

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.

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

April 8, 1991Hearing Room E 1:00 p.m.Tapes 108 - 111

MEMBERS PRESENT:Rep. Parkinson, Chair Rep. Whitty, Vice-Chair Rep. Burton Rep. Courtney Rep. Naito Rep. Norris Rep. Repine Rep. Van Leeuwen Rep. Watt

STAFF PRESENT: Kathryn VanNatta, Committee Administrator Andy Sloop, Committee Assistant Holly Blanchard, Transcriber

MEASURES CONSIDERED: HB 3352 (PUB) HB 2347 (PUB) HB 2348 (PUB)

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TAPE 108, SIDE A

06CHAIR PARKINSON: Calls the meeting to order at 1:32 p.m. Representatives Burton, Repine, Whitty and Watt not present and excused. Opens public hearing on HB 3352.

(Tape 108, Side A) PUBLIC HEARING - HB 3352 Witnesses:Jack Brown, Associated Oregon Industries Jim Whitty, Associated Oregon Industries Paul Cosgrove, Associated Oregon Industries Lauri Aunan, Consumers for Recycling Tom O'Connor, League of Oregon Cities

20JACK BROWN, ASSOCIATED OREGON INDUSTRIES (AOI): Proposal calls for cost-effective business initiatives. With Measure 5, phased approach to recycling is best.

(Representatives Whitty and Repine arrive at 1:35 p.m.)

46Paper industry has 40 percent recycling rate committment by 1995. Plastics industry striving for 25 percent recycling of plastic containers by 1995.

62JIM WHITTY, LEGISLATIVE COUNSEL, ASSOCIATED OREGON INDUSTRIES (AOI): Explains the bill. (EXHIBIT A)

126 REP. WHITTY: Is the paper recycling industry prepared yet to deal with slick advertising inserts?

140 PAUL COSGROVE, AOI: Yes.

150 REP. WHITTY: It seems most of the public doesn't know what is recyclable and what to do with it. In all of this, will there be some kind of an information system so that consumers know what to do?

160 WHITTY: The bill does contain a provision for consumer recycling reminders.

169 REP. VAN LEEUWEN: Understand that the James River plant in Halsey is completing new facilities to handle slick paper.

175 BROWN: That's correct. That plant also will be able to handle magazines and junk mail soon.

226 CHAIR PARKINSON: You stated that the recycling surcharge would be remitted to the Treasury Department. Do you mean the Department of Revenue?

235 WHITTY: Yes.

240 COSGROVE: Reviews provisions of the measure (EXHIBIT B) as hand-engrossed (EXHIBIT C).

280 CHAIR PARKINSON: Refers to the hand-engrossed proposed amendments to HB 335 2 (EXHIBIT C) concerning anti-flow control provisions on Page 3, lines 22-24 (also on Page 4a (p)).

349 REP. NORRIS: Refers to Page 6, Section 6 (2). What is the definition of "state" as used in this particular sentence?

351 COSGROVE: That is an average, overall rate for the state.

363 REP. VAN LEEUWEN: Would co-generation be considered in this solid-waste recovery proposal?

370 COSGROVE: No, we were not considering energy recovery. It's materials recovery as counted in the rate.

391 CHAIR PARKINSON: Refers to definition of "solid waste" on Page 3, line 12 which is current law except for some addition of new words.

395 COSGROVE: It does affect the definition, but the 40 percent goal would still be reasonable.

400 REP. WATT: On a statewide-average-basis, where are we today with recycling?

406 COSGROVE: With curbside recycling and bottle returns, we're at about 25 percent, but these figures are difficult to calculate.

420 REP. WATT: Will that information be more accurate by the time this law would take effect?

428 COSGROVE: DEQ is already working on the issue which will help to better define information. Paper recycling has grown because it was

known there would be a constant, stable and abundant supply.

460 COSGROVE: Refers to Page 8, Section 12 (EXHIBIT C) concerning the ban on local bans adopted after March 1, 1991.

TAPE 109, SIDE A

28REP. COURTNEY: Confirms the minimum recycling level for newspapers is found on Page 14, Section 35 of the hand-engrossed version of HB 3352. What does "7.5 percent of the annual aggregate fiber content" mean?

