

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HB 478 cont. - HB 481 534 125

1 implementation of the practices and priorities established under
2 AS 46.06.021 with communities and regional planning organizations and
3 generators of solid and hazardous waste;

4 (4) sponsor or co-sponsor, with public or private organiza-
5 tions, technical workshops and seminars on implementation of the
6 practices and priorities established under AS 46.06.021, including
7 solid and hazardous waste reduction and recycling;

8 (5) develop a technical reference center and data base
9 relating to the implementation of practices and priorities established
10 under AS 46.06.021 for solid and hazardous waste reduction and re-
11 cycling;

12 (6) establish and maintain an information referral service
13 on the implementation of the practices and priorities established
14 under AS 46.06.021 for solid and hazardous waste reduction and re-
15 cycling;

16 (7) identify and evaluate research needs for state busi-
17 nesses and industry, communities and regional planning organizations,
18 and state agencies as they relate to the implementation of the prac-
19 tices and priorities established under AS 46.06.021 for solid and
20 hazardous waste reduction and recycling;

21 (8) develop, in consultation with institutions of higher
22 education in the state, courses and curricula related to the implemen-
23 tation of the practices and priorities established under AS 46.06.021
24 for solid and hazardous waste reduction and recycling; and

25 (9) issue hazardous waste reduction matching grants under
26 AS 46.03.317 and community solid waste management planning grants
27 under AS 46.06.041.

28 (b) In response to a request of a hazardous waste generator, a
29 representative of the department may visit the hazardous waste

1 generator's site for the purpose of observing a waste generating
2 process, obtaining information relevant to waste reduction, rendering
3 advice, and making recommendations. A visit under this subsection may
4 not be regarded as an inspection or investigation. A representative
5 of the department designated to render advisory or consultative ser-
6 vices may not have enforcement authority.

7 (c) This section does not diminish the responsibility of a
8 person to comply with this chapter, AS 46.03, AS 46.04, or AS 46.09.

9 Sec. 46.06.041. COMMUNITY SOLID WASTE MANAGEMENT PLANNING
10 GRANTS. (a) A community solid waste management planning grant ac-
11 count is established in the general fund. It consists of appropria-
12 tions made to it.

13 (b) The department may issue matching grants from money in the
14 account to a municipality, to an unincorporated community, to an
15 organization representing two or more municipalities or unincorporated
16 communities within a region, to a nonprofit organization, coastal re-
17 sources service area, or regional health corporation for the purpose
18 of a community solid waste management plan.

19 (c) In its award of a grant under this section, the department
20 shall consider the severity of environmental or public health concerns
21 relating to existing solid waste management practices. The department
22 may consider the extent to which the proposed planning effort will
23 meet the needs of more than one community, the extent to which there
24 is clear evidence of local support for the planning effort, and the
25 number of individuals who will benefit from the planning effort.

26 (d) The department shall establish guidelines for the prepara-
27 tion of plans funded under this section to achieve the practices and
28 priorities established under AS 46.06.021.

29 (e) A grant under this section

1 (1) must be matched on a dollar-for-dollar basis by the
2 grantee in cash or in kind;

3 (2) may not exceed \$50,000 for a single proposal or proj-
4 ect.

5 (f) The department may waive the match required under (e) of
6 this section on a showing satisfactory to the commissioner by the
7 prospective applicant that matching funds are not available.

8 * Sec. 3. AS 46.03.100 is amended by adding a new subsection to read:

9 (e) A person who applies for a solid waste permit under this
10 section shall demonstrate to the satisfaction of the commissioner that
11 the applicant has reasonably considered all solid waste management
12 options and that the permit would be consistent with the practices and
13 priorities established under AS 46.06.021.

14 * Sec. 4. AS 46.03.299(f) and 46.03.316 are repealed.



Alaska State Legislature

House of Representatives Community & Regional Affairs

HOUSE COMMUNITY AND REGIONAL AFFAIRS LETTER OF INTENT FOR CSHB 478 (C&RA)

It is the intent of the legislature that the passage of CSHB 478 (C&RA) will not change the status of the program enacted under AS46.07.010 (Village Safe Water Act) in that providing safe water and hygienic sewage disposal for all Alaskans is a primary concern of the Department of Environmental Conservation (DEC).

It is also the intent that funds needed to implement grants under CSHB 478 (C&RA) will be separate from funds used by the DEC for Village Safe Water and the Alaska Clean Water Fund.

It is also the intent of the legislature that the priority of solid and hazardous waste management practices as established in Sec. 46.06.021 of this bill will not supersede a communities' efforts to obtain safe water and hygienic sewage disposal.

Rep. Eileen P. MacLean

Date 2.21.90

Rep. Eileen P. MacLean, Chair
House Community and Regional Affairs Committee

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to solid and hazardous waste management."
Sponsor: Rep Ulmer etc.
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance,

Phone: 465-4750
Date: 2/15/90

Approved by Commissioner: David G. Johnson
Agency: Community & Regional Affairs

Date: 2-15-90

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Act relating to solid
and haz. waste management
 Sponsor: Rep. Ulmer
 Requestor: House Finance

Agency Affected: ADEC
 BRU: Environmental Quality
 Components: Environmental Quality
Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	146.0	146.0	146.0	146.0	146.0	146.0
TRAVEL	12.0	12.0	12.0	12.0	12.0	12.0
CONTRACTUAL	24.0	24.0	24.0	24.0	24.0	24.0
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	15.0	15.0	15.0	15.0	15.0	15.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	500.0	500.0	500.0	500.0	500.0	500.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	700.0	700.0	700.0	700.0	700.0	700.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	700.0	700.0	700.0	700.0	700.0	700.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	700.0	700.0	700.0	700.0	700.0	700.0

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS : (Attach a separate page if necessary)

Funds Ecologist III 77.4
 Project Coordinator 70.5
 Admin. Assist I 52.1

Prepared by: Rep. Lyman Hoffman & Rep. Ron Larson Co-Chairs Phone: 65-3757

Division: House Finance Date: 3-12-90

Approved by Commissioner: _____ Date: _____

Agency: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB

479

HOUSE COMMITTEE REPORT

FILE

(11)

Date Referred: February 22, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/12/90

The FINANCE Committee considered:

HB 479

HOUSE BILL NO. 479

SCHOOL RECYCLING AWARDS PROGRAM

"An Act establishing an awards program to recognize waste reduction and recycling efforts in school districts; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note C&RA
- zero with analysis _____

- fiscal note(s) 2/22/90 / DEC
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

[Signature] Hoffman
[Signature] Swackhamm
[Signature] Brown
[Signature] Koponen
[Signature] Ulmer
[Signature] Barnes

Name	Check approp. column		
	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Larson		<input checked="" type="checkbox"/>	
<u>[Signature]</u> Rieger		<input checked="" type="checkbox"/>	

[Signature] Larson
 Co-Chairman's Signature
[Signature] Hoffman

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 479 No. 1

PUBLISH DATE: HOUSE 2/22/90

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act establishing an awards program
to recognize waste reduction and recycling efforts ...
 Sponsor: Rep. Brown
 Requestor: House Community & Regional Affairs

Agency Affected: Environ. Conservation
 BRU: Environmental Quality
 Components: Environmental Quality
Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	40.0	40.0	40.0	40.0	40.0	40.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	40.0	40.0	40.0	40.0	40.0	40.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	40.0	40.0	40.0	40.0	40.0	40.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	40.0	40.0	40.0	40.0	40.0	40.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Jeff Mach
 Division: Environmental Quality

Phone: 465-2671
 Date: 2/15/90

Approved by Commissioner: AD/KH
 Agency: Environmental Conservation

Date: 2/15

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Adopted

Section 1

Section 1 will not require any additional resources for the Department of Environmental Conservation.

Section 2

Section 2 requires the Department, in consultation with the Department of Education, to establish an awards program for waste reduction and recycling in the schools. Additionally, it requires technical assistance to be provided to school districts concerning waste reduction and recycling efforts. The Department will require \$40.0 to fund the award program. We will draft the regulations and provide technical assistance within our existing operating budget.

<u>Position</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>600</u>	<u>700</u>	<u>Total</u>
Grants, Claims							40.0	\$40.0
TOTALS							40.0	\$40.0

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act...awards program..recognize waste reduction & recycling....." BRU: _____
 Sponsor: Rep Brown etc. Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

Adopted

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 2/15/90
 Approved by Commissioner: [Signature] Date: 2-15-90
 Agency: Community & Regional Affairs

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

L.H. SH

BY REP. BROWN, Ulmer, Finkelstein, Koponen, M.Davis, Ellis, Boyer, Kubina,
Navarre, Collins, Goll, Menard

1 IN THE HOUSE

2

HOUSE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing an awards program to recognize
7 waste reduction and recycling efforts in school
8 districts; and providing for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that

11 (1) waste reduction and recycling must be a fundamental part of
12 a comprehensive solid waste management effort;

13 (2) the success of waste reduction and recycling initiatives are
14 largely dependent upon the current and future behavior of consumers in the
15 state; and

16 (3) while significant opportunities for waste reduction and
17 recycling exist, public education is required to ensure that consumers are
18 aware of these opportunities.

19 * Sec. 2. AS 46.11 is amended by adding a new section to read:

20 Sec. 46.11.070. REDUCTION AND RECYCLING AWARDS PROGRAM. (a) In
21 consultation with the Department of Education, the Department of
22 Environmental Conservation shall establish a waste reduction and
23 recycling awards program under which the Department of Environmental
24 Conservation may annually, subject to available funding, award grants
25 of up to \$10,000 each to four or fewer school districts in recognition
26 of their efforts to reduce and recycle waste generated in the adminis-
27 trative offices, classrooms, laboratories, cafeterias, and maintenance
28 operations of the school district.

29 (b) The Department of Environmental Conservation shall, on

1 request, provide technical assistance to school districts concerning
2 their opportunities to reduce and recycle wastes.

3 (c) The Department of Environmental Conservation shall adopt
4 regulations to implement the awards program. For purposes of evaluat-
5 ing school waste reduction and recycling programs, the department may
6 group school districts according to geographical location, student
7 population, distance to recycling markets, or other criteria con-
8 sidered appropriate by the department.

9 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

3/7/90
Rep. Kay Brown

SECTIONAL ANALYSIS

HB 479 - School District Recycling Recognition Awards

Section 1. Findings that public education is necessary for the success of a comprehensive solid waste management effort.

Section 2. Amends current statutes to add new section (AS 46.11.070) to provide that, subject to available funding, the Department of Environmental Conservation (DEC), will award up to \$10,000 annually to up to four schools in recognition of their waste reduction and recycling efforts. HB 479 provides that DEC may take geographical location, student population, and distance to recycling markets, among other criteria, into consideration in making awards. This is subject to available funding. Upon request, DEC will provide technical assistance to school districts with their waste reduction and recycling efforts.

Section 3. Immediate effective date.



FOCUS

THE WASTE NOT WASHINGTON ACT

The 1989 Washington Legislature passed ESHB 1671, a comprehensive solid waste bill that will bring about significant changes in the way Washington citizens handle their garbage. The bill calls for waste reduction and source separation to become the fundamental strategies of solid waste management and establishes an aggressive state goal to achieve a fifty percent recycling rate by 1995. Local governments will play a very important role in meeting this goal by including waste reduction and recycling elements in their comprehensive solid waste management plans. Other key provisions of the bill are outlined below.

Funding for the activities under the bill will be provided partly through a surcharge of one percent on solid waste collection. A family setting out one garbage can per week will pay a maximum of 96¢ per year. Those with two cans or more per week will pay up to \$1.44 per year. Counties may also impose a fee on collection services in unincorporated areas to pay for solid waste planning and administration expenses.

