

HB465

(11)

Date Referred: March 25, 1992

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 5/4/92

The FINANCE Committee considered:

HB 465

HOUSE BILL NO. 465

RECYCLING/SOLID WASTE MANAGEMENT PLANS

"An Act relating to recycling and the management of solid and hazardous waste by state agencies."

RECOMMENDATIONS:

be replaced with CS HB 465 (FIN) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) DEC 3/25/92

zero fiscal note DOTPF : D CED

zero fiscal note(s) Admin 3/25/92

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mike Spavone</u> NAVARRE	<input checked="" type="checkbox"/>	<u>Eileen P. Maclean</u>		<input checked="" type="checkbox"/>	
<u>Marle Bayn</u> Bayer	<input checked="" type="checkbox"/>	<u>Kamona Barnes</u>		<input checked="" type="checkbox"/>	
<u>Jay Brown</u> BROWN	<input checked="" type="checkbox"/>	<u>Bob Sharp</u> Sharp		<input checked="" type="checkbox"/>	
<u>[Signature]</u> KOPONEN	<input checked="" type="checkbox"/>	<u>Phillips</u> Phillips		<input checked="" type="checkbox"/>	
<u>[Signature]</u> Hanson	<input checked="" type="checkbox"/>				
<u>[Signature]</u> Wimer	<input checked="" type="checkbox"/>				

Mike Spavone NAVARRE
CHAIRMAN'S SIGNATURE
Eileen P. Maclean Maclean

Revision Date 3/5/92
 Title: Relating to Recycling and the Management of solid waste
 Sponsor: Ulmer, Davis
 Requestor: _____

Department Affected: Environmental Conservation
 BRU: Environmental Quality
 Compose: Solid and Hazardous Waste section

COMPONENT SERIAL NO. 1427

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	60.0	63.0	66.0	69.0	72.0	75.0
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	108.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	5.0	5.0	5.0	5.0	5.0	5.0
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	179.0	82.0	85.0	88.0	91.0	94.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	179.0	82.0	85.0	88.0	91.0	94.0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	179.0	82.0	85.0	88.0	91.0	94.0

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year imp

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared by: Glenn Miller
 Division: Solid and Hazardous Waste

Phone: 465-5150
 Date: 3/12/92

Approved by Commissioner: Dwight Adams for John Sandoe
 Agency: Environmental Conservation Date: 3/12/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ANALYSIS - CSHB 465 (RES.)

The funds requested will be used to create a new full time Environmental Specialist III position in the Solid Waste Management program. The new employee will work with all State agencies to plan for solid waste management and implement the plans. Additional funding for contractual services is also requested. The selected contractors will collect technical information about the waste generation rates and composition of solid waste generated by State agencies.

In our fiscal note on the first draft of HB465 DEC requested \$208,000 in contract funds. The request has now been reduced to \$108,000. The reduction reflects the change in the bill which removes references to hazardous waste in AS 46.06.025. The DEC efforts will be limited to solid waste management planning under this funding request.

Comments on the bill:

1. Our comments and fiscal note reflect only section 46.06.025. The Procurement Recycling Plan would appear to be the responsibility of other agencies.
2. In general, this is a good concept. We expect industry to manage their wastes and promote use of recycled products. Therefore it is appropriate for State agencies to do the same.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 465 (Res)

ANALYSIS:

This bill requires the department to prepare a procurement recycling plan which would set goals for purchases of recycled products. The plan can be prepared by the division with no fiscal impact. The monitoring and accounting of agency expenditures for recycled products must be tracked by the agencies.

Agency fiscal impacts result mostly from the additional costs of recycled paper. Under the committee substitute these costs are estimated to be no greater than what is currently required under AS 36.30.095, Recycled Products.

The remaining recycled products which could have potential impact are not possible to assess at this time. Recycled latex paint has no known source in-state at this time. Recycled plastics are finding new applications on an almost daily basis. Many of these products are replacing products made of other material at a comparable price or at a savings.

Vehicle lubricants, recycled tires, compost products and paints are bought almost exclusively by and for the Department of Transportation and Public Facilities. The committee substitute requires the Department of Transportation and Public Facilities to prepare a procurement recycling plan for the products purchased under their statutory purchasing authority.