35COSGROVE: This is an attempt to average the amount of recycled fiber--7.5 percent is 25 percent times 30 percent (average amounts used in other states). This issue has been discussed with industry experts.

48REP. COURTNEY: What are the exemptions under this proposal? It's confusing.

52COSGROVE: The reference to Sections 13 and 14 in Section 36 is the wrong number. The right section is Section 38.

64Need to provide authority and resources for cities and counties if we mandate cities to increase recycling rates.

80WHITTY: That's why we have the garbage surcharge.

91REP. VAN LEEUWEN: Are there practical limits to the percent and length of fiber that can be used in recycled newsprint?

100 COSGROVE: Yes, that's why we can never get to 100 percent recycled paper.

108 REP. NAITO: On the one percent surcharge, would that be a maximum or would there be a local option?

110 WHITTY: Haven't addressed that. We wanted to keep administration costs to a minimum.

137 LAURI AUNAN, CONSUMERS FOR RECYCLING: Approval of HB 3352 could undermine SB 66 to the extent that it doesn't represent significant consensus that has been developed for SB 66. (EXHIBIT D)

145 CHAIR PARKINSON: The consensus group seems to be taking a long time to develop a firm position. That's why this bill was scheduled for today.

187 TOM O'CONNOR, LEAGUE OF OREGON CITIES: Been working on Senate solid-waste efforts. Need good recycled product marketing effort for recycling to work. Curbside recycling at least once a month in 186 cities statewide. Weekly curbside service in metropolitan area. Marion County also providing weekly service on haulers' initiative. Recycling isn't cheap. Weekly curbside, with containers, for single families, \$1.50 to \$2.50 additional each can, which equals \$940,000 to \$1.5 million statewide.

235 CHAIR PARKINSON: Had weekly curbside pickup for some time and didn't notice additional charge.

242 O'CONNOR: Depends on community and franchise agreements with local governments. I'm simply trying to highlight that there are costs

associated with this service.

264 CHAIR PARKINSON: Are you a member of the consensus group? And how long do you think it will take to reach a consensus?

268 O'CONNOR: We are working with all of the players on the Senate side. Expect consensus to take a while.

(Rep. Burton arrives 2:40 p.m.)

292 REP. NORRIS: If this bill should pass in its present form and local governments are granted authority to do certain things, could that authority be assumed without additional cost to those governments?

294 O'CONNOR: No. Not without additional costs to communities. We want flexibility to design programs at the local level that meet local needs and resources. Most efficient way to fund collection is through franchise billing, rather than building in additional surcharges.

325 CHAIR PARKINSON: Calls BOB DANKO, DEQ: How much material is accumulating and are the markets absorbing it?

332 DANKO: They are moving in that direction. That will be implemented next year. Some haulers are doing it voluntarily already.

339 CHAIR PARKINSON: You don't know if there is a glut of green glass, white glass or newspapers.

344 DANKO: Believes the City of Portland will implement curbside collection in late fall.

348 REP. NAITO: Just have monthly pickup in Portland right now which does take milk jugs.

359 CHAIR PARKINSON: Closes public hearing and opens public hearings on HB 234 7 and 2348.

(Tape 109, Side A) PUBLIC HEARING - HB 2347 AND HB 2348

Witnesses: Senator Bob Kintigh Sara Vickerman, Defenders of Wildlife Richard Holoch, Resource conservation Trust Fund Ron Klein, Portland General Electric Cathy MacDonald, Nature Conservancy Dr. Reed Noss, Conservationist Geoff Pampush, The Wildlife Society David Phillips, Clackamas County Jeff Gage, Gage Industries Jerry Herman, John Inskeep Environmental Learning Center Steve Little, Department of Revenue Claire Puchy, Department of Fish and Wildlife Ted Hughes, Society of Plastics and Council For Solid Waste Solution

380 SENATOR BOB KINTIGH, DISTRICT 14: Testifies in support of the measure. (EXHIBIT J)

395 CHAIR PARKINSON: Assume you are supporting the tax on industrial and commercial solid waste.

TAPE 108, SIDE B

01SARA VICKERMAN, DEFENDERS OF WILDLIFE: Explains the bills. (EXHIBIT K)

05CHAIR PARKINSON: Are these bills essentially the same except for the funding mechanism?