Waste Reduction and Recycling Elements of Local Plans

Local governments have been required to prepare solid waste management plans detailing how they will manage their garbage since the early 1970s. Now, cities and counties will be required to include waste reduction and recycling elements in their solid waste management plans written according to guidelines developed by the Department of Ecology. Curbside collection of recyclable materials will likely be required in most urban areas of the state. The plans must also address collection of recyclables in rural areas, monitoring of collection at nonresidential sites, and collection of yard wastes.

Waste Reduction and Recycling Education

A comprehensive statewide public information program to encourage waste reduction, source separation, and recycling will be developed by the Department of Ecology. Local governments must also conduct educational programs to inform residents how to reduce and recycle their wastes. The Department will provide grants to local governments to assist with their educational efforts.

Waste Composition/Recycling Survey

The Department of Ecology will conduct a yearly waste composition and recycling survey to track the progress toward meeting waste reduction and recycling goals. Washington was one of the first states in the nation to conduct waste stream analysis and will continue to lead the way in this regard.

Collection Authority for Recyclables

The bill clarifies under what circumstances a city, county, or the Utilities and Transportation Commission has the authority to arrange for the collection of recyclable materials. Haulers regulated by the UTC will be required to use rate structures which encourage waste reduction and recycling.

State Agency Waste Reduction and Recycling

State government will put additional emphasis on its own waste reduction and recycling program to ensure that all employees have the opportunity to participate in waste reduction and recycling at work. State agencies must also increase their use of recycled paper products by 50 percent.

School Recycling

Public schools will be required to implement waste reduction and recycling programs according to guidelines developed by the Department. Schools will be provided with an incentive to maximize waste reduction and recycling through a new awards program. Three awards of \$10,000 will be given each year to public schools in the state.

NEWS RELEASE

FEB 14 1990

FOR IMMEDIATE RELEASE

FROM: REPRESENTATIVE EILEEN P. MACLEAN

DATE: 2/14/90

Helping communities cope with Alaska's burgeoning garbage problem is the aim of a package of three bills that will be heard in the House Community and Regional Affairs Committee Chaired by Co-Sponsor Rep. Eileen MacLean, (D) Barrow, Thursday, February 15, 1990, at 5:00 p.m. in Capitol Room 106. These bills address the problem of solid waste in Alaska by setting up community solid waste and recycling planning grants, by providing awards for school district for recycling efforts, and by expanding the Alaska Clean Water Fund to provide funds for solid waste disposal. The meeting will be Teleconferenced to the following communities: Anchorage, Sitka, Mat-Su, Petersburg, Kenai, Haines, Kotzebue, Petersburg. The bills include HB 478 sponsored by Rep. Ulmer (D-Juneau), HB 479 sponsored by Rep. Brown (D-Anchorage), and HB 480 sponsored by Rep. Boyer (D-Fairbanks).

"I expect the bills to receive favorable public testimony. Solid waste disposal is a particular problem in my district as well as statewide, and I believe these bills will help address that problem," said Rep. MacLean.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

TO: Representative Lyman Hoffman, Co-Chair
Representative Ron Larson, Co-Chair
House Finance Committee

FROM: Representative Kay Brown *KB*

DATE: March 7, 1990

SUBJ: HB 479 - School District Recycling Recognition Awards

Thank you for scheduling HB 479, legislation that would establish an awards program to recognize waste reduction and recycling efforts by Alaska school districts.

Under HB 479, the Department of Environmental Conservation would, in consultation with the Commissioner of Education, develop an awards program to recognize waste reduction and recycling efforts in the state's schools grades kindergarten through high school.

As part of the program, DEC would develop guidelines for school waste reduction and recycling programs and provide technical assistance upon request concerning opportunities to reduce and recycle waste generated in administrative offices, classrooms, laboratories, cafeterias, and maintenance operations. In evaluating school waste reduction and recycling programs, DEC may group schools according to geographic location, student population, distance to recyclable markets, or other appropriate criteria. Subject to available funding, the HB 479 calls for annual recognition awards (a maximum of \$10,000) to be made to school districts to recognize exemplary waste reduction and recycling efforts.

In trying to develop a comprehensive program to encourage greater waste reduction and recycling it is clear that Alaska's youth will play a key role in the success or failure of this effort. The school awards program that would be established by HB 479 offers an effective, low-cost means of providing both an appropriate incentive as well as practical experience to young Alaskans regarding waste reduction and recycling.

Your consideration of this legislation is appreciated.



ENVIRONMENTAL SERVICES Ltd.

February 14, 1990

Representatives Ulmer, Brown and Finkelstein
Alaska State House of Representatives
PO Box V
Juneau, Alaska 99811

Representatives,

As we discussed we have reviewed the package of bills you recently introduced on solid waste management and recycling. We concur this is a timely effort in light of growing federal and socio-political pressures to address these complex and difficult problems.

Environmental Services, Ltd. has over 20 years of experience in the arctic and subarctic both in Alaska and Canada with a wide variety of experience and success in dealing with solid and hazardous waste issues. Our staff consists of top environmental professionals from a variety of scientific and engineering fields. Members of our staff have served with the Alaska Department of Environmental Conservation as well as the Department of Interior and have a comprehensive understanding of environmental problems, the regulatory framework and the solutions appropriate and cost effective in Alaska.

Generally, we favor the thrust of the legislation and look forward to being of further assistance in their recrafting to facilitate passage. However, we do offer a few technical changes we believe will clarify implementation and strengthen your efforts toward the goals articulated in your press release.

HB 478 An Act relating to solid and hazardous waste management:

This bill will create a number of new state jobs in the Department of Environmental Conservation. We understand that a fiscal note of \$500,000.00 will be attached. Our main concern is that the individuals hired by the State have the technical expertise and experience required to make this program successful. Over the past two administrations we have watched as DEC Commissioners appoint people to highly technical positions without the proper professional credentials, we find essential in understanding the complexities of waste management problems and in stimulating

creative solutions. Although it may not be appropriate, in the body of legislation, we would suggest that the Legislature pay close attention to minimal qualifications for each of the positions created by this bill and that an emphasis be placed on private sector experience in the areas to be regulated.

Section 46.06.031(b) places an agent of the State in a very difficult position. If an agent for the State sees a violation, knows that it is a violation and does not report it or serve a citation that agent may be in violation of existing State and Federal law. Furthermore the State will effectively either sanction breaking the law or undermine the credibility of the program. A more productive approach would be to retain enforcement authority, but expand the role of the agent to provide active assistance in designing environmentally effective improvements in an affected facility.

We do not believe this approach would counter the intent of the bill. Much of the "assistance" provided will depend on the management philosophy of the department and the personality of the agent. This reinforces our concern that technically competent people be placed in these positions and that a clear management philosophy be articulated within the department so that professionals understand the parameters within which they must function.

Section 46.06.041(b) gives funds to government agencies (State and Local) as well as non-profit groups that will be in direct competition with existing private corporations in Alaska already providing this service.

We recommend this section be amended so that it restricts public expenditures that are in competition with existing private companies and allows agencies to contract with competent private companies, where they exist, to provide the service. This is clearly consistent with the Governor's policy of, whenever possible, contracting out services the private sector can provide more effectively than State government.

HB 479 An Act establishing an awards program to recognize waste reduction and recycling efforts in school districts; and providing for an effective date:

We have no concerns with this bill. We think it is a positive step forward in establishing the type of recognition and day-to-day environment essential to teach our children the values sought by the bill.

HB 480 An Act authorizing loans for solid waste management projects from the clean water fund:

Again our concerns are to ensuring that technically competent people administer any program using these funds and that they not fund public sector efforts that will be in direct competition with existing private sector jobs.

HB 481 An Act relating to state procurement of recycled paper and other products and to the state's use of paper; establishing a waste reduction and recycling task force; and providing for an effective date:

Section 6: Sec 44.99.020 should also include all municipal governments that receive state funds as well as any private company under contract to the State or a municipal government.

This clarification is consistent with the intent of the legislation and reaches far beyond the confines of state agencies. It is also consistent with the reality that the State provides significant funds to local governments which cumulatively create more waste paper, often in remote areas, than state agencies do themselves.

Although the concept of the Task Force is to focus policy makers on the problem, we expect these responsibilities will be delegated down within each agency to those technically competent to make the types of recommendations sought. This is fine, if the policy makers give policy direction as they delegate and as they review the recommendations. Too often, in our experience, the policy makers delegate the work assignment but do not review the broader public policy concerns. This results in a patchwork of public policies that run counter to each other, creating conflict, paralysis, greater public expenditures - and does not move Alaska forward.

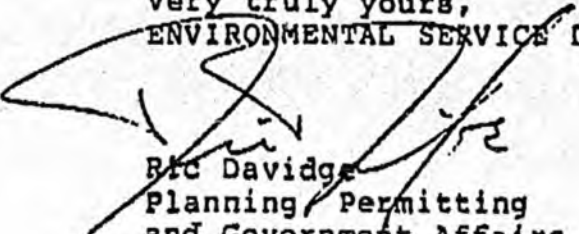
General Comments

In order to provide an incentive to reduce waste and recycle used materials it is our experience that specific goals or targets need to be established. These goals must be realistic, economically and technically, but they must also be goals that push public awareness, not drag behind opinion polls. A phased program requiring specific compliance for specific materials that are present, require attention and can be addressed in Alaska should be considered.

We hope these comments are of assistance in your efforts to address this important and timely matter of waste reduction,

waste management and recycling. We look forward to working with you during the session to move these bills into law.

Very truly yours,
ENVIRONMENTAL SERVICE LTD



Eric Davidge
Planning Permitting
and Government Affairs

HB

479

SENATE FINANCE COMMITTEE REPORT

DATE: 5/3/90

FURTHER:

DATE TURNED INTO OFFICE: 5/8/90

The Finance Committee considered

HB 479

Establishing an awards program to recognize waste reduction and recycling efforts in school districts; efd.

and recommended:

replace with _____ CS
 or adopt _____ CS

attached amendment(s)

_____ letter of intent adopted

same title
 new title
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

DEC 9 5/18/90

DECL 9 2/15/90

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
Paul Fricker
[Signature]
[Signature]
[Signature]

1. [Signature] DO PASS

2. [Signature] MS

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Establishing an awards
program re:waste reduction
Sponsor: Rep. Brown
Requestor: Senate Finance

Agency Affected: Environmental Conservation
BRU: Environmental Quality
Components: Environmental Quality
Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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 FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Senator Rick Denling, Co-chairman
Division: Senate Finance Committee

Phone: 465-4821
Date: May 8, 1990

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Adopted

157

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act...awards program..recognize waste reduction & recycling....." BRU: _____
 Sponsor: Rep Brown etc. Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 2/15/90
 Approved by Commissioner: David Hoffman Date: 2-15-90
 Agency: Community & Regional Affairs

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget.
- Impacted Agency(ies)

Changes in CS HB 479 (HESS) page 1 of 1
 have no fiscal impact. This
 fiscal note is appropriate.
 Projections of no fiscal impact
 would continue through 1996.

Adopted

Original sponsor(s): REP. BROWN, Ulmer, Finkelstein, Koponen, M.Davis,
Ellis, Boyer, Kubina, Navarre, Collins, Goll, Menard, Jacko

1 IN THE HOUSE BY THE HESS COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 479 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an awards program to recognize
7 waste reduction and recycling efforts in school
8 districts; and providing for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that

11 (1) waste reduction and recycling must be a fundamental part of
12 a comprehensive solid waste management effort;

13 (2) the success of waste reduction and recycling initiatives are
14 largely dependent upon the current and future behavior of consumers in the
15 state; and

16 (3) while significant opportunities for waste reduction and
17 recycling exist, public education is required to ensure that consumers are
18 aware of these opportunities.