FISCAL NOTE

Revision Date: NA
Title: Recycling/Solid Waste Management Plans

Department Affected: DOT&PF
BRU: Statewide Engineering & Operations Standards

Sponsor: Ulmer, B.Davis, Brown, Koponen, Finkelstein
Requestor: Resources

Component: Engeer. & Operations Stand.
Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

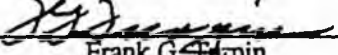
See next page.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: March 24, 1992

Approved by Commissioner: 
Frank G. Parpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 24, 1992

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS (cont. from page 1):

Introduction

This bill affects the department in three broad arenas:

- 1) State Equipment Fleet (motor vehicle lubricants and retreaded tires)
- 2) Capital project construction (paints, compost products and plastics)
- 3) Maintenance and Operations (paints, compost products and plastics)

Of these three areas we are only predicting a fiscal impact affecting Maintenance & Operations. The reasoning for this analysis is as follows:

State Equipment Fleet

The fleet manager is already knowledgeable about both recycled products in his area of operation.. The fleet is currently using retreaded tires in many applications, thus the recycling plan will basically confirm current practice. As retreaded tires are generally less expensive than new tires, there could be minor savings if the recycling plan results in an increase in the used of retreaded tires. Any increase is likely offset by the higher cost of recycled lubricants. At present, recycled motor vehicle lubricants are generally more expensive than new lubricants, sometimes greatly so. The fleet manager can accommodate the preparation of the recycling plan as part of their normal work effort.

Capital Projects

In specifying the use of recycled products within a capital project the department may incur either higher or lower costs. We anticipate that these costs differences will offset or be insignificant relative to the budget of a given project. The recycling plan for capital construction would become part of the standards and operating procedures normally prepared by the Division of Engineering & Operations Standards; no additional staffing is required.

Maintenance & Operations

Given the current budget restraints facing the state, we would propose to build a recycling plan on a "zero fiscal impact" basis. That is, the goals for recycling would be structured to result in a net zero increase to department budgets. To the extent that one recycled products "saves" money, this would provide credit for another recycled product that "costs" an additional amount.

If the Legislature would prefer that we pursue higher recycling goals, in spite of additional costs, we could adopt recycling plans built upon an given level of additional funding. However, until the more detailed analysis has been done as to what specific products are available and how much they cost, an estimate of the cost difference is not possible. We believe a plan based on "zero fiscal impact" is attainable, though it may have different recycling goals than one that relies on some level of subsidy.

Preparation of the recycling plans would be tasked out to the various M&O regional offices thereby reducing the total workload to any one office. No funds for this effort are requested.

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. CSHB 465

Revision Date: 4/24/92
 Title: Solid and Hazardous Waste Management
 Sponsor: F. Ulmer
 Requestor: F. Ulmer

Department Affected: Commerce & Econ. Dev.
 BRU: Economic Development
 Component: General Business

COMPONENT SERIAL NO.

8	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND RESOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

Prepared By: W. G. Paulick, Development Specialist Phone: 465-2017
 Division: Economic Development Date: 4/30/92
 Approved by Commissioner: Glenn A. Olds *[Signature]*
 Agency: Department of Commerce & Economic Development Date: 4/30/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).
 Page 1 of 1

CS FOR HOUSE BILL NO. 465 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

By THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES ULMER, B.Davis, Brown, Koponen, Finkelstein

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the procurement of recycled products and the management of solid
2 waste by state agencies."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. LEGISLATIVE FINDINGS AND PURPOSES. (a) The legislature finds that

5 (1) a global economy is emerging in which otherwise unrelated countries and other
6 governmental entities that are located in the same geographic region are forging cooperative
7 arrangements that benefit their individual and common well-being;

8 (2) these cooperative arrangements are increasing the economic competitiveness of the
9 participants, which increases the economic benefits and the overall quality of life for the citizens of the
10 individual participants;

11 (3) the states of Alaska, Idaho, Montana, Oregon, and Washington, and the Canadian
12 provinces of Alberta and British Columbia are in a strategic position to cooperate in adopting standards
13 for the procurement of recycled products, and this cooperation would increase the overall market effect
14 of the standards each state or province adopts.

1 (b) The purposes of this Act are to

2 (1) substantially increase the procurement of recycled products by state governmental
3 agencies and to provide a model to encourage a comparable commitment by individual citizens and
4 businesses of the state;

5 (2) direct government procurement policies and goals toward the procurement of those
6 recycled products for which markets can be developed or that substantially affect the state's waste
7 management problems; and

8 (3) establish recycled product procurement standards that can be used in procurement
9 programs by all state government agencies and that are consistent with those of other states and
10 provinces in the Pacific Northwest economic region of the United States and Canada.

11 * Sec. 2. AS 36.30 is amended by adding a new section to read:

12 Sec. 36.30.075. RECYCLED PRODUCT PROCUREMENT PLANS. (a) The
13 Department of Transportation and Public Facilities shall establish for itself, and the department
14 shall establish for all state agencies other than the Department of Transportation and Public
15 Facilities, a plan to increase the procurement of recycled products when an agency procures
16 plastic products, motor vehicle fuels, motor vehicle lubricants, tires, latex paints, paper products,
17 and compost products.

18 (b) The plans must include minimum procurement goals for procuring recycled products
19 when procuring plastic products, motor vehicle fuels, motor vehicle lubricants, and latex paints.
20 The goals must be expressed as a percentage of the annual total dollar amount expended by an
21 agency to procure the particular product.

22 (c) The goals of the plans for the procurement of recycled products for paper products
23 must be consistent with AS 36.30.095.

