apply when the bill

passes and becomes effective. The January 1, 1995 date affects people with

existing ponds who would require water rights, and they must register with the Water Resources Department by that date to obtain this "amnesty" that we're granting. Once the bill passes, the exemption exists. It does not have to be applied for.

348 REP. NORRIS: So someone who had to notify the department on or before January 1, 1995 would not have to wait until the Commission had

completed the rules described in Subsection 3?

353 HAYES: No, they would not have to wait.

365 CHAIR BAUM: But there is a requirement that they have to provide written notice of the use on or before January 1, 1995 to do that.

Subsection 3 is a different issue.

372 REP. JOSI: My concern was that by rule, the department would promulgate more rules before the exemption was granted.

379 HAYES: That is not correct.

380 REP. HOSTICKA: The exemption is created by the statute, not by the department. You don't have to ask the department for anything.

286 HAYES: The bill creates the exemption. People have to tell us they are an exempt use. By rule, we can request information, but cannot retract

the exemption.

391 REP. NORRIS: We discussed how we can let the maximum number of people know about this. It will need to be a broad network to cover the

hundreds of ponds which are in the state. 402 HAYES: We intend to launch an aggressive public information campaign.

408 CHAIR BAUM: I have a county with 2,500 of these, which is almost more than the county population.

433 MOTION: REP. NORRIS: Moves for SUSPENSION OF THE RULES to allow CONSIDERATION OF CONCEPTUAL AMENDMENT "HB 2153 INSERT".

435 CHAIR BAUM: Restates motion and calls for discussion. Hearing no objection, the motion CARRIES.

437 REP. PETERSON: What is the importance of this conceptual amendment?

TAPE 34, SIDE B

014 RICHARD KOSESAN, Water for Life: At the time the bill moved out of the subcommittee, we felt it still needed clarification. This conceptual

amendment goes a long way towards clarifying what would constitute a source of water.

022 REP. HOSTICKA: We seem to have left out groundwater.

030 REP. NORRIS: Page 1, Line 6 includes groundwater.

043 MOTION: REP. NORRIS: Moves the CONCEPTUAL AMENDMENT, "HB 215 3 INSERT" to HB 2153.

045 CHAIR BAUM: Restates motion and calls for discussion. Hearing no objection the motion CARRIES.

046 REP. FISHER: On Page 2, Line 30, it refers to "riparian areas." Is there a definition of that term?

052 REP. NORRIS: It's basically the stream bank, with an undefined width.

066 HAYES: We have defined "riparian area" in our statewide policy rules. The immediate riparian area would be the streamside, and within several feet of the bank.

083 MOTION: REP. NORRIS: Moves HB 2153 to the floor with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE -4 AMENDMENTS (LC 951),

5-18-93, by the Subcommittee on Water.

087 CHAIR BAUM: Restates motion and calls for discussion.

090 VOTE: REPS. DELL, DOMINY, FISHER, HOSTICKA, JOSI, LUKE, MARKHAM, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE.

097 CHAIR BAUM: The motion CARRIES. REP. NORRIS will lead discussion on the floor.

REP. NORRIS: This bill is the result of a lot of hard work, and the compilation of about five separate bills. This has been an issue which has haunted two legislative sessions, and I hope we have finally put it to rest. Compliments staff for their effort.

Additions to the record: HB 2153 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis (EXHIBIT K) Proposed -4 Amendments to HB 2153 (LC 951), 5-18-93 (EXHIBIT L) Conceptual Amendments to HB 2153, entitled "HB 2153 Insert" (EXHIBIT M)

105 CHAIR BAUM: CLOSES WORK SESSION ON HB 2153

115 MOTION: REP. MARKHAM: Moves to SUSPEND THE RULES to allow a public hearing on HB 2701.

128 CHAIR BAUM: Restates motion and calls for discussion.
Hearing no objection, the motion CARRIES.

OPENS PUBLIC HEARING ON HB 2701

This bill extends the requirement for beverage container deposit to include all containers with liquid for human consumption, except milk and other drinks derived from dairy products.

132 REP. HOSTICKA: Presents written testimony (EXHIBIT N) in support of HB 2701.

362 REP. LUKE: How are the distributors compensated?

365 REP. HOSTICKA: The distributors have already received their eight cents per container from the retailer. If the distributor takes more

containers to the recycler than they had been reimbursed for, they would get money from the bank.

413 REP. LUKE: Do we know how much it costs the retailers or distributors to handle these items?

415 REP. HOSTICKA: Defers to subsequent witnesses. In Maine, people didn't start getting interested in handling these items until the price per

item rose to three cents.

Continues testimony.

TAPE 35, SIDE B

069 REP. HOSTICKA: Concludes testimony.

072 REP. PETERSON: What kind of additional paperwork will be involved for the banks?

077 REP. HOSTICKA: It's currently a quarterly report. The Treasury Department recommended that we use the Department of Revenue for the

additional paperwork.