19 * Sec. 2. AS 46.11 is amended by adding a new section to read:

20 Sec. 46.11.070. REDUCTION AND RECYCLING AWARDS PROGRAM. (a) In
21 consultation with the Department of Education, the Department of
22 Environmental Conservation shall establish a waste reduction and
23 recycling awards program under which the Department of Environmental
24 Conservation may annually, subject to available funding, award grants
25 of up to \$10,000 each to school districts in recognition of their
26 efforts to reduce and recycle waste generated in the administrative
27 offices, classrooms, laboratories, cafeterias, and maintenance opera-
28 tions of the school district.

29 (b) The Department of Environmental Conservation shall, on

1 request, provide technical assistance to school districts concerning
2 their opportunities to reduce and recycle wastes.

3 (c) The Department of Environmental Conservation shall adopt
4 regulations to implement the awards program. For purposes of evaluat-
5 ing school waste reduction and recycling programs, the department may
6 group school districts according to geographical location, student
7 population, distance to recycling markets, or other criteria con-
8 sidered appropriate by the department.

9 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 479 No. 1
PUBLISH DATE: HOUSE 2/22/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Environ. Conservation
 Title: An Act establishing an awards program
to recognize waste reduction and recycling efforts ... BRU: Environmental Quality
 Sponsor: Rep. Brown Components: Environmental Quality
 Requestor: House Community & Regional Affairs Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	40.0	40.0	40.0	40.0	40.0	40.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	40.0	40.0	40.0	40.0	40.0	40.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	40.0	40.0	40.0	40.0	40.0	40.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	40.0	40.0	40.0	40.0	40.0	40.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Jeff Mach
 Division: Environmental Quality

Phone: 465-2671
 Date: 2/15/90

Approved by Commissioner: *AD/47*
 Agency: Environmental Conservation

Date: 2/15

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Section 1

Section 1 will not require any additional resources for the Department of Environmental Conservation.

Section 2

Section 2 requires the Department, in consultation with the Department of Education, to establish an awards program for waste reduction and recycling in the schools. Additionally, it requires technical assistance to be provided to school districts concerning waste reduction and recycling efforts. The Department will require \$40.0 to fund the award program. We will draft the regulations and provide technical assistance within our existing operating budget.

<u>Position</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>600</u>	<u>700</u>	<u>Total</u>
Grants, Claims							40.0	\$40.0
TOTALS							40.0	\$40.0

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act...awards program..recognize waste reduction & recycling....." BRU: _____
 Sponsor: Rep Brown etc. Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 2/15/90
 Approved by Commissioner: David Hoffman Date: 2-15-90
 Agency: Community & Regional Affairs

Distribution (by preparer):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget.
 Impacted Agency(ies)

HB

41800

HOUSE COMMITTEE REPORT

FILE

(11)

Date Referred: March 7, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/12/90

The FINANCE Committee considered:

HB 480

HOUSE BILL NO. 480

LOANS FOR SOLID WASTE MANAGEMENT

"An Act authorizing loans for solid waste management projects from the clean water fund."

RECOMMENDATIONS:

be replaced with

CS AB 480 (CIRA)

the same title
 a new title

have attached amendment(s)

do pass

do not pass

no recommendation

individual recommendations

additional referral to the _____ Committee

ADOPTS:

_____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

(Dept)

APPROVES PREVIOUS:

(Date/Dept)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

zero with analysis _____

zero fn/analysis 3/7/90/ DEC

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

[Signature] Hoffman
[Signature] Swackhammer
[Signature] Brown
[Signature] Koponen
[Signature] Umer

	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Larson	X		
<u>[Signature]</u> Barnes	X		
<u>[Signature]</u> Rieger		✓	

[Signature] Larson
 Co-Chairman's Signature
[Signature] Hoffman

STATE OF ALASKA
1990 LEGISLATIVE SESSION

No. 1
BILL VERSION: CSHB 480(C&RA)
PUBLISH DATE: HOUSE 3/7/90

FISCAL NOTE

REQUEST:

Revision Date:	Agency Affected: <u>Environ Conservation</u>
Title: <u>An Act authorizing loans for solid waste management</u>	BRU: <u>Facility Construction & Operation</u>
Sponsor: <u>Representative Boyer</u>	Components: <u>Facility Construction & Operation</u>
Requestor: <u>H. Community & Regional Affairs</u>	

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

The department does not require any additional operating revenues to administer this program. To make the loan program possible will require capitalization by the Legislature. The department has currently identified approximately \$20 million in community solid waste needs.

Prepared by: Gary Hayden
Division: Facility Construction & Operation

Phone: 465-2610
Date: 2/15/90

Approved by Commissioner: *AD Kyle*
Agency: Department of Environmental Conservation

Date: 2/15/90

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Adopted

Original sponsor(s): REP. BOYER, Brown, Ulmer, Finkelstein, Ellis,
Koponen, M.Davis, Kubina, Goll, Menard, Jacko

1 IN THE HOUSE BY THE C&RA COMMITTEE

2 CS FOR HOUSE BILL NO. 480 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing loans for solid waste management
7 projects from the clean water fund."

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

9 * Section 1. AS 46.03.032(d) is amended to read:

10 (d) Except as otherwise limited by federal law, the Alaska clean
11 water fund may be used for [THE FOLLOWING:]

12 (1) buying or refinancing treatment works and solid waste
13 management debt obligations of municipalities;

14 (2) planning, designing, building, constructing, and reha-
15 bilitating facilities associated with solid waste management and
16 public sewage collection, treatment, and discharge facilities;

17 (3) constructing, equipping, modifying, improving, and
18 expanding solid waste management and public water supply, treatment,
19 and distribution systems;

20 (4) guaranteeing or purchasing insurance for public agency
21 obligations related to solid waste management and treatment works
22 construction.

23 * Sec. 2. AS 46.03.032(j) is amended to read:

24 (j) A loan made by the department must be made according to the
25 standards, criteria, and procedures established by regulations under
26 this section. In making a loan from the Alaska clean water fund for a
27 solid waste management facility, the department shall give priority to
28 a project that will alleviate severe health or environmental concerns
29 in the community or region proposing the facility. In addition, the

1 department may consider

2 (1) the extent of local or regional support for the pro-
3 posed facility; and

4 (2) the extent to which the applicant can demonstrate that
5 the full range of solid waste management options has been reasonably
6 considered and that the proposed facility is consistent with the
7 promotion of the solid and hazardous waste management practices in the
8 following order of priority:

9 (A) waste source reduction;

10 (B) recycling of waste;

11 (C) waste treatment; and

12 (D) waste disposal.

13 * Sec. 3. AS 46.03.032 is amended by adding a new subsection to read:

14 (o) In this section, "solid waste management facility" includes
15 capital improvements and equipment used for the purpose of solid and
16 hazardous waste source reduction, recycling, treatment, or disposal.

ALASKA CLEAN WATER FUND

- STATE REVOLVING LOAN FUND**

- AVAILABLE TO INCORPORATED MUNICIPALITIES**

- PURPOSE TO HELP THROUGH LOW INTEREST LOANS CONSTRUCTION OF:**
 - * Water Supply Facilities**

 - * Wastewater Treatment Facilities**

HISTORY

- 1972 FEDERAL CLEAN WATER ACT SET UP A FEDERAL CONSRUCTION GRANTS PROGRAM FOR WASTEWATER TREATMENT
- ALASKA COMMUNITIES HAVE RECEIVED OVER \$177 MILLION IN GRANTS
- CURRENT FEDERAL AUTHORIZATION FOR PROGRAM IS \$2.4 BILLION
- * ALASKA'S ANNUAL ALLOTMENT HAS BEEN ABOUT \$14 MILLION
- 1987 CONGRESS AMENDED CLEAN WATER ACT
- * PHASED OUT GRANT PROGRAM
- * REPLACED WITH STATE LOAN PROGRAMS
- * CONGRESS PROVIDED CAPITALI-ZATION MONEY TO START STATE FUNDS
- * FEDERAL GRANT & 20% STATE MATCH

ALASKA'S RESPONSE

- **1987 SB 167 ESTABLISHED THE ALASKA CLEAN WATER FUND**
- **CAPITALIZATION OF FUND**
 - * **FEDERAL GRANT**
 - * **STATE MATCH**
 - * **STATE APPROPRIATIONS**
- **ALASKA'S PROGRAM IS BROADER THAN FEDERAL**
 - * **FEDERAL LIMITED TO WASTEWATER TREATMENT**
 - * **STATE PROGRAM COVERS WATER SUPPLY FACILITIES IN ADDITION TO WASTEWATER**
- **FEDERAL/STATE MATCH PROJECTS CARRY MANY MORE ADMINISTRATIVE PROCEDURES AND REQUIREMENTS**

PROGRAM SPECIFICS

- **TYPES OF ASSISTANCE**
 - **LOANS**
 - **REFINANCING (LIMITED)**

- **20 YEAR AMORTIZATION PERIOD**

- **INTEREST RATES KEYED TO MUNICIPAL BOND INDEX**
 - **66% OF INDEX**
1992
 - **75% OF INDEX**

- **COMMUNITY MUST IDENTIFY A DEDICATED SOURCE OF REVENUE FOR PAY BACK OF LOAN**

STATUS REPORT

- FEDERAL/STATE MATCH PROGRAM

- * Required 20% state funds appropriated**
- * Program reviewed and approved by EPA**
- * First \$10 million grant agreement signed**
- * 18 AAC 76 regulations adopted**
- * Expect first two loans soon**
- * Completing other in-house activities**
- * Communities indicate \$96 million in needs**

- STATE APPROPRIATION

- * 18 AAC 77 regulations adopted**
- * Zero balance, no funds appropriated**
- * Communities' response indicates interest in over \$40 million for projects**

2/15/90

HB 480 - Loans for Solid Waste Management

Under HB 480, the Alaska Clean Water Fund, established by the legislature in 1987 to finance water and wastewater treatment facilities through low interest loans, would be expanded to finance solid waste facilities.

Communities could borrow funds to develop solid waste facilities (e.g., landfills, incinerators) as well as finance recycling equipment (e.g., balers, glass crushers).

In awarding loans for solid waste management facilities, the Department of Environmental Conservation would consider

- the extent to which the proposed solid waste facility met the needs of multiple communities; evidence of local support;
- the number of individuals that would benefit from the proposed solid waste facility;
- the severity of environmental or public health concerns relating to existing solid waste management practices; and
- the extent to which the applicant can demonstrate that the full range of solid waste management options have been reasonably considered and that the proposed solid waste facility is consistent with the promotion of solid waste management practices in the following order of priority:
 - waste source reduction
 - recycling
 - waste treatment
 - disposal

TO: Representative Kay Brown
FROM: Eric F. Myers *efm*
DATE: 4/22/89
SUBJ: DEC Clean Water Fund

In 1972, the federal Clean Water Act established a federal construction grants program for wastewater treatment facilities. Since its inception, Alaska communities have received over \$177 million in grants.

In 1987 the US Congress amended the Clean Water Act to phase out the existing grants program and replace it with state low interest loan programs. Congress also offered capitalization funding for the state loan programs, provided a 20% state match. In response, the Alaska legislature enacted SB 167 to establish the Alaska Clean Water Fund.

When SB 167 was passed, the legislature chose to establish two distinct accounts within the Alaska Clean Water Fund:

- a "federal account" - this account responds to the Congressional amendments to the Clean Water Act and serves as a repository for the federal funds and the required state match - can only be used to finance wastewater treatment projects; and
- a "state account" - funded entirely with state funds - can be used for broader purposes than the federal account, including water supply facilities in addition to wastewater facilities

Assistance under the Alaska Clean Water Fund is only available to municipalities. The types of assistance under the Alaska Clean Water Fund are the same for both the federal account and state account and include:

- loans, and
- refinancing (limited)

Terms of the loans:

- 20 year amortization
- interest keyed to municipal bond index
- community must identify dedicated revenue stream to pay back loan

After the state established the the federal account, the department has received \$10 million from the feds and the state match has been funded. Communities have indicated a demand of \$96 million for financing from the "federal account".

