

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

DATE: February 1, 1993 TAPES: 16-17 PLACE: Hearing Room
C TIME: 8:00 AM MEMBERS PRESENT: Senator Ron Cease, Chair
Senator Jim Bunn, Vice-Chair Senator Joyce Cohen Senator Bob Kintigh
Senator Bob Shoemaker Senator Gordon Smith Senator Dick Springer STAFF
PRESENT: Peter Green, Administrator Chris Warner, Research Associate
Kus Soumie, Clerk

MEASURES CONSIDERED: SB 188 Public Hearing SB 63 Public Hearing SB
64 Public Hearing SB 11 Public Hearing -SB 13 Public
Hearing

TAPE 16 SIDE A 005 CHAIR CEASE CALLS MEETING TO ORDER 8:00 AM PUBLIC
HEARING ON SB 11 (Weatherization assistance energy audits to low income
households) WITNESSES: Mike Grainey Susan Schneider

011 MIKE GRAINEY, Assistant Director, ODOA (Oregon Department of
Energy), gives testimony on SB 11 and presents overview of EXHIBIT A

044 Discussion of SB 11 provisions with commiKee members Senate
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131 SUSAN SCHNEIDER, City of Portland, Government Relations Office,
presents testimony in favor of SB 11 and overview of EXHIBIT B.

PUBLIC HEARING ON SB 13

WITNESSES: Mike Grainey Bill Nesmith Jane Cummins Susan Schneider Jerry
Powell Tom O'Connor

260 MICHAEL GRAINEY, Assistant Director, ODOE (Oregon Department of
Energy), gives testimony on SB 13 and presents overview of EXHIBIT C -
discussion on effects of annual savings on the general fund -
\$300,000.00 savings from each program in '93-'95 biennium - total
savings in the 95-97 of \$1 million - total cost of business tax credit
program \$2 million per year on new projects - solar tax credit \$1-1.5
million per year 378 BILL NESMITH, Program Manager, Conservation
Division, ODOE, gives testimony on SB 13, citing the benefits of
stimulation to the economy in Oregon. - program benefits outweigh
general fund costs 394 CHAIR CEASE: Will reduction of General Fund
dollars bring a reduction of those using the program? 400 GRAINEY: -
Yes, many businesses will not be able to participate in this program.

TAPE 17 SIDE A

GRAINEY: - continues testimony on SB 13 and overview of EXHIBIT C

- it is not believed those using program will be substantially reduced -
solar industry not enthusiastic about SB 13 but this reduction would be
manageable

045 JANE CUMMINS, Staff Associate, League of Oregon Cities, gives
testimony in opposition to SB 13 and presents overview of EXH1 BIT D.

- SB 13 would reduce tax credit allowed under two very popular and

successful programs Oregonians need tax credit now that Trojan ceased operation Senate Agnculture and Natural Resources February 1, 1993 Page 3

- Oregonians should be encouraged to acquire least cost resources

055 SUSAN SCHNEIDER, City of Portland Government Relations Office, gives testimony in opposition to SB 13, and gives overview of EXHIBIT E. - BETCI (Business Energy Tax Credit/Incentive) has been beneficial to Portland - reducing BETCI not wise response to post Measure 5 (1990) budget reductions and the recent closure of Trojan - Oregon's environment adversely affected by inefficient energy use - reducing BETCI will hinder many business and rental energy projects 080 - general discussion with members regarding rules governing Energy Tax Credits and the need to amend statutes 130 SEN SMITH: With increasing energy rates, it is a fair thing to say there is ample market incentive to invest in energy technology. Any business that is going to make or break it on the basis of this tax will not survive anyway. It is better policy to give the money in the form of lower taxes and not various subsidies. 147 JERRY POWELL, Vice-Chair, Oregon Recycling Markets Development Council, gives testimony in support of recycling markets and DOE's position on SB 13. - refers to SB 66 (1991) and the council's support of DOE's - expanded use of tax credits for market development desired 184 TOM O'CONNOR, Eugene Water and Electric Board, presents testimony on SB 13. - a need to weatherize the rental homes in Oregon. 211 GRAINEY: Recycling was one area we thought could be restructured.

- reducing the payback period which businesses are willing to make

229 CHAIR CEASE: BETCI parameter of priorities

236 GRAINEY: - discussion of program mechanics with committee members

PUBIC HEARING ON SB 63

WITNESSES: Don Hull John Beaulieu Richard Angstrom John Brenneman

301 DON HULL, DOGAMI, offers testimony on SB 63 and presents overview of EXHIBIT E Senato Agnculture and Natural Resource. February I, 1993 Page 4

310 JOHN BEAULIEU, Deputy State Geologist, DOGAMI, presents testimony on SB 63, and gives overview of EXHTBIT E.

420 SEN SPRINGER: Could you tell us what the total volume, yardage of aggregate production, amounts to in Oregon and what is the total cost of programs now operated by DOGAMI?