086 CHAIR BAUM: Is this similar to Maine's system?

088 REP. HOSTICKA: Yes, except for two features. Maine initiates the handling fee at the distributors' level. The distributor actually pays

the three cents, and builds that into the cost of doing business. The most honest way to do this is to make the consumer see it. But we could follow other states which have handling fees at the distributor level.

We're one of only two states which have bottle bills without handling

fees. Also, Maine does not have the retailer opt-out provision.

096 REP. LUKE: Why is there a limit of 96 for the number of empty containers a person can return to the store?

099 REP. HOSTICKA: Current law states that retailers can refuse to take over 96 containers.

150 KATHRYN VAN NATTA: Reads into the record a letter to Rep. Carl Hosticka from Ken Sandusky, Recycling Program Manager for the Lane County Waste

Management Division dated May 17, 1993 (EXHIBIT O), and a letter from Phillip Lemman, Intergovernmental Relations Analyst for the City of Eugene dated May 20, 1993 (EXHIBIT P)

160 KARYN KAPLAN, Recycling Coordinator, University of Oregon: Presents written testimony (EXHIBIT Q) in support of HB 2701.

299 JACK MCGOWAN, Executive Director, Stop Oregon Litter and Vandalism (SOLV): Presents written testimony (EXHIBIT R) in support of HB 2701.

TAPE 36, SIDE A

000 REP. LUKE: Do you know how much it costs the distributors to recycle?

007 MCGOWAN: Defers to subsequent witnesses. 015 JOHN MATTHEWS, Garten Foundation: Presents written testimony (EXHIBIT S) in support of HB 2701. Also distributes Tim Kral's testimony from

the Oregon Rehabilitation Association in support of HB 2701 (EXHIBIT T).

067 REP. HOSTICKA: Would you rather have the green glass thrown out on the roads and beaches, or at least have it collected in one site, whether or not there's a market for it?

075 MATTHEWS: That's a good point.

125 REP. HOSTICKA: Would the Garten Foundation be interested in a redemption business?

129 MATTHEWS: We might be interested.

136 REP. LUKE: How many containers are out there?

141 REP. HOSTICKA: Our estimates are that there are about 1.5 billion annually.

147 BILL PUNTNEY, Clayton-Ward Recycling Company: I was asked by Rep. Hosticka's staff to speak about redemption centers. The three cent per

container profit is a big incentive, and would lead to a proliferation

of redemption centers.

198 REP. NORRIS: Do you know where the towns of Paisley, Christmas Valley, etc. are? Would this bill inspire people in remote communities to

operate redemption centers?

208 PUNTNEY: There are remote areas in California with populations of about 2,200 which have more than one redemption center.

219 REP. HOSTICKA: What compensation do you receive in California?

223 PUNTNEY: It works out to about two cents per container.

227 REP. NORRIS: Is it your understanding that the retailer could also act as the redemption center?

232 PUNTNEY: Yes.

252 ALEXANDER PATTERSON, Pacific Bottle Regeneration: Our company washes wine bottles and resells them. We began operation about one year ago

with a grant from the Metropolitan Service District in the Portland area. Under the current deposit law, most of the energy savings are lost, because the bottles are returned to the distributor via trucks, which uses fuel. The bottles are then smashed for recycling.

Currently, green glass is only worth \$10 per ton. We pay \$70 per ton, or a nickel per bottle. Once the bottle is washed, we can then sell it back to a winery for 35 cents.

Urges committee to add wine bottles to the list of redeemable containers.

357 REP. FISHER: Why wine bottles? 359 PATTERSON: Wine bottles are worth more than other glass containers. Beer bottles are worth about 10 cents apiece, compared to wine bottles

at 35 cents apiece. It's not economical for us to collect and clean beer bottles.

394 VAN NATTA: Sharon Cumbie, Special Programs Coordinator for the Oregon Department of Transportation (ODOT) has requested that her informational testimony (EXHIBIT U) regarding HB 2701 be read into the record.

412 REP. HOSTICKA: I would like to point out that the ODOT testimony states that the number of beverage containers found in highway litter is

increasing.

427 JOEL ARIO, Oregon State Public Interest Research Group (OSPIRG): Testifies in support of HB 2701, with specific reservations.

The bottle bill is the most efficient and effective mechanism we have.

Plastics which are recycled in the bottle bill states is bought at about four times the amount than from non-bottle bill states, since it is cleaner and easier for industry to use. The curbside programs do not provide as clean a system. We agree that there ought to be handling fee, since there are retailer costs.