The state account has never been capitalized and presently has a zero balance. Communities have indicated a demand of approximately \$40 million for financing from the "state account".

Representative Leman has proposed capitalizing the "state account" in the amount of \$10 million. A copy of the community requests to DEC for financing through the "state account" is attached showing in excess of \$10 million for Anchorage alone.

**FY 90 CAPITAL BUDGET REQUESTS
ALASKA CLEAN WATER FUND LOAN PROGRAM**

ED	<u>Community</u>	<u>Project Name:</u>	<u>Amount</u>	<u>Cumulative</u>
1	Ketchikan	STP Upgrade	200,000	200,000
2	Craig	Water Treatment Plant	200,000	400,000
2	Yakutat	Water & Sewer Project	558,000	958,000
4	Juneau	Back Loop I- Water	2,951,200	3,909,200
4	Juneau	Indian Point - Water	2,034,900	5,944,100
4	Juneau	West Valley Industrial - Water	404,600	6,348,700
4	Juneau	Back Loop II - Water	1,571,500	7,920,200
4	Juneau	Crow Hill Reservoir & Pump Station	3,143,000	11,063,200
4	Juneau	Lena Point - Water	3,094,000	14,157,200
5	Homer	Spit Waterline	660,531	14,817,731
7	Anchorage	Various Water Projects	4,747,000	19,564,731
7	Anchorage	Anchorage Wastewater Projects	5,794,091	25,358,822
16	Matsu Borough	Houston Septage Station	150,000	25,508,822
20	Fairbanks	East Side Water Replacement - Phase	1,000,000	26,508,822
20	Fairbanks	Ht Temp/Wste Heat Recovery	432,500	26,941,322
20	Fairbanks	Septage Receiving Station	210,000	27,151,322
20	Fairbanks	E.M. Jones Sewer & Water Extension	4,500,000	31,651,322
20	Fairbanks	Industrial Prk Water & Sewer	850,000	32,501,322
20	Fairbanks	Infiltration/Inflow Reduction	750,000	33,251,322

TABLE II

**FY 90 CAPITAL BUDGET REQUESTS
ALASKA CLEAN WATER FUND LOAN PROGRAM**

<u>ED</u>	<u>Community</u>	<u>Project Name:</u>	<u>Amount</u>	<u>Cumulative</u>
20	Fairbanks	Ft. Wainwright Interceptor Rehab. Ph II	250,000	33,501,322
20	Fairbanks	International/ Industrial Ave Sewer	625,000	34,126,322
20	Fairbanks	Techite Sewer Pipe Replacement - Ph	2,000,000	36,126,322
20	Fairbanks	Davis Rd. Sewer and Water Extension	800,000	36,926,322
22	North Slope Borough	Pt. Lay Public Facilities Water &	150,000	37,076,322
22	North Slope Borough	Pt. Hope Restroom Upgrade for	150,000	37,226,322
22	North Slope Borough	Wainwright Washeteria Upgrade	375,000	37,601,322
22	North Slope Borough	Kaktovik Public Facilities Water	125,000	37,726,322
23	Nome	Icy View Water & Sewer, Nome STP	1,450,000	39,176,322
26	Bristol Bay Borough	King Salmon Sewer	4,144,000	43,320,322

FE/start
bill file
bill going
in or
Wed.

IMPROVING ALASKA SOLID WASTE MANAGEMENT

Proposals for the 1990 Legislative Session

Step 1. Adopt a Preferred Management Hierarchy for Solid Waste Management, as follows: waste reduction is the first priority, recycling/reuse is second, waste treatment is third, and lastly disposal.

Step 2. Promote Hierarchy through State & Local Planning

Establish State Goals and Objectives for Reduction, Recycling & Solid Waste Management

Provide Financial & Technical Planning Assistance for Local Communities/Regions

Promote Consideration of the Preferred Hierarchy in Solid Waste Permitting Process

Step 3. Promote Hierarchy at the Consumer Level

Develop Public Education Efforts (e.g. School Recycling Award Program)

Areas for Study & Possible Future Action

Ban Specific Products

Promote Collection of Recyclables - e.g. a "Bottle Bill"

Promote Separate Mgt. of Troublesome Wastes - e.g. deposits on car batteries

Strengthen Markets for Goods Containing Recyclables - e.g. surcharges on use of virgin materials

Restrict on Disposal Options

Ensure Labelling to Facilitate Recycling & Better Consumer Decisions

Step 4. Promote Hierarchy within State Agencies

Establish State Procurement Preferences & Purchase Requirements

Implement State Agency Waste Reduction and Recycling

Step 5. Provide Financial Assistance for Comprehensive Solid Waste Management

Expand Authority in Clean Water Fund for Financing Local Solid Waste Management & Recycling Capital Facilities

Adequately Fund:

- 50:50 Matching
- Village Safe Water
- Clean Water Fund for Local Solid Waste Management & Recycling Capital Facilities

Provide Financial Support through Existing Mechanisms for Community-Based Solid Waste Management & Recycling Operating Costs

January 30, 1990

Waste Reduction/Recycling School Awards Program

A Waste Reduction/Recycling Awards program is established.

- In consultation with the Commissioner of Education, the DEC develops an awards program to recognize waste reduction and recycling efforts in the state's schools grades kindergarten through high school.
- DEC develops guidelines for school waste reduction and recycling program and provides technical assistance upon request concerning opportunities to reduce and recycle waste generated in administrative offices, classrooms, laboratories, cafeterias, and maintenance operations.
- In evaluating school waste reduction and recycling programs, DEC may group schools according to geographic location, student population, distance to recyclable markets, or other appropriate criteria.
- Annual recognition awards (maximum \$10,000) are made to the school or schools that have achieved the highest level of waste reduction and recycling.

Expanding the Clean Water Fund to Include Solid Waste

∴ The Alaska Clean Water Fund, established by the legislature in 1987 to finance water and wastewater treatment facilities through low interest loans, would be expanded to finance solid waste facilities:

- Communities could borrow funds to develop solid waste facilities (eg, landfills, incinerators) or acquire recycling equipment (eg, paper balers, glass crushers).
- As a condition of the loan, applicants would demonstrate consideration of the preferred hierarchy of solid waste management: waste source reduction first, recycling and reuse second, waste treatment third; and disposal last.
- In awarding loans for solid waste management facilities, the department would consider the extent to which the facility met the needs of multiple communities; evidence of local support; number of individuals benefitting; and the severity of environmental or public health concerns relating to existing solid waste management practices.

What Happens to Our Garbage?

Currently, only 11 percent of the nation's waste is recycled. Most of the rest is put in landfills.

	Million tons per year	Percent
Material Recycling	17	11
Incineration with Energy Recovery	10	6
Incineration without Energy Recovery	5	3
Landfilling, Other	126	80
Total	158	100

Source: Environmental Protection Agency. Data are for 1986.

as we've seen with newsprint, your assumptions can go drastically awry in a matter of a couple of months. So it seemed to us that the best way to treat this whole issue of the numbers involved in recycling was to say that it's clear that we can do a lot more."

Waste problem still demands more than just recycling

As all but the most extreme environmentalists acknowledge, recycling by itself cannot solve America's solid-waste problem. Even Japan and Sweden, nations that are well ahead of the United States in recycling, use incinerators and landfills. There is little doubt that the United States, too, will have to continue to do so.

But the nation's landfills are filling up. Since 1978, according to EPA, 14,000 landfills — 70 percent of the landfills that were then in operation — have closed. Of the estimated 5,500 landfills in operation last year, EPA projects that only about 3,300 will still be operating in 1993. In New Hampshire, Massachusetts, New Jersey and Florida, virtually all of the currently operating municipal solid-waste landfills will be closed within a decade.³⁶ States, particularly in the Northeast, have been increasingly transporting their waste out-of-state. New Jersey, for instance, last year exported 55-60 percent of its waste — primarily to Pennsylvania, but also to Ohio, West Virginia, Connecticut, New York and Kentucky.³⁶

As a result of the diminishing landfill space and the increasing amounts of waste generated, there's been a growing interest during this decade in waste-to-energy plants, in which garbage is burned to produce steam or electricity. A 1988 survey by the U.S. Conference of Mayors' National Resource Recovery

Association found 107 waste-to-energy plants already in operation. Fifty more facilities were under construction or in advanced stages of planning. Most of the plants were so-called "mass-burn" incinerators in which unprocessed solid waste is fed into a furnace.*

In the mid-1980s, promoters of waste-to-energy technology predicted that incineration could take care of 40 percent of the nation's municipal solid waste by the turn of the century.³⁷ Such estimates have had to be revised downward, however. In many cities, mass-burn plants ran into a lot of public opposition. Critics raised concerns about air emissions and the toxicity of the ash produced. Burning refuse reduces its volume, but the ash that is left over contains toxic materials that must be disposed of somewhere. The industry said the potential risks were very small and would be safely guarded against. Nevertheless, since 1985, orders for some 40 mass-burn plants have been canceled, according to mass-burn foe Neil Seldman of the Institute for Local Self-Reliance.³⁸

Waste-to-energy technology is still likely to play a significant role in waste management. It's "definitely premature" to write an obituary for mass-burn incineration, says Levenson. "There are certainly more mass-burn incinerators that are coming on line and that are being constructed today, and there are more that are being considered." He thinks mass-burn incinerators may eventually take care of 20 percent or more of the waste stream.

Richard Sweetnam, an analyst who follows the waste-to-energy industry for Kidder, Peabody & Co., a New York investment banking firm, says there is "a lot of optimism" about the industry's future, even though it's currently doing only "fair." The rate of new orders for plants has been well below the levels in 1985 and 1986. That falloff, he says, has to do with the new attention being paid to recycling. "I think recycling is playing a larger part in the equation, and municipalities are deferring plans for incineration in favor of trying to go ahead and get recycling at least started before incineration's considered more actively as an option."

National environmental organizations acknowledge that incineration will have a part in solving the nation's municipal solid-waste problem. "For the substantial amounts of waste that can be expected to remain even after maximum recycling, reliance on landfilling and incineration will continue, so their significant health and environmental risks must be directly addressed," says Richard A. Denison, a scientist for the Environmental Defense Fund's toxic chemicals and solid

Continued on p. 662

*Of the 107 waste-to-energy facilities in operation in 1988, 82 were mass-burn plants; 39 more mass-burn plants were under construction or in advanced stages of planning. Waste-to-energy plants also include Refuse-Derived Fuel (RDF) plants, in which waste is processed before burning. A typical plant will remove non-combustible items, separating glass and metals for recycling, and shred the combustible waste into a smaller, more uniform particle size for burning. The RDF is burned in boilers either on-site or elsewhere.

AT ISSUE *Can most solid waste be recycled?*

YES says **BARRY COMMONER**, director of the Center for the Biology of Natural Systems.

Recycling is often regarded as a good thing to do because it conforms with the "no waste" rule of ecology. Guided by this purpose, people are content to do some recycling, perhaps of newspapers, cans, and bottles. A state such as New Jersey is regarded as ecologically well-motivated because it mandates 25 percent recycling.

But this is the wrong approach.

Of course, recycling is ecologically sound, but its purpose is to solve the trash disposal crisis — to provide an alternative to the environmentally hazardous trash-burning incinerators and landfills burdened with their toxic ash. This calls for intensive recycling, a system aimed not at a few targets of opportunity but at the *total* trash stream.

Intensive recycling recognizes that about 90 percent of the trash is recyclable and that much of the remaining 10 percent — plastics, for example — ought to be eliminated from the trash stream.

In this way, intensive recycling becomes the method of trash disposal, eliminating the need for incineration and greatly reducing the toxic burden on landfills.