10VICKERMAN: Generally, the intent is the same with two different funding mechanisms.

60REP. WATT: Asks for more in-depth explanation of mandatory garbage pickup.

75VICKERMAN: It would require people to subscribe to garbage service. There are people who believe illegal dumping goes up when tipping fees are increased.

92REP. WHITTY: Has your group done any research into charges at landfills? There seems to be a lot of disparity in tipping fees. Why is there such a difference?

98VICKERMAN: Part of it is closing the St. Johns land fill. Perhaps DEQ is better prepared to answer that.

115 REP. BURTON: In Portland, tipping fees are based on a whole lot of things, including transportation costs to Arlington, and closing St. Johns. Think tipping fees have been tapped out.

192 REP. VAN LEEUWEN: This doesn't tell us how many people were surveyed and where they were from?

197 VICKERMAN: Four hundred people statewide. Conducted by a market research firm out of Connecticut.

208 CHAIR PARKINSON: Tell us about the connection between a garbage surcharge and the Resource Conservation Trust Fund.

214 VICKERMAN: To the extent that industry pollutes or damages the environment, we think it's appropriate to assess fees to make up for some of that damage.

225 RICHARD HOLOCH, RESOURCE CONSERVATION TRUST FUND: Testifies in support of the measure. (EXHIBIT L)

375 REP. BURTON: Concerned about subsidizing programs, unless intention of them is becoming self-supporting in the future. Also concerned about operation and distribution of monies from those programs.

398 VICKERMAN: We worked with industry groups to find out what they need. Feeling has been that greatest limitation to recycling is lack of markets for recycled products.

408 REP. BURTON: But what are you going to do and how will the money be used?

TAPE 109, SIDE B

02VICKERMAN: Those decisions will be made by the Solid Waste Reduction Board. The money could be used to attract private investment in recycling facilities; i.e. new businesses in Oregon that reprocess secondary materials and also for technology improvement.

07REP. BURTON: Developing markets to use recycled resources may not reduce use of resources and it may actually increase the use of them. Are you looking for alternate sources?

14VICKERMAN: This doesn't really focus on reduction as much as it does on recycling. Our intent is that this not go on forever.

29REP. WHITTY: Do you plan to use the Economic Development Department when you acquire land?

31VICKERMAN: No, the Department of Fish and Wildlife.

36REP. WHITTY: Can't believe you can't find a better agency than that. Are you doing that because you think that's what business wants? Because if you do, think you're wrong.

52REP. NORRIS: Is this your funding recommendation?

58VICKERMAN: This is the recommendation of the Business Environmental Consortium, which supports HB 2347.

78RON KLEIN, PORTLAND GENERAL ELECTRIC (PGE): Testifies in support of the measure. (EXHIBIT M)

140 CATHY MacDONALD, NATURE CONSERVANCY: Testifies in support of the measure. (EXHIBIT N)

181 REP. NORRIS: Is it correct that when the Nature Conservancy buys land, that land is removed from tax rolls?

185 MacDONALD: About two-thirds of our land is on the tax rolls.

191 REP. NORRIS: What determines which land is taxed and which isn't?

194 MacDONALD: If a county has more than 50 percent of its property in federal ownership and the land that we own makes up .015 percent of the tax base, we will start paying taxes on those properties.

199 REP. WHITTY: Who controls easements on the land your organization acquires?

220 MacDONALD: Some of the lands we acquire come with certain easements. It's possible for a landowner conveying land to the state or the Nature Conservancy to hold onto some rights to the property. Whoever is purchasing the property doesn't have to make the purchase under those constraints if they're unacceptable.