TAPE 37, SIDE A

001 Although we support the development of redemption centers, we have concerns that it would take a major change in consumer behavior to

switch from return to point of sale to return to redemption centers. We would like the stores to continue to accept these containers until the

redemption centers reach a recovery rate of 90%. Secondly, we think the handling fee should originate with the distributor because it keeps the money in the stream of commerce like any other cost, which is more

efficient and effective. Otherwise, this will be called a "3 cent tax on consumers," which will not be popular.

084 TOM GALLAGHER, ARCO AM/PM: Presents written testimony (EXHIBIT V) in support of HB 2701, with some concerns. AM/PMs are too small to recycle all the containers listed in this expanded bottle bill.

107 PAUL ROMAIN, Oregon Beer and Wine Distributor's Association: Testifies in opposition to HB 2701. We are currently redeeming 3% more containers over the 100% that we sell. We paid \$1.2 million more than we collected due to over-redemption from containers from other areas. There is no

way that the recycling areas within grocery stores could ever pass the

health standards required in the rest of the store. Recommends

mandatory curbside source separation. 216 REP. DOMINY: Maybe we should go to a uniform bottle so that any distributor could take back any bottle.

220 ROMAIN: If the distributor is holding the money, you've got to return the container they have sold to the distributor. You don't want to give Budweiser cans back to a Miller distributor, because they won't have the deposit money.

Distributors in Oregon are actually in favor of a national bottle bill, but we're considered heretics. 275 BRUCE HANNA, Oregon Soft Drink Association: Testifies in opposition to HB 2701. The handling fee is a tax on consumers. Asking consumers to

pay an additional 3 cents per container could directly affect our volume

sales. Our redemption rate in Oregon is 93%, and no other state does it better than we do. Why should we legislate profit for someone to handle a container when we're handling it now at our current margins?

329 REP. HOSTICKA: If the consumer starts paying the handling fee, couldn't you lower the price of the product?

330 HANNA: Distributors already have glass crushers and densifiers for aluminum. California law requires that a redemption center be located

within one mile of where \$1 million of groceries are sold. A recycler

tonight testified that a redemption center in a small town like Paisley would work, but in California, redemption centers in small markets don't stand a chance, since they work on volume.

Beverage containers not covered under the current bottle bill are less than 5% of the total waste stream.

TAPE 36, SIDE B

024 KEN PASTEGA, Oregon Soft Drink Association: Testifies in opposition to HB 2701. The bottle bill is not broken, but may need some fine tuning.

Urges committee to look at curbside recycling, and to add informational material on items such as Pringle's Potato Chip containers, which contain no recycling information.

093 REP. HOSTICKA: Where are you from?

094 PASTEGA: We run bottling plants in Medford and in the counties of Josephine, Linn, Benton and Tillamook.

096 REP. HOSTICKA: Do you deal in beverages other than carbonated beverages?

100 PASTEGA: We also handle juices.

101 REP. HOSTICKA: What is your recovery rate on juice containers?

102 HANNA: Those are handled through the Douglas County Curbside Program.

103 REP. HOSTICKA: So they don't come back to you?

105 PASTEGA: That is a minute part of our volume; less than half a percent.

104 REP. HOSTICKA: What's your redemption rate in Roseburg?

105 HANNA: For aluminum cans, mine is 102%.

112 REP. HOSTICKA: With this bill, you would be reimbursed for over-redemption. I don't understand your opposition. 116 HANNA: If I'm over-redeeming, how will the funding system pay all of us back if the total is over-redemption?

121 REP. HOSTICKA: That's what we'll find out. Until we know that, I can't answer your question.

140 REP. FISHER: It is difficult to insure that every container is Oregon-returned. Would someone be fining you?

148 HANNA: "OR" stamped on the can is already being done under the current bottle bill. I challenge you to take a mixture of Oregon and non-Oregon cans to a grocery recycling area and see whether the employee determines which are Oregon and which are not.

169 KAY JURAN, Association of Oregon Food Industries:
Testifies in opposition to HB 2701. We support the concept of this bill, but not the final version.

202 BRIDGET FLANAGAN, NW Division Public Affairs Manager,
Safeway: Testifies in opposition to current version of HB 2701.
Grocers have

made the bottle bill work. Lists problems with filthy and contaminated containers in grocery stores. This is not the time to make grocery stores into landfills. Recommends that a joint interim committee study this issue.

275 REP. DELL: You've said we need to change the program. What do you recommend?

283 FLANAGAN: We support redemption centers which are located outside the stores.

287 REP. FISHER: Does Safeway have its own distribution centers?

290 FLANAGAN: Yes. We have a distribution center complex in Clackamas, where we service 101 stores in Oregon and SW Washington.