Can this be done? The answer is yes: we at the Center for the Biology of Natural Systems have just shown, in a pilot test for the town of East Hampton, Long Island, that intensive recycling can recover 84.4 percent of residential trash in the form of marketable products: compost prepared from the household-separated food garbage and yard waste; various grades of paper separated at a materials recovery facility (MRF) from a second household container; aluminum cans, tin cans, and color-sorted glass also separated at the MRF from a third household container. The fourth container holds the non-recyclables, 13.2 percent of the total in our pilot test. This figure, plus misclassified rejects amounting to 2.4 percent of the total trash, leads to the 84.4 percent actually recovered.

Widely adopted, intensive recycling would generate assured supplies of paper, metals, and glass that could be sold to users at a relatively low price, or even given away, because each ton recycled saves the community the high and rising cost of landfilling or incinerating a ton of unseparated trash.

Since manufacturers prefer recycled materials because they are cheaper than virgin products, they will respond by progressively moving toward maximum . . . use of recycled materials, creating, at last, the recycling society.

From EPA Journal, March-April 1989.

NO says **DAVID W. BIRKS**, past president of the National Resource Recovery Association.

Today, every place is somebody's backyard. And the NIMBY [Not in My Back Yard] syndrome is just one of many troublesome public perceptions. There's also the perception that local solid waste managers are giving disproportionate attention to solid waste combustion to the detriment of materials recovery, or recycling. And there's the perception, encouraged by a tiny but highly vocal minority, that we could recycle virtually *all* waste, if only we would try hard enough. Or at least we could recycle enough to make solid waste combustion unnecessary.

Neither perception has much validity. . . .

We [at the National Resource Recovery Association] define resource recovery as *both* materials and energy recovery, because we regard both the materials and the energy in our waste streams as natural resources worthy of wise management. And *resource* recovery is the only mechanism that can move us . . . from the status quo, in which we are predominantly landfill dependent. . . .

In the status quo, somewhere between five and 20 percent of our waste is being recycled. The rest is going to the landfill. Given that status quo, a typical community with a population of a half million that produces 2,000 tons per day of trash today will require a 240 acre landfill . . . by the year 2010.

About half of that trash is potentially recyclable, however. And reclaiming and recycling 80 percent of that, a significant accomplishment, would effectively handle 40 percent of the total waste stream. That's about the most we can reasonably expect to recycle, and we may be decades away from [that]. . . .

[By] recycling 25 to 40 percent of its trash and incinerating whatever is left that is combustible, [the typical community] would then need only enough landfill capacity for its noncombustible wastes (like construction and demolition debris) and for its incineration ash, which is biologically inert. The required landfill is reduced, then, to just about 50 acres. . . .

Recycling and solid waste combustion are compatible techniques which solid waste managers can use in tandem to reduce their dependence on landfills. In fact, they're more than compatible: they're complementary. Removing recyclable non-combustibles from the waste stream prior to incineration improves the waste's fuel value. . . . Recycling more means burning less, which yields fewer total emissions and less ash for landfill disposal. And the improved combustion efficiency attained by burning waste with a better fuel value reduces emissions, too. . . .

From Solid Waste & Power, June 1988.

Continued from p. 660

waste programs. "Proper design of facilities using [the] best available technology is critical. . . [A]dvanced combustion systems and state-of-the-art air pollution controls, coupled with restrictions on the kinds of waste that may be burned can reduce air pollution significantly. With respect to incinerator ash, provision for chemical or physical treatment and separate disposal of the ash in lined landfills must be integral parts of any incinerator project."³⁹

EPA is supposed to propose regulations for municipal solid-waste incinerators this year. The regulations "will certainly be more stringent," says Levenson. "They'll probably require some kind of best-available technology, such as the use of scrubbers and baghouses [both of which are emission-control devices]." Levenson says it's also possible that EPA may require communities to have recycling programs in place before they can get a permit for an incinerator and require that there be source separation before material goes into the incinerator. Keeping metals such as lead and cadmium, and products and materials containing them, out of the incinerator would reduce the toxicity and volume of the incinerator ash.

Stringent regulations, toughly enforced, might allay people's fears about the hazards of waste-to-energy plants. But that may not make finding sites for such plants much easier. Indeed, as government officials across the country have learned, it's not easy to persuade those who live in the vicinity to accept intrusive facilities — whether it's a mass-burn plant, a new landfill or even a recycling center. It's the NIMBY (Not In My Back Yard) phenomenon,* and it's probably the biggest obstacle preventing communities from finding solutions to their waste problems.

Public officials hope that stepping up recycling efforts will help overcome public resistance to siting garbage facilities. At the same time, many experts worry that the public views recycling as a panacea. "Recycling certainly has its place," says Robert Gould, editor of the *Resource Recovery Yearbook*. "But I think a lot of people naively think that if they recycle everything, they won't need landfills and waste-to-energy plants anymore. That's clearly not the case anywhere in the world."⁴⁰

NOTES

- ¹ According to a Gallup Poll conducted in May 1989.
- ² The advertising insert was sponsored by the Council for Solid Waste Solutions, an affiliate of the Society of the Plastics Industry. The insert appeared in the July 17, 1989, issue of *Time*.
- ³ Holly Brough, "Why the Recycled Newspaper Bust?" *World Watch*, November-December 1989, p. 31. Worldwatch Institute is a research organization in Washington, D.C., that focuses on environmental, energy, food, population and peace issues.
- ⁴ See Environmental Protection Agency, *The Solid Waste Dilemma: An Agenda for Action, Background Document*, September 1988, p. 1-14.
- ⁵ U.S. Congress, Office of Technology Assessment, *Facing America's Trash: What Next for Municipal Solid Waste?*, October 1989, p. 136.
- ⁶ Franklin Associates Ltd., *Characterization of Municipal Solid Waste in the United States, 1960 to 2000 (Update 1988)*, March 30, 1988, p. 18.
- ⁷ *Ibid.*, op. cit., pp. 17, 21-23.
- ⁸ Theresa Allan, Brenda Platt and David Morris, *Beyond 25 Percent: Materials Recovery Comes of Age*, Institute for Local Self-Reliance, April 1989, p. 13.
- ⁹ *Ibid.*, op. cit., pp. 7, 12, 26-27, 116.
- ¹⁰ Stated by Jonathan Z. Cannon, EPA's acting assistant administrator for solid waste and emergency response, in testimony July 12, 1989, before House Energy and Commerce Committee's Subcommittee on Transportation and Hazardous Materials.
- ¹¹ Marian R. Chertow, *Garbage Solutions: A Public Official's Guide to Recycling and Alternative Solid Waste Management Technologies* (paperback, 1989), pp. 65-66. The book was published by the National Resource Recovery Association, U.S. Conference of Mayors.
- ¹² *Ibid.*, pp. 13, 66.
- ¹³ Office of Technology Assessment, op. cit., p. 21.
- ¹⁴ Martin V. Melosi, *Garbage in the Cities: Refuse, Reform, and the Environment, 1880-1980* (1981), p. 16.
- ¹⁵ *Ibid.*, pp. 20-21.
- ¹⁶ *Ibid.*, pp. 21-22, 36, 40.
- ¹⁷ *Ibid.*, pp. 40-41.
- ¹⁸ *Ibid.*, pp. 50, 69.
- ¹⁹ *Ibid.*, p. 70.
- ²⁰ *Ibid.*, p. 71.
- ²¹ *Ibid.*, p. 72.
- ²² *Ibid.*, pp. 156-157.
- ²³ *Ibid.*, pp. 162, 164.
- ²⁴ *Ibid.*, pp. 181-184.
- ²⁵ *Ibid.*, pp. 186-187.
- ²⁶ Cited by Melosi, *ibid.*, p. 192.
- ²⁷ *Ibid.*, p. 210.
- ²⁸ *Ibid.*, pp. 194, 199-200, 214, 219-221.
- ²⁹ Environmental Protection Agency, *The Solid Waste Dilemma*, op. cit., p. 2.E-3.
- ³⁰ *Ibid.*, pp. 2.B-2, 2.B-3.
- ³¹ Quoted by Melosi, op. cit., pp. 222-223.
- ³² Office of Technology Assessment, op. cit., p. 194.
- ³³ *Ibid.*, p. 331; Chertow, op. cit., p. 55.
- ³⁴ Office of Technology Assessment, op. cit., p. 331.
- ³⁵ Environmental Protection Agency, op. cit., pp. 2.E-3, 2.E-4.
- ³⁶ Office of Technology Assessment, op. cit., pp. 274-275.
- ³⁷ Cynthia Pollock, *Mining Urban Wastes: The Potential for Recycling*, Worldwatch Paper 76, April 1987, p. 17.
- ³⁸ Neil Seldman, "Mass Burn is Dying," *Environment*, September 1989, p. 42.
- ³⁹ "Are Landfills and Incinerators Part of the Answer? Three Viewpoints," *EPA Journal*, March-April 1989, p. 24. Denison contributed one of the three "viewpoints."
- ⁴⁰ Quoted in "Managing Our Waste," *Governing*, September 1989, p. 12A.

*For background, see "Not in My Back Yard!," *E.R.R.*, 1989 Vol. 1, pp. 305-319.

Graphics: Cover, Margaret Scott; pp. 653, 656, 658, 660, S. Dmitri Lipczenko.

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 14, 1990

POSITION PAPER

RE: House Bill 480

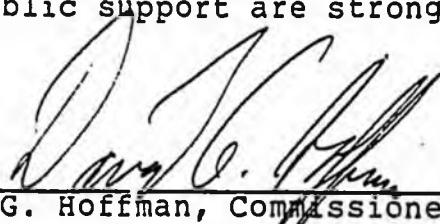
SPONSORS: Representatives Boyer, Brown, Ulmer, Finkelstein, Ellis, Koponen, M.Davis, Kubina, Goll, Menard.

Effects of the Bill

HB 480 authorizes loans for solid waste management projects from the clean water fund and requires the Department of Environmental Conservation (DEC) to take into account, among other factors, the extent to which applicants have considered source reduction and recycling.

Comments

The bill requires applicants to demonstrate that proposed solid waste management facilities are consistent with the principles of integrated solid waste management, with source reduction and recycling occurring before landfilling. DEC is required to consider the extent to which proposed facilities will serve more than one community, thus providing some incentive for the consideration of regional solid waste management facilities where appropriate. The agency is also required to consider the extent of local support for proposed solid waste management facilities, as well as the extent to which the proposed facility would alleviate severe environmental or public health concerns in the community or region. Thus, funds can be directed to areas where need and public support are strongest.



David G. Hoffman, Commissioner

July 1, 1980. However, the department may grant a municipality up to 60 percent of the eligible costs not paid for by the federal government for a solid waste processing or disposal facility constructed after July 1, 1980, if the facility is used for resource recovery. The eligible costs of a solid waste processing or disposal facility are determined by the federal agency granting the most monetary assistance for construction of the facility. For a solid waste processing or disposal facility for which federal money is not available, the department shall determine the eligible costs in accordance with (d) of this section. A municipality shall construct solid waste processing or disposal facilities financed by grants under this section according to plans and specifications approved by the department.

(f) The department may make a grant to a municipality for the eligible costs of programs and facilities for enhancing or protecting the water quality of streams, lakes, waterways, and other bodies of water if the costs are incurred after July 1, 1986. The grant may not exceed 50 percent of the eligible costs unless the department finds that the program or facility is needed to avert an immediate hazard to health, in which case the grant may be up to 100 percent of the eligible costs. Eligible costs are those not financed by the federal government and include costs of testing, research, education, enforcement, and clean-up programs for the purpose of discovering and solving existing or potential water pollution problems. A grant may be made under this subsection only for a water enhancement program approved by the department. (§ 3 ch 120 SLA 1971; am §§ 2, 19 ch 220 SLA 1976; am §§ 30, 31 ch 168 SLA 1978; am §§ 1-4 ch 163 SLA 1980; am §§ 1, 2 ch 90 SLA 1986; am §§ 1 — 3 ch 40 SLA 1987)

Effect of amendments. — The 1986 amendment in subsection (c) inserted "water quality enhancement," and inserted a comma following "sewerage," and added subsection (f).