TAPE 16 SIDE B

008 BEAULIEU: The dollar amount for aggregate at the mine site without any multipliers is between \$150-175 million per year, and the total cost to operate DOGAMI's programs is about \$300 400,000 thousand dollars per year. - continues testimony on SB 63 and overview of EXHIBIT E 016 SEN SPRINGER: Oregon has a royalty on gas and petroleum products, and do other states have similar royalty, extraction or virgin resource tax on aggregate? 018 HULL: The tax at the well head for natural gas is 6 percent of the gross well head value. Other states do have a variety of programs. DC GAMI has done background work during the interim under the direction of the Legislature through a Mineral Task

Force Study Group and would be happy to get the findings to the members of the committee. 044 RICHARD ANGSTROM, OCAPA (Oregon Concrete and Aggregate Producers Association), gives testimony on SB 63, stating the OCAPA is overdue in having a fee increase and more staff for the field and will support the bill in both Houses. 049 JOHN BRENNEMAN, Numont Mining Corporation, gives testimony in favor of SB 63.

PUBLIC HEARING ON SB 64 and SB 188 (Civil penalties for unpermitted mining operations)

WITNESSES: Don Hull Gary Lynch Dick Angstrom

068 DON HULL, Assistant Director, DOGAMI, gives testimony on SB 64 and SB 188 and presents overview of EXHIBIT F

071 GARY LYNCH, Supervisor of Land Mine Reclamation Program, DOGAMI, gives testimony on SB 64 and SB 188 and presents overview of EXHIBIT F
185 LYNCH: Addresses violations to DOGAMI regulation and need for more field staff and enforcement authority Seoalo Agnculturo and Natural Resource. Fcbluary 1, 1993 Page 5

- discussion of SB 64, SB 188 differences - SB 188 says that civil penalty authority would apply to sign)ficant degradation of the environment - proposed amendments for SB 64 - SB 188 proposes enforcement authority for violations of excessive noise and hours of operation not in accordance with proposed hours of operation. - SB 188 differs from SB 64 because SB 188 still has the language "with sign)ficant environmental degradation" - interest groups on both sides agreed language vague, ambiguous and may cause implementation problems - DOGAMI wants specific scope of civil penalty authority to address violations seen in the field 254LYNCH: - continues discussion of DOGAMI regulation enforcement problems in 'hours of operation' category 270 SEN SMITH: \$10,000 per day fine would get the attention of most operations. Do you anticipate this fine for many operations in the future? 284 LYNCH: We want to develop the schedule and severity of imposed fines. Current penalty not punitive enough for large operations. - hazardous materials - mining too close to property boundaries - violation closure order procedures

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005 LYNCH: - continues discussion on SB 64 and SB 188 and closure order procedures. 020 SEN COHEN: I understand that DOGAMI does not want responsibility for enforcement of dust problems, tell us how property owners can get relief and compensation for harm caused by dust created through mining operations (fugitive dust)? 031 LYNCH: There is a real need for more field personnel able to give pertinent advice to mining operations to correct dust and related problems. 045 DICK ANGSTROM, Managing Director, OCAPA (Oregon Concrete and Aggregate Producers Association), offers testimony in favor of SB 64 and against SB 188 - questions from members regarding operations of OCAPA members and affiliates 089 SEN SPRINGER: Could you share anything that would give me greater confidence that the industry can police itself through peer pressure so the Legislature doesn't have to take these steps? Senate Agnculture and Natural Resources FcbruAry 1, 1993 Psge 6

099 ANGSTROM: I can't guarantee that. Many in the industry will continue violating despite our best efforts. Most violators are small operators and not members of OCAPA. - OCAPA representatives and board members are trying to force SB 64 - operator responsibility is our goal

- 'Goal 5' will alleviate many difficulties associated with mining industry

144 SEN SPRINGER: I would appreciate any documentation documenting your industry's efforts at self regulation.

- relating to SB 188 and testimony from this past summer (1992), I understand the operation violating DOGAMI regulations had a substantial contract with ODOT. I will ask Legislative Counsel to prepare amendments for our committee's consideration, that would bar from contract with any state agency, with any company or entity, that violates knowingly or is found to be in violation of Oregon's environmental protection laws.

150 ANGSTROM: Depending on the wording of your proposal, that would not bother me at all. I am concerned about many things within state agencies, such as ODOT's lack of uniform enforcement of bid specifications, so we understand your point.

171 CHAIR CEASE: What is the best way to deal with the dust problem in eastern Oregon? 177 HULL: The dust problem is not on our list of priorities. There are too many things that need to be done that we are falling behind on such as infrequent inspection, reclamation by our own staff of bonded sites that in default in the process of obtaining bond money, plus all the potential metal mining proposed for the near future to be dealt with. 214 CHAIR CEASE ADJOURNS MEETING AT 9:50 AM

EXHIBIT LOG:

AA - Bill information packet for SB 11,13,63 - Cornmittee Staff- 17
pages A - Testimony on SB 11 - Mike Grainey - 3 pages B
- Testimony on SB 11 - Susan Schneider - 2 pages C - Testimony on
SB 13 - Mike Grainey - 3 pages D - Testimony on SB 13 - Jane Cummins
- 1 page E - Testimony on SB 13 - Susan Schneider - 3 pages F
- Testimony on SB 63 - Don Hull - 6 pages G- Testimony on SB 64 -
Gary Lynch - 3 pages

Submitted by:	Reviewed by: Kus Soumie
Peter Green Assistant	Administrator

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