300 REP. FISHER: Do you take cans back to the distributors, or do they pick them up?

310 FLANAGAN: The cans are picked up at each store by the distributors.

311 REP. DOMINY: What is Safeway's redemption rate?

314 FLANAGAN: We redeem 25 to 30% more containers than we sell. In our nine border stores, we redeem as much as 155% more than we sell. Those

figures double during the summer months.

331 REP. NORRIS: Do you have a substantial business in house brands?

337 FLANAGAN: Safeway Select brand containers come back on salvage to the Safeway warehouse, where they are returned on Safeway trucks to our

plant in Bellevue, Washington.

354 REP. FISHER: Other testimony indicates that the present bottle bill is working.

360 JURAN: The Oregon Bottle Bill needs an overhaul. We have made it work, but we simply don't have the space for an expanded version, plus there

is a problem with sanitation. The bottle bill costs about \$75,000,000 per year to the industry, which includes redemption costs and labor costs.

392 ROBIN V. KORDIK, Solid Waste Services Director, Cascade Pacific Engineering: Testifies in opposition to HB 2701. Supports expansion of curbside recycling programs. Recommends three solutions: to barricade

areas which are traditional illegal dump sites; to have public participation clean up those sites; and to expand public education regarding recycling.

After looking at the testimony from ODOT, the amount of glass which is part of the litter problem is 1.34%. I would hesitate to support any program which would damage a vibrant industry which represents \$10.5 million of business in Oregon to solve a 1.34% problem. Would like a working group developed to amend the bill.

TAPE 37, SIDE B

018 CHAIR BAUM: How does this bill hurt the glass industry?

020 KORDIK: When the Oregon bottle bill came into effect in the early 1970s, our glass plant had ten furnaces. This number has been reduced

to five. Traditionally, retailers and distributors who are responsible for handling containers will opt for lighter, safer containers such as plastic or aluminum.

Glass works well with curbside recycling. Demands for our product will decrease with this bill, which is very dysfunctional for such a highly recyclable product.

037 REP. HOSTICKA: A large portion of glass put at the curbside ends up broken. Can you estimate how much is broken?

040 KORDIK: Most of it. Collection vehicles sometimes deliberately smash glass to save space and maximize their payload.

Additions to the record: HB 2701 Staff Measure Summary and Informational Chart (EXHIBIT W) Proposed -8 Amendments to HB 2701 (LC 2382), 5-7-93 (EXHIBIT X) Proposed -9 Amendments to HB 2701 (LC 2382), 5-7-93 (EXHIBIT Y) Proposed -10 Amendments to HB 2701 (LC 2382), 5-7-93 (EXHIBIT Z)

059 CHAIR BAUM: Adjourns meeting at 7:27 p.m.

Submitted by:

Reviewed by:

Karen McCormac
Administrator

Kathryn Van Natta Assistant

EXHIBIT LOG:

A - HB 2244 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 4 pages B - HB 2244 Hand-Engrossed with HB 2244-9 Amendments (LC 939), 4-29-93 - Staff - 13 pages C - HB 2538 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 4 pages D - Proposed -9 Amendments to HB 2538-9 (LC 1226), 5-11-93 - Staff - 9 pages E - HB 3234 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 3 pages F - HB 3234 Hand-Engrossed with HB 3234-2 Amendments (LC 3128), 5-14-93 - Staff - 6 pages G - SB 117 A-Engrossed Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 4 pages H - SB 117 Hand-Engrossed with SB 117-A4 Amendments (LC 975), 5-11-93 - Staff - 3 pages I - HB 2107 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 3 pages J - Proposed -4 Amendments to HB 2107 (LC 951-2), 5-17-93 - Staff - 6 pages K - HB 2153 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 4 pages L - Proposed -4 Amendments to HB 2153 (LC 951), 5-18-93 - Staff - 8 pages M - Conceptual Amendments to HB 2153, entitled "HB 2153 Insert" - Staff - 1 page N - HB 2701 Testimony - Rep. Carl Hosticka - 17 pages O - HB 2701 Testimony - Ken Sandusky - 1 page P - HB 2701 Testimony - Phillip Lemman - 1 page Q - HB 2701 Testimony - Karyn Kaplan - 13 pages R - HB 2701 Testimony - Jack McGowan - 9 pages S - HB 2701 Testimony - John Matthews - 2 pages T - HB 2701 Testimony - Tim Kral - 1 page U - HB 2701 Testimony - Sharon Cumbie - 11 pages V - HB 2701 Testimony - Tom Gallagher - 1 page W - HB 2701 Staff Measure Summary and Informational Chart - Staff - 2 pages X - Proposed -8 Amendments to HB 2701 (LC 2382), 5-7-93 - Staff - 9 pages Y - Proposed -9 Amendments to HB 2701 (LC 2382), 5-7-93 - Staff - 1 page Z - Proposed -10 Amendments to HB 2701 (LC 2382), 5-7-93 - Staff - 1 page