24 (d) The plans may not require the use of a recycled product for a motor vehicle fuel or
25 a motor vehicle lubricant if the recycled product

26 (1) is not available within a reasonable period of time or in quantities necessary
27 to meet the needs of the procuring agency;

28 (2) does not meet the performance standards recommended by the manufacturer
29 of the equipment or vehicle for which it will be used or the warranty requirements for the motor
30 vehicle;

31 (3) is only available at a cost that is more than five percent greater than the cost

1 of a comparable fuel or lubricant that is not a recycled product.

2 (e) When feasible, the plans must include a requirement that an agency shall use retread
3 tires for the nonsteering wheels of agency vehicles, except for emergency vehicles, including fire
4 suppression and emergency assistance vehicles.

5 (f) The plans must include a requirement that agencies use reasonable efforts to eliminate
6 the purchase of paper products that cannot be recycled.

7 (g) In this section,

8 (1) "plan" means a procurement of recycled products plan established under (a)
9 of this section;

10 (2) "recycled product," except for paper, motor vehicle fuels, and tires, means a
11 product in which at least 50 percent of the total weight consists of secondary waste materials and
12 post-consumer waste materials and at least 10 percent of the total weight consists of post-
13 consumer waste materials; "recycled product" as applied to paper has the meaning established
14 by the Department of Administration; "recycled product" as applied to motor vehicle fuels means
15 a product containing oxygenates or other air quality and fuel enhancement additives made
16 primarily from secondary waste materials and post-consumer waste materials; "recycled product"
17 as applied to tires means retread tires; "recycled product," except for paper, motor vehicle fuels,
18 and tires, includes a product that has completed its life cycle as a consumer item, but otherwise
19 is refurbished for reuse without substantial alteration of the product's form; in this paragraph,

20 (A) "post-consumer waste materials" means finished materials that would
21 normally be disposed of as solid waste, having completed their life cycles as consumer
22 items;

23 (B) "secondary waste materials" means product fragments and finished
24 products that have completed their life cycle as a consumer item and that are normally
25 disposed of as solid waste; "secondary waste material" does not include excess virgin
26 resources remaining after a manufacturing process;

27 (3) "retread tire" means a tire that uses an existing casing for the purpose of
28 vulcanizing new tread to the casing, that meets the testing program of the United States General
29 Services Administration, and that is listed on the Qualified Products List issued by the General
30 Services Administration.

31 * Sec. 3. AS 46.06 is amended by adding a new section to read:

1 Sec. 46.06.025. SOLID WASTE MANAGEMENT PLAN. (a) The department shall
2 develop a statewide plan to manage the solid waste generated by state agencies. The plan must
3 be consistent with AS 46.06.021. The initial plan must cover at least a 10-year period. When
4 preparing the plan, the department shall consult with affected state agencies, local governments,
5 and other appropriate entities.

6 (b) The plan must include an identification of the characteristics of the waste stream of
7 recyclable materials generated by state agencies, including the nature, type, amount, use, and
8 present destination of the recyclable materials. In this subsection, "recyclable materials" means
9 materials that would otherwise be useless, unwanted, or discarded materials, except that the
10 materials still have useful physical or chemical properties after serving a specific purpose and can
11 be reused or recycled.

12 (c) The plan must include an evaluation of the nature, type, quality, and quantity of
13 secondary waste materials generated by state agencies that can be used for trade in the state, in
14 the northwestern states of the United States, and in the western provinces of Canada. In this
15 subsection, "secondary waste materials" means product fragments and finished products that have
16 completed their life cycle as a consumer item and that are normally disposed of as solid waste;
17 "secondary waste material" does not include excess virgin resources remaining after a
18 manufacturing process.

19 (d) The department shall update the plan every two years.

20 (e) The administrative director of the court system shall adopt a statewide solid waste
21 management plan to be used by the court system. The plan must be consistent with (a) - (d) of
22 this section.

23 (f) The legislative council shall adopt a statewide solid waste management plan to be
24 used by the legislative branch. The plan must be consistent with (a) - (d) of this section.

25 (g) In this section,

26 (1) "plan" means a statewide solid waste management plan;

27 (2) "state agency" means a department, institution, board, commission, division,
28 authority, public corporation, or other administrative unit of the executive branch of state
29 government, but does not include the University of Alaska, the Alaska State Housing Authority,
30 the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, or the Alaska
31 Aerospace Development Corporation.

1 * Sec. 4. The Department of Administration and the Department of Transportation and Public
2 Facilities shall adopt the initial minimum purchasing goals required by AS 36.30.075(b), enacted by
3 sec. 2 of this Act, on or before July 1, 1993.

Jack R. Heesch
President

523 W. 8th Avenue P.O. Box 201608
Anchorage, Alaska 99520-1608
(907) 279-0478 FAX (907) 279-8261

Attachment
5/4/92 AM P. 03

PROPOSED MODIFICATIONS TO CS HB 465(RES)

Sec. 2. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.075. PROCUREMENT RECYCLING PLANS. (a) The Department of Transportation and Public Facilities shall establish for itself, and the department shall establish for all state agencies other than the Department of Transportation and Public Facilities, a plan to increase the procurement of recycled products when an agency procures plastic products, motor vehicle fuels and lubricants, tires, latex paints, paper products, and compost products.