The 1987 amendment substituted "program and water supply, sewage" for "water supply, sewerage"; in subsection

(d) substituted "that" for "which" in the first sentence and substituted "or repair" for "repair or replacement" in the last sentence; and in the first sentence of subsection (e) substituted "that" for "including costs of obtaining federal waivers from the requirement for secondary treatment plants, which."

Sec. 46.03.032. Alaska clean water fund. (a) There is established as a separate fund the Alaska clean water fund, which is distinct from any other money or fund in the treasury, and which consists of money appropriated by the legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments, and interest received from investment of money in the clean water fund.

(b) The department shall administer the Alaska clean water fund.

(c) The department may accept and make use of all capitalization grants provided by the federal government under the federal Clean

(d) Except as otherwise limited by federal law, the Alaska clean water fund may be used for the following:

(1) buying or refinancing treatment works debt obligations of municipalities;

(2) planning, designing, building, constructing, and rehabilitating facilities associated with public sewage collection, treatment, and discharge facilities;

(3) constructing, equipping, modifying, improving, and expanding public water supply, treatment, and distribution systems;

(4) guaranteeing or purchasing insurance for public agency obligations related to treatment works construction.

(e) Repayment of loans must be secured in a manner that the department determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower.

(f) The department may spend money from the fund to pay the costs of administering the fund.

(g) A municipality wishing to borrow money from the fund must demonstrate to the satisfaction of the department,

(1) sufficient legal authority to incur the debt for which it is applying; and

(2) that it will establish and maintain a dedicated source of revenue or other acceptable revenue source for repayment of the loan.

(h) Allocation of Alaska clean water fund loans must be made in accordance with the priority list developed by the department, using criteria specified in regulations adopted by the department.

(i) Before making a loan from the Alaska clean water fund, the department shall, by regulation, specify

(1) standards for the eligibility of borrowers and the type of projects to be financed with loans;

(2) loan term and interest rate policies for loans made from the fund;

(3) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;

(4) collateral or other security required for loans;

(5) terms of loans; and

(6) other relevant criteria, standards, or procedures.

(j) A loan made by the department must be made according to the standards, criteria, and procedures established by regulations under this section.

(k) The department shall prepare reports required by the federal government in conjunction with federal capitalization grant award conditions. The department shall also provide the Alaska legislature with an annual report on the Alaska clean water fund on or before the first day of each legislative session.

HB

481

HOUSE COMMITTEE REPORT

FILE

(11)

Date Referred: February 23, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/12/90

The FINANCE Committee considered:

HB 481

HOUSE BILL NO. 481

PROCUREMENT PREFERENCE/RECYCLED PRODUCTS

"An Act relating to state procurement of recycled paper and other products and to the state's use of paper; establishing a waste reduction and recycling task force; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 481 (FIN) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact Admin. fiscal note(s) _____
- zero fiscal note A. FIN. Cmte. zero fiscal note(s) _____
- zero with analysis _____ zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Swackhammer Swackhammer

Brown Brown

Koponen Koponen

Sumner Sumner

	Do Not Pass	No Rec	Amend
<u>Rieger</u> Rieger		✓	
<u>Hoffman</u> Hoffman		X	
<u>Larson</u> Larson		5	1-10
<u>Barnes</u> Barnes		✓	

Laura Hoffman Hoffman
CO Chairman's Signature

Ronald J. Larson Larson

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to State procurement of recycled paper and other products . . . BRU: General Services and Supply
 Sponsor: Finkelstein Components: Purchasing, Central Duplication
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.5	0	0	0	0	0
SUPPLIES	28.5	28.5	28.5	28.5	47.5	47.5
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLA:MS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	31.0	28.5	28.5	28.5	47.5	47.5
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	31.0	28.5	28.5	28.5	47.5	47.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	31.0	28.5	28.5	28.5	47.5	47.5

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This bill has a minimal impact on the purchasing activities of the Division of General Services and Supply, but is estimated to increase the contract cost paid for paper by Central Duplication and used by the executive branch. No impact is expected during FY 90. (See Attached Analysis)

Prepared by: Robert J. Link *Robert Link* Phone: 465-2250
 Division: General Services and Supply Date: 3/5/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 3/7/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Adopted

CONTINUATION of FISCAL NOTE ANALYSIS

For HB 481

We have no way to be certain how much paper is purchased by all agencies this bill would cover. Based on annual consumption records for various writing and printing paper master contracts, we estimate approximately \$1.3 million is purchased per year by the executive branch through bid contracts. In general, we believe that copy paper, bond paper, and ruled tablet type paper accounts for about \$650,000. Laser and computer paper constitutes another \$650,000.

Other types of paper products such as envelopes and janitorial total approximately .5 million.

For FY 91, 92, 93, and 94, Section 1 of this bill would require that 15 percent of all paper purchased to have recycled content, if available, and if the paper would not be more expensive than nonrecycled paper after application of a 10 percent preference. Section 2 of the bill will increase the quantity of paper requiring recycled content to 25 percent in FY 95 and thereafter.

Assumptions:

* Estimated annual cost of paper \$1,900,000

* FY 91-94 \$1,900,000 x 15% = \$285,000

If recycled paper is available and within 10 percent of nonrecycled, the cost impact of the product preference is estimated to be \$285,000 x 10% = \$28,500.

* FY 95 and beyond \$1,900,000 x 25% = \$475,000

If recycled paper is available and within 10 percent of nonrecycled, the cost impact of the product preference is estimated to be \$475,000 x 10% = \$47,500.

The increased cost to the State for purchase of paper with recycled content during the first four years of the preference at 15 percent recycled content is estimated to be \$28,500. Costs will increase to approximately \$47,500 per year beginning in FY 95. This preference could apply to other products beyond paper.

Section 4 of the bill will require the Department to develop the required amount of recycled content a product must have to qualify for the preference. The Department of General Services and Supply would enter into a consortium with other states through the National Association of State Purchasing Officials (NASPO) to commission ASTM to develop recycled paper specifications for states. Alaska's share of the one time cost would be \$2,500.

Section 6 of the bill will require State agencies to use both sides of paper when feasible. This should result in savings of paper, but there is no way to accurately predict the cost savings from the use of both sides of paper.

A S S U M P T I O N S
ANNUAL PAPER PRODUCT COSTS

	PRIOR YEAR COSTS	ESTIMATED ANNUAL COSTS
Xerox and Bond	\$425,000	\$600,000
Legal Pads	35,000	50,000
Pleading Paper	20,000	20,000
Computer Paper	204,000	300,000
Laser Paper	305,000	350,000
Card Stock	43,000	43,000
Envelopes	82,000	85,000
Janitorial	240,000	240,000
Food Service Paper	150,000	150,000
Boxes	20,000	25,000
	<hr/> \$1,569,000	<hr/> \$1,863,000

FISCAL NOTE

REQUEST:

Revision Date: 3/12/90 Agency Affected: Office of the Governor
 Title: "An Act relating ...: establishing a waste reduction and recycling task force..." BRU: Executive Operations
 Sponsor: Rep. Finkelstein, et al Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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 FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: House Finance Committee Phone: 465-3727
 Division: Co-Chairman Ron Larson *Ronald J. Larson* Date: 3/12/90
Co-Chairman Lyman Hoffman
 Approved by Commissioner: *Lyman Hoffman* Date: 3/12/90
 Agency: _____

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Adopted

Original sponsor(s): REP. FINKELSTEIN, Menard, Navarre, Ulmer, Brown, Boyer, Koponen, Boucher, Ellis, M.Davis, Swackhammer, Kubina, Goll

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 481 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state procurement of recycled
7 paper and other products and to the state's use of
8 paper; relating to the disposition of state property
9 that is recyclable; establishing a waste reduction
10 and recycling task force; and providing for an effective
11 date."

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

13 * Section 1. AS 36.30 is amended by adding a new section to article 1
14 to read:

15 Sec. 36.30.095. PROCUREMENT OF PAPER. Except as otherwise
16 required under AS 36.15.050 or AS 36.30.322 - 36.30.338, when a state
17 agency purchases paper, at least 15 percent of the quantity purchased
18 must be recycled paper unless the commissioner of the department in
19 which the agency is located makes a written finding that recycled
20 paper is not available for the purchase or that, after application of
21 the procurement preference under AS 36.30.339, the recycled paper is
22 more expensive than the nonrecycled paper. If the agency is not
23 located in a department, the procurement officer for the agency shall
24 make the written finding. If the agency is located in the Office of
25 the Governor, the governor shall make the written finding.

26 * Sec. 2. AS 36.30.095 is repealed and reenacted to read:

27 Sec. 36.30.095. PROCUREMENT OF PAPER. Except as otherwise
28 required under AS 36.15.050 or AS 36.30.322 - 36.30.338, when a state
29 agency purchases paper, at least 25 percent of the quantity purchased

1 must be recycled paper unless the commissioner of the department in
2 which the agency is located makes a written finding that recycled
3 paper is not available for the purchase or that, after application of
4 the procurement preference under AS 36.30.339, the recycled paper is
5 more expensive than the nonrecycled paper. If the agency is not
6 located in a department, the procurement officer for the agency shall
7 make the written finding. If the agency is located in the Office of
8 the Governor, the governor shall make the written finding.

9 * Sec. 3. AS 36.30.170(b) is amended to read:

10 (b) The procurement officer shall award a contract based on
11 solicited bids to the lowest responsive and responsible bidder after
12 an Alaska bidder preference of five percent, [AND] an Alaska products
13 preference as described in AS 36.30.322 - 36.30.338, and a recycled
14 products preference under AS 36.30.339 have been applied. In this
15 subsection, "Alaska bidder" means a person who

16 (1) holds a current Alaska business license;

17 (2) submits a bid for goods, services, or construction
18 under the name as appearing on the person's current Alaska business
19 license;

20 (3) has maintained a place of business within the state
21 staffed by the bidder or an employee of the bidder for a period of six
22 months immediately preceding the date of the bid;

23 (4) is incorporated or qualified to do business under the
24 laws of the state, is a sole proprietorship [,] and the proprietor is
25 a resident of the state, or is a partnership [,] and all partners are
26 residents of the state; and

27 (5) if a joint venture, is composed entirely of ventures
28 that qualify under (1) - (4) of this subsection.

29 * Sec. 4. AS 36.30 is amended by adding a new section to read:

1 ARTICLE 5A. PREFERENCE FOR RECYCLED PRODUCTS.

2 Sec. 36.30.339. PROCUREMENT PREFERENCE FOR RECYCLED PRODUCTS.

3 (a) In the evaluation of a bid or proposal for an agency procurement
4 of products, the agency shall decrease the bid or proposal by 10
5 percent if the bid or proposal indicates that the products being
6 purchased will be recycled products.

7 (b) A decrease made under (a) of this section is in addition to
8 other preferences allowed for the procurement.

9 (c) The department shall establish the minimum percentage of
10 recycled content that will qualify a product as a recycled product
11 under (a) of this section.

12 * Sec. 5. AS 36.30.900 is amended to read:

13 Sec. 36.30.900. PRODUCT PREFERENCES [PREFERENCE FOR ALASKA
14 PRODUCTS]. This chapter does not modify AS 36.15.010 and 36.15.020
15 regarding preference for Alaska forest products, or AS 36.15.050 and
16 36.15.060 regarding preference for Alaska agricultural and fisheries
17 products, except as provided in AS 36.30.170(b) and (c) and 36.30.339.