240 DR. REED NOSS, CONSERVATIONIST: Testifies in support of the measure. (EXHIBIT O)

338 GEOFF PAMPUSH, THE WILDLIFE SOCIETY: Testifies in support of the measure. (EXHIBIT P)

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22DAVID PHILLIPS, CLACKAMAS COUNTY: Supported passage of the Resource Conservation Trust Fund to help offset solid waste costs and promote recycling. Only opposition to HB 2347 are sections dealing with garbage surcharge. This does come with a cost to local governments, and we need a place to go for funding. Only place now is garbage rates. The more surcharges increase, the more difficult becomes to raise garbage rates to generate revenue to run our programs. Clackamas County will be adding significant fees this year, and we are experiencing increased illegal dumping.

71CHAIR PARKINSON: Sounds like you don't subscribe to the theory that the higher we can get the garbage rates, the more we promote recycling?

72PHILLIPS: That helps but there's a point at which it gets too expensive. We're also now having to build other costs, such as environmentally safe landfills into our rates. We're now looking at a \$16 to \$17 per month garbage bill.

89REP. NORRIS: Can you elaborate on illegal dumping in your county?

92PHILLIPS: "It has been on a rapid increase." Dumping on private timber property is especially noticeable.

117 REP. NORRIS: Do you think we could ever reach a point where we could truly enforce illegal dumping?

121 PHILLIPS: Enforcement is extremely difficult, and mandatory garbage service is problematic in rural areas.

150 JEFF GAGE, GAGE INDUSTRIES: Testifies in support of the measure. (EXHIBIT Q) While never been a proponent of government subsidies, the fact is that the plastic industry nationally is committed to recycling 25 percent of containers by 1995. Oregon is somewhere around 40th on the list of states concerning plastics recycling rates. Industry funding is targeted for large reprocessing plants in large cities which wouldn't include Oregon. Need to provide incentives for local private investment in recycling market development. Almost all plant sites are determined by public participation in waste recovery. Priority will be given to communities with matching funds for recycling. Oregon doesn't have matching funds and without the Resource Conservation Trust Fund, our state will be far down the list in competing for limited resources.

254 REP. BURTON: Would you be willing to set up a loan program, rather than a grant program, to ensure a return on the public's investment that is in line with the return you are asking for industry?

270 GAGE: Yes.

275 JERRY HERMAN, JOHN INSKEEP ENVIRONMENTAL LEARNING CENTER: Testifies in support of the measure. There is a relationship between wildlife and recycling. We have been treating waste as a disposal issue, when we should be treating it as a resource issue, like Japan does. Our nation wants to become a resource recovery society that won't require as much to produce. One half of plastics in the state generated by nursery products, like pots. There is no market today for used oil because that market is so fouled up. Need to provide incentives for transition to resource recovery society.

378 REP. BURTON: Was the development of any of these products subsidized?

380 HERMANN: Yes.

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08HERMANN: We have world's best garbage burner in the World, in Marion County, and the largest composting facility in Portland. Consider creating a resource and recover research triangle with Oregon's universities like what has been done with high tech.

33CHAIR PARKINSON: Does plastic lumber require subsidy from the system beyond the point of collection or a market?

36HERMANN: No, it does not. If you look at maintenance and local production, the cost proposition is not so bad. Pressure-treated lumber will double this year due to regulatory issues about that treatment process (source: Oregon State University).

48REP. WHITTY: Banning wigwam burners lead to development of wood chip and hog fuel markets.

61STEVE LITTLE, DEPARTMENT OF REVENUE: Comments on administration of the measure and proposes amendments. (EXHIBIT R)

100 CHAIR PARKINSON: Advises that democrats had to leave for caucus and that committee is now operating as a subcommittee.

105 CLAIRE PUCHY, DEPARTMENT OF FISH AND WILDLIFE: Wearing two hats. Testifies in support of the measures on behalf of the Conservation Trust Fund Board of Directors (EXHIBIT S) and as a staff assistant to the Habitat Conservation Board. (EXHIBIT T)

215 REP. VAN LEEUWEN: What are the three species that the Fish and Wildlife Commission may list as endangered?

225 PUCHY: The Fish and Wildlife proposal is to list species already listed by the federal government and include the warner sucker fish, and the willow and white horse cut throat trout.