(b) The plans must include minimum procurement goals for procuring recycled products when procuring plastic products, motor vehicle fuels or lubricants, and latex paints. The goals must be expressed as a percentage of the annual total dollar amount expended by an agency to procure the particular product.

(c) The goals of the plans for the procurement of recycled products for paper products must be consistent with AS 36.30.095.

(d) The plans may not require the use of a recycled product for a motor vehicle fuel or lubricant if the recycled product

(1) is not available within a reasonable period of time or in quantities necessary to meet the needs of the procuring agency;

(2) does not meet the performance standards recommended by the manufacturer of the equipment or vehicle for which it will be used or the warranty requirements for the motor vehicle;

(3) is only available at a cost that is more than five percent greater than the cost of a comparable fuel or lubricant that is not a recycled product.

Add at page 3, end of line 13:

"Recycled Product" as applied to motor vehicle fuels means a product containing oxygenates or other air quality and fuel enhancement additives made primarily from secondary waste materials and post consumer waste materials.

1 tires for the nonsteering wheels of agency vehicles, except for emergency vehicles, including fire
2 suppression and emergency assistance vehicles.

3 (f) The plans must include a requirement that agencies use reasonable efforts to eliminate
4 the purchase of paper products that cannot be recycled.

5 (g) In this section,

6 (1) "plan" means a recycling plan established under (a) of this section;

7 (2) "recycled product," except for paper ^{and motor vehicle fuels,} ~~and tires,~~ means a product in which at
8 least 50 percent of the total weight consists of secondary waste materials and post-consumer
9 waste materials and at least 10 percent of the total weight consists of post-consumer waste
10 materials; "recycled product" as applied to paper has the meaning established by the Department
11 of Administration; "recycled product" as applied to tires means retread tires; "recycled product,"
12 except for paper ^{and motor vehicle fuels,} ~~and tires,~~ includes a product that has completed its life cycle as a consumer
13 item, but otherwise is refurbished for reuse without substantial alteration of the product's form;
14 in this paragraph,

15 (A) "post-consumer waste materials" means finished materials that would
16 normally be disposed of as solid waste, having completed their life cycles as consumer
17 items;

18 (B) "secondary waste materials" means product fragments and finished
19 products that have completed their life cycle as a consumer item and that are normally
20 disposed of as solid waste; "secondary waste material" does not include excess virgin
21 resources remaining after a manufacturing process;

22 (3) "retread tire" means a tire that uses an existing casing for the purpose of
23 vulcanizing new tread to the casing, that meets the testing program of the United States General
24 Services Administration, and that is listed on the Qualified Products List issued by the General
25 Services Administration.

26 * Sec. 3. AS 46.06 is amended by adding a new section to read:

27 Sec. 46.06.025. SOLID WASTE MANAGEMENT PLAN. (a) The department shall
28 develop a statewide plan to manage the solid waste generated by state agencies. The plan must
29 be consistent with AS 46.06.021. The initial plan must cover at least a 10-year period. When
30 preparing the plan, the department shall consult with affected state agencies, local governments,
31 and other appropriate entities.

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

FISCAL NOTE

No. 2
Bill Version: CSHB 465 (RES)
(H) Publish Date: 3-9-92

Revision Date: 2/26/92

Title: Solid and Hazardous Waste Management

Department Affected: Commerce & Econ. Dev.

BRU: Economic Development

Sponsor: F. Ulmer

Requestor: F. Ulmer

Component: General Business

COMPONENT SERIAL NO.

0	8	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	108.9	114.3	120.1	126.1	132.4	138.9
TRAVEL	15.0	17.5	20.0	20.0	20.0	20.0
CONTRACTUAL	80.0	5.0	5.0	5.0	100.0	5.0
SUPPLIES	5.0	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	15.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	223.9	144.3	152.6	158.6	259.9	171.4

CAPITAL						
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REVENUE FUND RESOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	223.9	144.3	152.6	158.6	259.9	171.4
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME	2.0	1.0	2.0	2.0	2.0	2.0
PART-TIME	1.0					
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

Prepared By: W. G. Paulick, Development Specialist Phone: 465-2017

Division: Economic Development Date: 2/26/92

Approved by Commissioner: Glenn A. Olds *[Signature]*

Agency: Department of Commerce & Economic Development Date: 2-28-91

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

Page 1 of 1



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: CS HB 465

APPROVED:


Frank G. Turpin, Commissioner

TITLE: Recycling/Solid Waste
Management Plans

DATE: March 24, 1992

This bill, if enacted, would require this department to prepare plans for the procurement of recycled products including plastics, motor vehicle lubricants, tires, latex paints, paper products and compost products. For certain categories of products, such as paper, minimum recycled targets are established.