18 * Sec. 6. AS 44.68.110 is amended to read:

19 Sec. 44.68.110. DISPOSITION OF OBSOLETE OR SURPLUS STATE PROPER-
20 TY. The Department of Administration shall take possession of obso-
21 lete or surplus property of the state, including recyclable property,
22 for which there is no immediate or prospective use, except abandoned
23 or obsolete school buildings and other school property. It shall also
24 take possession of property, including recyclable property, remaining
25 in the control of a commission or board of the state government after
26 the commission or board stops functioning. The Department of Adminis-
27 tration shall sell, lease, license, or dispose of the property on the
28 terms it considers for the best interests of the state in conformance
29 with regulations adopted under AS 36.30 (State Procurement Code). In

1 this section, "recyclable property" means property that cannot be used
2 for its intended purpose in its present form, but that can be used to
3 create new property.

4 * Sec. 7. AS 44.99 is amended by adding a new section to read:

5 Sec. 44.99.020. USE OF PAPER. A state agency shall use both
6 sides of paper when feasible. In this section, "state agency" means a
7 department, institution, board, commission, division, authority,
8 public corporation, or other administrative unit of the executive,
9 legislative, or judicial branch of state government, including the
10 University of Alaska, the Alaska State Housing Authority, the Alaska
11 Railroad Corporation, and legislative committees.

12 * Sec. 8. WASTE REDUCTION AND RECYCLING TASK FORCE. (a) There is
13 established in the Office of the Governor the Waste Reduction and Recycling
14 Task Force.

15 (b) The task force consists of the governor, the commissioner of
16 administration, the commissioner of community and regional affairs, the
17 commissioner of environmental conservation, the commissioner of natural
18 resources, the commissioner of transportation and public facilities, one
19 person from the judicial branch appointed by the administrative director of
20 the judicial branch, one person from the legislative branch appointed by
21 the executive director of the legislative affairs agency, two persons from
22 the legislative branch appointed by the president of the senate, and two
23 persons from the legislative branch appointed by the speaker of the house
24 of representatives. If a task force member who is appointed by a presiding
25 officer of a house of the legislature is a legislator in the Sixteenth
26 Alaska State Legislature, but is not a legislator in the same house in the
27 Seventeenth Alaska State Legislature, the appointing authority for the task
28 force member may replace the task force member with another person. A
29 member of the task force may designate another person to represent the

1 member on the task force.

2 (c) The task force shall

3 (1) identify opportunities in state government to reduce waste,
4 increase the reuse and recycling of materials, and promote the purchase of
5 materials that are made of materials that have been recycled after consumer
6 use; and

7 (2) design plans to implement the opportunities identified in
8 (1) of this subsection.

9 (d) The task force shall submit to the legislature on or before
10 April 15 of 1991 and 1992, a report containing the opportunities identified
11 under (c)(1) of this section and the plans designed under (c)(2) of this
12 section.

13 (e) The task force shall terminate April 16, 1992.

14 * Sec. 9. Sections 1 and 3 - 5 of this Act apply to procurements that
15 begin on or after the effective date of secs. 1 and 3 - 5 of this Act.

16 * Sec. 10. Section 2 of this Act applies to procurements that begin on
17 or after July 1, 1994.

18 * Sec. 11. Section 2 of this Act takes effect July 1, 1994.

19 * Sec. 12. Section 8 of this Act takes effect immediately under AS 01.-
20 10.070(c).

INCORPORATED
IN
CS FIN
3/12/90

6-1988Ea
Bannister

Adopt.
3/2/90

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ULMER

TO: CSHB 481 (State Affairs)

Page 1, line 8, following "paper;":

Insert "relating to the disposition of state property that is recyclable;"

Page 3, following line 15:

Insert a new bill section to read:

"* Sec. 6. AS 44.68.110 is amended to read:

Sec. 44.68.110. DISPOSITION OF OBSOLETE OR SURPLUS STATE PROPERTY. The Department of Administration shall take possession of obsolete or surplus property of the state, including recyclable property, for which there is no immediate or prospective use, except abandoned or obsolete school buildings and other school property. It shall also take possession of property, including recyclable property, remaining in the control of a commission or board of the state government after the commission or board stops functioning. The Department of Administration shall sell, lease, license, or dispose of the property on the terms it considers for the best interests of the state in conformance with regulations adopted under AS 36.30 (State Procurement Code). In this section, "recyclable property" means property that cannot be used for its intended purpose in its present form, but that can be used to create new property."

(OVER)



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

March 2, 1990

To: Members of the House Finance Committee
From: David Finkelstein *DF*
Re: CS HB 481 (State Affairs)

The basic provisions of the bill are:

- establish a 10% price preference for recycled products in state procurement;
- require 15% (rising to 25% in 1994) of all paper purchased by the state be recycled paper unless the agency finds that recycled paper is not available or is not within the recycled product price preference;
- create a Waste Reduction and Recycling Task Force of twelve members from all three branches of government to identify areas in state government where waste can be reduced and reuse of materials can be increased; and
- set a policy for state agencies of using both sides of a sheet of paper, where feasible.

Attachments

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

February 21, 1990

MEMORANDUM

TO: Representative David Finkelstein

FROM: Linda J. Snow *LJSnow*
Legislative Analyst

RE: Availability of Recycled Paper
Research Request 90.237

You asked this agency to obtain information about the availability, comparative price, and quality of recycled paper.

Summary

Recycled paper products are currently less available and higher priced than virgin paper products. Demand for these products is growing however, and the industry is changing to meet this demand. Industry representatives anticipate a time lag of one to three years as new plants and facilities are built. Availability is expected to improve and price discrepancies to disappear as the industry responds to demand. The quality of recycled paper products has increased dramatically in the past few years, and nearly equals that of virgin paper products.

Availability

Recycled paper products are available to meet demand in most cases. The exception is bond and copy paper (office paper) made from recycled products. The reason for the shortage in office paper is threefold: first, not enough office paper is being recycled to use as raw material; second, very few paper mills have the ability to manufacture recycled paper; and third, very few plants have the ability to de-ink recycled paper. As the demand for recycled paper grows, these obstacles should diminish.

The federal government recently changed its procurement policy and now purchases recycled paper products (Sec. 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act). Many state governments have adopted this policy also.¹ A large supply of "waste paper"²

¹Personal communication with Ann Mattheis, Manager of Governmental Relations, American Paper Institute, Inc., February, 1990. Ms. Mattheis stated that 35 states have passed legislation requiring the use of recycled paper.

Representative Finkelstein
February 21, 1990
Page 3

which will likely resemble federal government specifications.⁵ These standard specification should be completed by year's end.

Other States' Experiences

According to Lee Cooper with the State of California, in that state, 18 to 25 percent of the state budget for paper products is used to buy recycled paper (with a cap of \$50,000). California regulations allow payment of a five percent premium to vendors for recycled paper, although a premium is not always paid. New York and New Jersey both allow a 10 percent bidder's preference for recycled paper products. Fifty percent of the paper products used by New York state are made from recycled materials.⁶

The State of Oregon has been purchasing recycled paper since 1977, according to Byron Thompson with their Department of General Services. At present, 78 percent of their copy and bond paper is recycled paper. They use recycled paper in their institutions also, such as paper towels, napkins, toilet paper, etc. Byron Thompson, a purchasing analyst for Oregon says there is no problem supplying their needs for copy paper, and course paper (paper towels, etc.), but a sufficient quantity of fine printing paper is sometimes difficult to obtain. Oregon offers a 5 percent preference to bidders with recycled products. If a vendor's price is higher than five percent, two contracts will be let, one for the less expensive virgin paper, and one for the recycled paper. Each state agency can then decide if they wish to pay the higher price for the recycled paper. Although a five percent premium may be paid for recycled paper, the actual premium is lower, because the state receives a payment equaling about three percent for the paper they themselves recycle.⁷ Attachment B discusses Oregon's recycling laws.

I hope this information has been helpful. If you need additional information, please feel free to contact this office.

Attachments

⁵Personal communication, Byron Thompson, Purchasing Analyst, Purchasing Division, Department of General Services, State of Oregon, February, 1990.

⁶Personal communication, Lee Cooper, Procurement Director, Office of Procurement, Department of General Services, State of California, February, 1990.

⁷Personal communication, Byron Thompson, Purchasing Analyst, Purchasing Division, Department of General Services, State of Oregon, February, 1990.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

February 21, 1990

MEMORANDUM

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FROM: Linda J. Snow *L. J. Snow*
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RE: Availability of Recycled Paper
Research Request 90.237

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Summary

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Availability

Recycled paper products are available to meet demand in most cases. The exception is bond and copy paper (office paper) made from recycled products. The reason for the shortage in office paper is threefold: first, not enough office paper is being recycled to use as raw material; second, very few paper mills have the ability to manufacture recycled paper; and third, very few plants have the ability to de-ink recycled paper. As the demand for recycled paper grows, these obstacles should diminish.

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Representative Finkelstein
February 21, 1990
Page 2

is readily available for use as raw material, but the supply of office paper "post-consumer waste"³ does not meet demand. As demand for post-consumer waste grows, recycling projects gain support. All major cities now participate, and curb-side collection projects are increasing in number.

Paper manufacturers are increasing their capacity to produce recycled paper products of all types. As a result of the demand, new mills able to produce recycled paper are being built or converted. (On April 1, 1990, Georgia Pacific will open a new recycled paper plant which will produce 1,200 new, 50 percent recycled products.)

Consumers of recycled office paper demand a bright white color, which is reproduced only through thorough de-inking. Plants are increasing their capacity to de-ink the recycled pulp.

Price Comparison

Currently, the price of high quality recycled office paper is higher than virgin office paper by about 8 to 13 percent.⁴ The premium exists because mills which produce recycled paper are smaller than virgin paper mills. Costs are incrementally lower in larger mills due to greater efficiency. As demand grows, recycled paper mills will become larger, and the premium should disappear or be substantially reduced. Ultimately, recycled paper should be less expensive to produce. In other forms (e.g., newsprint, paper towels) recycled paper products are currently less expensive than virgin paper products.

Quality Comparison

The quality of recycled paper has increased dramatically in recent years. Reports indicate that the quality of *most* recycled paper currently being produced is at least 95 percent as high as that of virgin paper. Minor complaints about lack of stiffness (body) and residual dust or lint have been reported, but there has also been praise for the opacity and registration (clearness of image) from recycled paper. Most manufacturers at least meet quality and content specifications laid out by the federal government in 40 CFR part 250 (Attachment A). The National Association of State Procurement Officers is currently developing standard specifications for state legislation,

²Paper scraps left over from the process of manufacturing paper products.

³Paper discarded after the consumer has used it.

⁴Personal communication, Susan Kinsella, Conservatree Paper Company, a major wholesale distributor of recycled paper products, February, 1990.

Representative Finkelstein
February 21, 1990
Page 3

which will likely resemble federal government specifications.⁵ These standard specification should be completed by year's end.

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ATTACHMENT A

**40 CFR, Part 250
Guideline for Federal Procurement of Paper and
Paper Products Containing Recovered Materials**

near Waterways Experiment Station, P.O. Box 631, Vicksburg, Mississippi 39180.

§ 249.33 Date recommendations.

Certification of fly ash content should occur at the time of purchase of cement and concrete in accordance with the phasing-in recommendations in § 249.24 and §§ 240.30 through 249.32.

PART 250—GUIDELINE FOR FEDERAL PROCUREMENT OF PAPER AND PAPER PRODUCTS CONTAINING RECOVERED MATERIALS

Subpart A—General

- Sec.
- 250.1 Purpose.
- 250.2 Designation.
- 250.3 Applicability.
- 250.4 Definitions.