238 TED HUGHES, SOCIETY OF PLASTICS INDUSTRY AND COUNCIL FOR SOLID WASTE SOLUTION: Testifies in support of HB 2347. Notes there are 250 plastics manufacturing companies in Oregon with 6,000 employees. Want industry to continue to grow and prosper. The industry is committed to help fashion a productive solid-waste-recycling bill to pass this session. This bill has conservation and industry support. Suggests merging HB 3352 and HB 2347. Could get on laundry list to receive revenue to develop recycling programs and markets through video poker.

309 CHAIR PARKINSON: We've taxed other industries for recycling in the past, so why not tax the plastics industry to develop plastic recycling?

312 HUGHES: Believes Oregon's economic climate wants to continue to grow with plastic manufacturing companies. If a tax is put on the industry for collection, it will be passed on to consumers and plastics will lose their popularity.

330 CHAIR PARKINSON: Closes public hearing and adjourns the meeting at 4:12 p.m.

Submitted by, Reviewed by,

Holly Blanchard Kathryn Van Natta Transcriber
Committee Administrator

EXHIBIT LOG:

A - Written testimony, Jim Whitty, Associated Oregon Industries, 3 pages
B - Written testimony, Jim Whitty, Associated Oregon Industries, 1 page
C - Proposed Amendments, HB 3352, Hand-Engrossed, Paul Cosgrove, Associated Oregon Industries, 21 pages
D - Written testimony, Lauri Aunan, Consumers for Recycling, 1 page
E - Revenue Impact Analysis, HB 3352, March 13, 1991, 1 page
F - Preliminary Staff Measure Summary, HB 2347, Committee Staff, 1 page
G - Preliminary Staff Measure Summary, HB 2348, Committee Staff, 1 page
H - Notice of Possible Revenue Impact, HB 2347, January 15, 1991, 1 page
I - Notice of Possible Revenue Impact, HB 2348, January 15, 1991, 1 page
J - Written testimony, Senator Bob Kintigh, HB 2347, 1 page
K - Written testimony, Sara Vickerman, Defenders of Wildlife, 2 pages
K1 - Written testimony, Sara Vickerman, Oregon Resource Conservation Trust Fund Act of 1989, 7 pages
K2 - Written testimony only, Tektronix, HB 2347, 1 page
K3 - Written testimony only, James River Corporation, HB 2347, 1 page
K4 - Written testimony only, Portland General Electric Company, 1 page
K5 - Written testimony only, Pihas, Schmidt, Westerdahl, HB 2347, 2 pages
K6 - Written testimony only, Oregon Business and Environmental Consortium, HB 2347, 3 pages
K7 - Written testimony only, Oregon Natural Heritage Program, HB 2347, 1 page
K8 - Written testimony only, Oregon Department of Fish and Wildlife, HB 234 7, 1 page
K9 - Written testimony only, Resolution of Endorsement, Waste Technology, Inc., 1 page
K10 - Written testimony only, U.S. Dept. of the Interior, National Park Service, HB 3482, 1 page
K11 - Written testimony only, Unified Sewerage Agency of Washington County, 1 page
K12 - Written testimony only, The Council for Solid Waste Solutions, 1 page
K13 - Written testimony only, Oregon Hunter's Association, 1 page
L - Written testimony, Richard Holoch, Resource Conservation Trust Fund, HB 234 7, 4 pages
M - Written testimony, Ron Klein, Portland General Electric Company, HB 234 7, 1 page
N - Written testimony of Russell Hoeflich presented by Cathy MacDonald, The Nature Conservancy, HB 234 7, 2 pages
O - Written testimony, Reed Noss, Habitat Conservation Trust Fund, 3 pages
P - Written testimony, Geoff Pampush, The Wildlife Society, HB 2347, 3 pages
Q - Written testimony, Jeff Gage, Gage Industries, Inc., HB 2347, 3 pages
R - Written testimony, Steve Little, Oregon Department of Revenue, HB 2347, 2 pages
S - Written testimony, Steve Corey, Habitat Conservation Trust Fund Board, HB 2347, 2 pages
T - Written testimony, Claire Puchy, Oregon Department of Fish and Wildlife, HB 2347 and HB 2348, 4 pages
U - Booklet, Claire Puchy, Oregon Department of Fish and Wildlife, HB 2347 and HB 2348
V - ORS statutes, Committee Staff, 6 pages