Adequate performance and safety standards for recycled tires and lubricants are established to protect both the safety of those within state vehicles for which these recycled products are used, and to the state's investment in these vehicles.

The bill correctly delegates the responsibility for recycling plans to the two departments which hold the primary authority for state procurement: Administration, and Transportation & Public Facilities. As written, this department would be responsible for recycling plans for construction and state equipment fleet procurements.

The department supports and endorses this bill. Government has an important role to play in fostering the development of markets for recycled products. This bill appears to be a workable law to encourage this process.

For Further Information contact Katy McHugh at 465-3900.

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 1, 1992

TO: Rep. Mike Navarre
House Finance Committee

FROM: Rep. Fran Ulmer

RE: CSHB 465 - Procurement of recycled products

As a follow up to my request for a hearing at your earliest convenience for CSHB 465, I would like to let you know of my intentions to ask for a Finance Comm. substitute which removes Section 4 from the bill.

This section refers to a Marketing Development Report from the Dept. of Commerce and Economic Development. Following conversations with a number of individuals actively engaged in the recycling effort here in Alaska, I have come to the conclusion that a comprehensive marketing study at this time would be pre-mature.

At this time, and most probably for some years into the future, the major markets for recyclable wastes from Alaska will be in the Pacific Northwest, Washington, Oregon and British Columbia. Similarly, the manufacturing of goods from recyclable wastes will continue to occur primarily outside Alaska. While I continue to hope that this state can become much more involved in the utilization and manufacturing of recyclable waste into usable products, I believe that will happen as a result of this study.

Removal of this section deletes a fiscal note of 223.9.

April 30, 1992

SECTIONAL ANALYSIS - HB 465 - PROCUREMENT OF RECYCLABLES

* Section 1. Legislative Findings and Purposes.

Subsection (a) That unrelated countries around the world are forging cooperative agreements to increase the economic competitiveness of their economies, and that five Northwest states and two Canadian provinces, the Pacific Northwest Economic Region (PNWER), can adopt purchasing standards for recyclable products which will increase the marketability of these products.

Subsection (b) To substantially increase the purchase of recycled products which will increase the market potential for those products and substantially affect the states waste management problems, and develop standards that are compatible with the other members of PNWER.

* Section 2. Amends AS 36.30 to add a new section (36.30.075)

Subsection (a) requires the Department of Transportation and Public Facilities to develop for itself, and the Department of Administration for all state agencies except for DOTPF, a plan to increase the purchase of certain recycled products.

Subsection (b) requires the plan to have minimum purchase goals, expressed as a percentage of the total dollar amount of purchases by state agencies.

Subsection (c) requires that the plan for purchasing recycled paper products be consistent with AS 36.30.095.

Subsection (d) defines the standards for the purchase of motor oil products.

Subsection (e) defines the standards for the purchase of retread tires, and provides for the exception of certain emergency vehicles.

Subsection (f) requires that the plan include effort to eliminate the purchase of paper products that cannot be recycled.

Subsection (g) defines the terms "plan", "recycled product", and "retread tire."

* Section 3. Amends AS 46.06 to add a new section (AS 46.06.025)

-MORE-

April 30, 1992

Subsection (a) requires the Dept. of Environmental Conservation to develop a statewide plan to manage solid and hazardous waste generated by state agencies, and to consult with the affected state agencies.

Subsection (b) requires the plan to identify the characteristics of recyclable materials in the waste stream and their present destination.

Subsection (c) requires the plan to include an evaluation of those recyclable materials that can be used for trade in the state and in the PNWER.

Subsection (d) requires the plan to be updated every two years.

Subsection (e) requires the director of the court system to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (f) requires the legislative council to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (g) defines "plan" and "state agency."

- * Section 4. requires the Department of Administration and the Department of Transportation and Public Facilities to adopt minimum purchasing requirements required by AS 36.30.075(b), section 2 of the Act, by July 1, 1993.

BILL ANALYSIS

HB 465

Background/Legislative Intent

This bill seeks to increase the amount of recycled products purchased and the amount of products recycled by State agencies.

- The Department of Administration would develop a procurement recycling plan setting goals to increase the purchase of recycled materials.
- The Department of Environmental Conservation would develop a waste management plan which would identify recyclable waste material generated in the state.
- The Department of Commerce and Economic Development would provide a report describing how development of markets for recyclable products can be encouraged.

Analysis

Section 2 of the bill requires the Department of Administration to prepare a procurement recycling plan by January 1993 that would increase the procurement of recycled products by agencies. The plan includes:

- Minimum purchase goals expressed as a percentage of annual total dollars spent by agency on recycled plastic products, motor vehicle lubricants and latex paints.
- Minimum purchase goals expressed in a percentage of total dollars spent by agency for paper products and compost products:

Goals Set in the Bill

1. By 1995, at least 25% of paper and compost products must be recycled products.
 2. By 1997, at least 40% of paper and compost products must be recycled products.
 3. By 1999, at least 60% of paper and compost products must be recycled products.
- Use of retread tires when feasible except on certain emergency vehicles.
 - Eliminate the purchase of paper products which can not be recycled.

The bill defines recycled paper as a paper product of which

at least 50% of the total weight consists of secondary waste materials or at least 25% of the total weight consists of post consumer waste.

This definition is more stringent than the definitions used by the U.S. Environmental Protection Agency (EPA) in the "Minimum Content Standards of Selected Paper and Paper Products." The Department of Administration uses the EPA content standards for the recycled paper standards it is required to set under AS 36.30.339, Procurement Preference for Recycled Products. This is the standard most paper manufacturers attempt to meet. The current consensus definition of recycled bond and xerographic paper is 50% waste paper per EPA definition of which 10% is post consumer waste.

The definition of post consumer waste used in the bill closely approximates the EPA definition. Currently fine papers i.e., bond, xerographic and text stock, are generally available with post consumer content up to 10%. There is little supply of this paper meeting the 25% content standard proposed. The state of Oregon, which utilizes this definition, has never purchased fine papers with 25% post consumer content because it is not readily available.

The definition of secondary waste material in HB 465 is more restrictive than the EPA definition of waste paper. EPA definition permits the use of:

- excess virgin resources remaining after the manufacturing process,
- materials recovered or generated during the manufacture of paper, and
- manufacturing forest residues or other wastes before reaching the consumer cycle.

Procurement officials in the state of Oregon advise that expenditures on recycled paper products meeting the definition of 50% secondary waste as proposed in this bill make up in excess of 30% of their total paper purchases.

Although there recycled paper is available to meet this definition, there are national definitions in draft or under development which identify post consumer waste and other acceptable waste products which are diverted from the waste stream and can be a part of the recycled paper manufacturing process. We believe the statute should not restrict the Department of Administration from using a reasonable nationally recognized definition in the plan.

The procurement recycling plan would be sent to agencies and set minimum expenditures goals for recycled products required under this bill. Agencies would be requested to track expenditures for each product and provide a summary report to

the division. Each agency would be required to submit a report summarizing the amount spent for the identified categories of recycled products.

Section 3 requires the Department of Environmental Conservation to develop a ten year plan to manage statewide solid and hazardous waste generated by agencies.

Section 4 of the bill requires the Commissioner of the Department of Commerce and Economic Development, in consultation with the Commissioners of Administration and Environmental Conservation, to report to the Legislature.

The report must address:

- what the State can do to encourage the development of in-state and out-of-state markets for recycled products, and
- analysis of the role procurement preferences play to encourage in-state and out-of-state markets for recycled products.

Amendments Proposed

An amendment is proposed which would permit the Department of Administration to define recycled paper standards. If amended, the Department would set a reasonable achievable standard for recycled content for all recycled paper products. EPA definitions of post consumer materials and waste paper would be used or other consensus definitions from such groups as American Society for Testing Materials, National Association of State Purchasing Officials or the Western States Contracting Alliance when available. The amendment will permit the content standard to be established for the particular paper product to be purchased.

Amendments Proposed

Amend Page 2, line 14 - 16:

. . . materials; "recycled product" as applied to paper shall be defined by the department: [means a paper product in which at least 50 percent of the total weight consists of secondary waste materials or at least 25 percent of the total waste consists of post consumer waste;] "recycled product" as applied to tires means retread tires; . . .

**Governor's Waste Reduction
and Recycling Task Force**

**Final Report
April 15, 1992
Juneau, Alaska**

SUMMARY RECOMMENDATIONS

In order for waste reduction and recycling programs to be effective, there must be a coordinated effort by all state agencies. The Department of Environmental Conservation, in consultation with other state agencies and other appropriate entities, should establish a statewide plan to manage solid waste generated by state agencies. The plan should be developed in cooperation with the Department of Administration and the Department of Transportation and Public Facilities to increase the procurement of recycled products when practical, as well as identifying other products made from recycled materials as they become available.

II. Buying Recycled Products

A. Buy Recycled Products

State government is buying recycled paper products and using recycled paper products in many of their contracts. There is an opportunity to increase purchases in paper products and other products as they become available and practical. The objective is to facilitate the procurement of supplies containing post-consumer materials.

1. Barriers and Impediments

a. **Behavioral:** Buyers do not understand why they should seek out or buy recycled products. They do not understand there is a waste management problem or that buying recycled products will improve the market for recyclable waste materials. Buyers perceive recycled products as inferior, despite the improvements over the past 20 years making many recycled products virtually indistinguishable from virgin products.

b. **Technical:** The recycled products market is demand driven, and most recycled products are simply not available locally. A wide variety of products are available made from paper, plastics, aluminum, steel, rubber and other wastes for office supplies, landscaping, construction, and automotive use. However, most employees and contractors who specify products for use in state projects have limited opportunity to inspect these goods first hand to determine acceptability. There is a problem in that the recycled products market is growing so rapidly, that it is difficult for state employees to keep apprised of the broad spectrum of items which might be suitable for state use.

c. **Economic:** Many of the products that are available have excessive costs in the near term. This will change quickly as demand for the products increases. A marketing plan does not exist and is necessary. Department budgets do not provide for this aspect.

d. **Institutional:** Buyers are unaware of the availability of acceptable recycled products.

2. Solutions and Recommendations

Existing law provides preferences to facilitate purchases. Administrative Order No. 119

also promotes the use of recycled products. Additional procurement efforts may include the following:

- a. Encourage agencies to specify recycled products such as paper, cardboard, plastics, oil and insulation.
- b. Encourage use of recycled, recyclable, and non-toxic products in service contracts such as printing, janitorial and food service, following an evaluation of these products.
- c. Encourage architects and engineers (hired and contracted) to specify recycled products in construction and landscaping where practicable.
- d. Encourage the use of recyclable materials, including uncolored paper, mono-waste packaging, glassine-windowed envelopes, and similar items.
- e. Encourage contractors to print state reports on recycled paper or to use electronic media.
- f. Encourage contractors and agencies to pack items for shipment with recyclable materials and in recycled or reusable containers.
- g. Provide cost incentives for printing two-sided versus single-sided copies.
- h. Include bid contract terms that allow addition of recycled products as they become available.
- i. Recycle surplus property.
- j. Promote recycling and waste reduction in state publications.
- k. Assist state purchasers in the identification of opportunities to use recycled products such as cardboard, plastic parking stops, plastic benches, oil, paper, insulation and various other products.
- l. Promote specifications which include compatibility with recycling efforts and the use of recycled products.

In some instances, particularly in the early period of implementation, some recycled materials may be more expensive. However, other recycled materials, such as janitorial paper products, may be less expensive. Increased demand for recycled content in

products will, in the long term, lower the purchase price and increase availability of recycled products. Increased purchasing of recycled and recyclable products and actually recycling them will reduce environmental problems.

The state would develop business partnerships between the state, local political subdivisions, and private organizations, to utilize recyclable materials produced by the state and to manufacture recycled products which could be purchased by the state. Identification of real potential recyclable products, and the potential recycled product purchases, could develop in-state business partnerships that would employ state residents to collect and remanufacture these products.

B. Find New Uses for Available Recycled Products

New products from recycled materials are developed almost daily. In January 1991, Resource Integration Systems, Ltd. for the Metropolitan Service District of Oregon published product categories made from recycled materials. The Recycled Products Guide published by American Recycling Market, Inc. lists 300 different product classifications. It is worth noting that these products demonstrate what is available. Not all of these products have distribution networks or are available in Alaska. Some of the categories include:

Packaging and containers

- Bags: used burlap and polyethylene, plastic grocery, used sling bulk, trash liners and other plastic bags, used barrels
- Boxes: used and recycled fiber
- Compost bins
- Dumpster lids
- Packaging peanuts, used
- Pallets, remanufactured
- Recycling buckets
- Recycling boxes
- Polyester strapping
- Utility bins and drums
- Trash containers
- Cellulose Wadding
- Shredded Paper

Paper and Office Products

- Papers, recycled
- Tissue products
- Toner cartridge, remanufactured
- Binders
- Scissors, rulers

Resolution of the Alaska Municipal League

Resolution No. 92-9

**A RESOLUTION MAKING RECOMMENDATIONS TO THE STATE OF ALASKA
REGARDING POLLUTION PREVENTION**

WHEREAS, the Alaska Municipal League, in cooperation with the Alaska Department of Conservation has created the Municipal Pollution Prevention Roundtable, and

WHEREAS, the Municipal Pollution Prevention Roundtable is a forum for local government officials to share and exchange information useful in making informed waste management decisions and in preventing pollution to the fullest extent possible, and

WHEREAS, the Municipal Pollution Prevention Roundtable's goals are to expand awareness and discussion on 1) waste management and pollution prevention policy issues affecting local governments; 2) federal, state, and local government roles in pollution prevention; 3) incentives to promote waste reduction and recycling and recycled product procurement; 4) waste reduction and recycling and pollution prevention economics and technologies; 5) waste management and pollution prevention activities at the local and state level in Alaska; 6) the management of special wastes such as batteries, household hazardous wastes, tires, and glass, and

WHEREAS, the Municipal Pollution Prevention Roundtable is comprised of municipal solid waste professionals and elected officials from cities and boroughs across Alaska, and

WHEREAS, the Municipal Pollution Roundtable has met four times to explore these topics and has heard from a variety of experts in the field of pollution prevention, and

WHEREAS, the Municipal Pollution Roundtable has arrived at a number of recommendations which, if implemented, would advance the environmental well-being of the State of Alaska and benefit Alaska's citizens;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League recommends that the State of Alaska continue its current Solid Waste Management Planning Program and expand the funding to municipalities to include implementation and community visits from the Alaska Department of Environmental Conservation to expand the state's understanding of communities' unique needs and situations.

BE IT FURTHER RESOLVED that the Alaska Municipal League urges the State of Alaska to initiate a waste characterization and feasibility study in coordination with municipalities that will assess, identify, and quantify solid waste and other pollution concerns for the purposes of implementing waste reduction and recycling activities,

pursuing an action-oriented cleanup program of specific problem wastes (such as batteries), promoting related business development, and developing a statewide solid waste management plan.

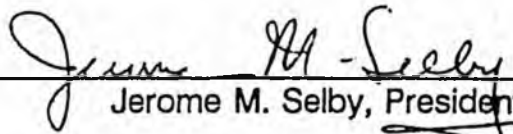
BE IT FURTHER RESOLVED that the Alaska Municipal League requests that the State of Alaska, Department of Commerce and Economic Development, Division of Business Development, encourage business development in recycling centers and manufacturing enterprises which use waste materials in their production process and pursue market development for use of recycled products.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska provide tax incentives for businesses to stimulate collection, handling, and final disposition of recyclables and other waste materials in rural and urban Alaska.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Education, encourage schools to offer an environmental/earth sciences curriculum with an emphasis on pollution prevention.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Environmental Conservation, continue to provide a forum for communication among municipalities regarding solid waste and pollution prevention issues.

Adopted this 15th day of November 1991 in Fairbanks, Alaska.



Jerome M. Selby, President

ATTEST:



Scott A. Burgess, Executive Director



Alaskans for Litter Prevention and Recycling

Keeping Alaska Beautiful

April 6, 1992

Representative Fran Ulmer
Room 421
State Capitol Building
Juneau, Alaska 99801

Dear Representative Ulmer,

On behalf of Alaskans for Litter Prevention and Recycling (ALPAR), I want to express my congratulations and support for House Bill Number 465.

House Bill Number 465 will set an important precedent for recycling efforts in our state. Increasing the procurement of recycled products by state governmental agencies will achieve three important goals: increase individual and public awareness of the need to recycle consumer goods and to purchase recycled goods; set an example for individuals and businesses throughout Alaska; help in establishing markets for recyclables.

We were impressed that House Bill 465 also includes a requirement for developing a statewide plan to manage solid waste generated by state agencies. Such a plan will be an obvious complement to the procurement requirement and will be one more important step towards eliminating unnecessary waste.

Finally, we commend you and offer our very enthusiastic support for state efforts to encourage the development of in-state and out-of-state markets for recycled products. As you know, the development of markets for recyclables is the single greatest factor in determining how recycling in Alaska and throughout the county can grow. Without viable markets for recycled products, there can be no hope of widespread successful recycling efforts. The passage of House Bill Number 465 will help lead the way to formally identifying and developing such markets. We applaud your efforts. If I or other ALPAR members can be of any assistance whatsoever in helping to achieve passage of this Bill, please don't hesitate to contact me.

Sincerely,

Roger Briley
President

P.O. Box 200393
Anchorage, Alaska 99520

printed on recycled paper.

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Pacific NorthWest Economic Region

February 25, 1992

Representative Fran Ulmer
Alaska State Legislature
District 4B - Juneau
P.O. Box 1
Juneau, Alaska 99811-3100

Dear Representative Ulmer:

On behalf of the Pacific NorthWest Economic Region, I am writing to express our support for House Bill No. 465 to establish procurement policies throughout the State of Alaska. This legislation is the starting block to build a united coalition between the five northwestern states and the two provinces in Canada to develop minimum content standards for recycling.

The Northwest has traditionally held recycling as a key environmental issue. Northwest legislators now have the opportunity to enact legislation to provide a government model to encourage comparable commitment by its citizens and businesses in their purchasing practices. By encouraging the development of markets for recycled products, northwest legislators can strengthen the region's economy and also gain the full waste-reduction benefits from existing recycling efforts.

The Pacific NorthWest Economic Region consists of the states of Alaska, Idaho, Montana, Oregon, Washington, and the two provinces of Alberta and British Columbia. As a region, we are in a strategic position to act together in setting recycled procurement standards and therefore increasing the overall market effect of such standards.

We applaud Alaska's proposed recycling legislation which targets government procurement policies. The Pacific NorthWest Economic Region fully supports solutions to the region's waste management problems and commends you in pursuing a regional strategy to this critical issue.

Sincerely,

Alan Bluechel, President
Pacific NorthWest Economic Region
Vice-President Pro Tem
Washington State Senate

AB:bf:awn

Organizations that support CSHB 465

Pacific NorthWest Economic Region
Alaskans for Litter Prevention and Recycling
Alaska Municipal League
Alaska Environmental Lobby
Northwest EnviroService Inc.
E & L Auto, Juneau
Anchorage Recycling
Department of Environmental Conservation
Department of Transportation and Public Facilities
Department of Administration
Lynn Canal Conservation Council