Subpart B—Revisions and Additions to Paper and Paper Product Specifications

- 250.10 Introduction.
- 250.11 Elimination of recovered materials exclusion.
- 250.12 Requirement of recovered materials content.
- 250.13 Exclusion of products containing recovered materials that do not meet reasonable performance standards.
- 250.14 New specifications.

Subpart C—Affirmative Procurement Program

- 250.20 General.
- 250.21 Recovered materials preference program.
- 250.22 Promotion program.
- 250.23 Estimates, certification, and verification.
- 250.24 Annual review and monitoring.
- 250.25 Implementation.

Authority: 42 U.S.C. 6912(a) and 6962.
Source: 53 FR 23561, June 22, 1988, unless otherwise noted.

Subpart A—General

§ 250.1 Purpose.

(a) The purpose of this guideline is to assist procuring agencies in complying with the requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conserva-

tion and Recovery Act (RCRA), as amended, as that section applies to paper and paper products designated in § 250.2 of this part.

(b) This guideline contains recommendations for implementing the requirements of section 6002 of RCRA, including the revision of specifications and the establishment of an affirmative program for the procurement of paper and paper products containing recovered materials. The guideline also makes recommendations concerning solicitations for bids and estimation, certification, and verification procedures. In addition, the guideline sets dates for implementation.

(c) The Agency believes that adherence to the practices recommended in the guideline constitutes compliance with section 6002 of RCRA, as it relates to the purchase of paper and paper products containing recovered materials.

§ 250.2 Designation.

Under section 6002(e)(1) of RCRA, paper and paper products are designated as items which can be produced with recovered materials and whose procurement by procuring agencies will carry out the objectives of section 6002 of RCRA. As used in this guideline, the term "paper and paper products" does not include building and construction paper grades.

§ 250.3 Applicability.

(a) This guideline applies to all paper and paper products purchased with appropriated Federal funds.

(b)(1) This guideline applies to all procuring agencies and to all procurement actions involving paper and paper products where the procuring agency purchases \$10,000 or more worth of one of these items during the course of a fiscal year, or where the cost of such items or of functionally equivalent items purchased during the preceding fiscal year was \$10,000 or more.

(2) This guideline applies to Federal agencies, to State or local agencies using appropriated Federal funds, and to persons contracting with any such agencies with respect to work performed under such contracts. Federal

agencies should note that the requirements of RCRA section 6002 apply to them whether or not appropriated Federal funds are used for procurement of items designated by EPA.

(3) The \$10,000 threshold applies to procuring agencies as a whole rather than to agency subgroups such as regional offices or subagencies.

(c) For purposes of the \$10,000 threshold, each item listed in each category below is considered to be functionally equivalent to every other item in the category:

- (1) All grades and types of xerographic/copy paper;
- (2) Newsprint;
- (3) All grades and types of printing and writing paper;
- (4) Corrugated and fiberboard boxes;
- (5) Folding boxboard and cartons;
- (6) Stationery, office papers (e.g., memo pads, scratch pads), envelopes, and manifold business forms including computer paper;

(7) Toilet tissue, paper towels, facial tissue, paper napkins, dollies, and industrial wipers; and

(8) Brown papers and coarse papers.
(d) Procurement actions covered by this guideline include:

(1) All purchases of paper and paper products made directly by a procuring agency or by any person contracting with any such agency with respect to work being performed under such contract, for example, contract printing; and,

(2) Indirect purchases of paper and paper products made by a procuring agency, such as purchasing resulting from Federal grants, loans, and similar forms of disbursements of monies that the procuring agency intended to be used for the procurement of paper or paper products.

(e) Purchases of paper and paper products that are unrelated or incidental to Federal funding, i.e., not the direct result of a Federal contract, grant, loan, funds disbursement, or agreement with a procuring agency, are not covered by this guideline.

§ 250.4 Definitions.

As used in this guideline, the following terms shall have the meaning indicated below:

(a) "Act" or "RCRA" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*;

(b) "Bleached papers" means paper made of pulp that has been treated with bleaching agents;

(c) "Bond paper" means a generic category of paper used in a variety of end use applications such as forms (see "form bond"), offset printing, copy paper, stationery, etc. In the paper industry, the term was originally very specific but is now very general.

(d) "Book paper" means a generic category of papers produced in a variety of forms, weights, and finishes for use in books and other graphic arts applications, and related grades such as tablet, envelope, and converting papers;

(e) "Brown papers" means papers usually made from unbleached kraft pulp and used for bags, sacks, wrapping paper, and so forth;

(f) "Coarse papers" means papers used for industrial purposes, as distinguished from those used for cultural or sanitary purposes;

(g) "Computer paper" means a type of paper used in manifold business forms produced in rolls and/or fan folded. It is used with computers and word processors to print out data, information, letters, advertising, etc. It is commonly called computer printout;

(h) "Corrugated boxes" means boxes made of corrugated paperboard, which, in turn, is made from a fluted corrugating medium pasted to two flat sheets of paperboard (linerboard); multiple layers may be used;

(i) "Cotton fiber content papers" means paper that contains a minimum of 25 percent and up to 100 percent cellulose fibers derived from lint cotton, cotton linters, and cotton or linen cloth cuttings. It is also known as rag content paper or rag paper. It is used for stationery, currency, ledgers, wedding invitations, maps, and other specialty papers;

(j) "Cover stock" or "Cover paper" means a heavyweight paper commonly used for covers, books, brochures, pamphlets, and the like;

(k) "Dollies" means paper place mats used on food service trays in hospitals and other institutions;

(l) "Duplicator paper" means writing papers used for masters or copy sheets in the aniline ink or hectograph process of reproduction (commonly called spirit machines);

(m) "Envelopes" means brown, manila, padded, or other mailing envelopes not included with "stationery;"

(n) "Facial tissue" means a class of soft absorbent papers in the sanitary tissue group;

(o) "Federal agency" means any department, agency, or other instrumentality of the Federal Government, any independent agency or establishment of the Federal Government including a government corporation, and the Government Printing Office;

(p) "Fiber or fiberboard boxes" means boxes made from containerboard, either solid fiber or corrugated paperboard (general term); or boxes made from solid paperboard of the same material throughout (specific term);

(q) "Folding boxboard" means a paperboard suitable for the manufacture of folding cartons;

(r) "Form bond" means a lightweight commodity paper designed primarily for business forms including computer printout and carbonless paper forms. (See manifold business forms);

(s) "Industrial wipers" means paper towels especially made for industrial cleaning and wiping;

(t) "Ledger paper" means a type of paper generally used in a broad variety of recordkeeping type applications such as in accounting machines.

(u) "Manifold business forms" means a type of product manufactured by business forms manufacturers that is commonly produced as marginally punched continuous forms in small rolls or fan folded sets with or without carbon paper interleaving. It has a wide variety of uses such as invoices, purchase orders, office memoranda, shipping orders, and computer printout;

(v) "Mill broke" means any paper waste generated in a paper mill prior to completion of the papermaking process. It is usually returned directly

to the pulping process. Mill broke is excluded from the definition of "recovered materials;"

(w) "Mimeo paper" means a grade of writing paper used for making copies on stencil duplicating machines;

(x) "Newsprint" means paper of the type generally used in the publication of newspapers or special publications like the *Congressional Record*. It is made primarily from mechanical wood pulps combined with some chemical wood pulp;

(y) "Office papers" means note pads, loose-leaf fillers, tablets, and other papers commonly used in offices, but not defined elsewhere;

(z) "Offset printing paper" means an uncoated or coated paper designed for offset lithography;

(aa) "Paper" means one of two broad subdivisions of paper products, the other being paperboard. Paper is generally lighter in basis weight, thinner, and more flexible than paperboard. Sheets 0.012 inch or less in thickness are generally classified as paper. Its primary uses are for printing, writing, wrapping, and sanitary purposes. However, in this guideline, the term paper is also used as a generic term that includes both paper and paperboard. It includes the following types of papers: bleached paper, bond paper, book paper, brown paper, coarse paper, computer paper, cotton fiber content paper, cover stock or cover paper, duplicator paper, form bond, ledger paper, manifold business forms, mimeo paper, newsprint, office papers, offset printing paper, printing paper, stationery, tabulating paper, unbleached papers, writing paper, and xerographic/copy paper.

(bb) "Paper napkins" means special tissues, white or colored, plain or printed, usually folded, and made in a variety of sizes for use during meals or with beverages;

(cc) "Paper product" means any item manufactured from paper or paperboard. The term "paper product" is used in this guideline to distinguish such items as boxes, dollies, and paper towels from printing and writing papers. It includes the following types of products: corrugated boxes, dollies, envelopes, facial tissue, fiberboard boxes, folding boxboard, industrial

wipers, paper napkins, paper towels, tabulating cards, and toilet tissue;

(dd) "Paper towels" means paper toweling in folded sheets, or in raw form, for use in drying or cleaning, or where quick absorption is required;

(ee) "Paperboard" means one of the two broad subdivisions of paper, the other being paper itself. Paperboard is usually heavier in basis weight and thicker than paper. Sheets 0.012 inch or more in thickness are generally classified as paperboard. The broad classes of paperboard are containerboard, which is used for corrugated boxes; boxboard, which is principally used to make cartons; and all other paperboard;

(ff) "Person" means an individual, trust, firm, joint stock company, corporation (including a government corporation), partnership, association, State, municipality, commission, political subdivision of a State, or any interstate body.

(gg) "Practicable" means capable of being used consistent with: performance in accordance with applicable specifications, availability at a reasonable price, availability within a reasonable period of time, and maintenance of a satisfactory level of competition;

(hh) "Printing paper" means paper designed for printing, other than newsprint, such as offset and book paper;

(ii) "Procurement item" means any device, good, substance, material, product, or other item, whether real or personal property, that is the subject of any purchase, barter, or other exchange made to procure such item;

(jj) "Procuring agency" means any Federal agency, or any State agency or agency of a political subdivision of a State that is using appropriated Federal funds for such procurement, or any person contracting with any such agency with respect to work performed under such contract;

(kk) "Recovered materials" means waste material and by-products that have been recovered or diverted from solid waste, but such term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process. In the case of paper and

paper products, the term "recovered materials" includes:

(1) Postconsumer materials such as:

(i) Paper, paperboard, and fibrous wastes from retail stores, office buildings, homes, and so forth, after they have passed through their end usage as a consumer item, including: Used corrugated boxes, old newspapers, old magazines, mixed waste paper, tabulating cards, and used cordage, and,

(ii) All paper, paperboard, and fibrous wastes that enter and are collected from municipal solid waste; and

(2) Manufacturing, forest residues, and other wastes such as:

(i) Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel into smaller rolls or rough sheets) including envelope cuttings, bindery trimmings, and other paper and paperboard waste, resulting from printing, cutting, forming, and other converting operations; bag, box and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and

(ii) Finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others;

(iii) Fibrous by-products of harvesting, manufacturing, extractive, or wood-cutting processes, flax, straw, linters, bagasse, slash, and other forest residues;

(iv) Wastes generated by the conversion of goods made from fibrous material (e.g., waste rope from cordage manufacture, textile mill waste, and cuttings); and

(v) Fibers recovered from waste water that otherwise would enter the waste stream;

(ii) "Recyclable paper" means any paper separated at its point of discard or from the solid waste stream for utilization as a raw material in the manufacture of a new product. It is often called "waste paper" or "paper stock." Not all paper in the waste stream is recyclable; if may be heavily contaminated or otherwise unusable.

(mm) "Specification" means a detailed description of the technical re-

quirements for materials, products, or services that specifies the minimum requirement for quality and construction of materials and equipment necessary for an acceptable product. Specifications are generally in the form of a written description, drawings, prints, commercial designations, industry standards, and other descriptive references;

(nn) "State" means any of the several states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands;

(oo) "Stationery" means writing paper suitable for pen and ink, pencil, or typing. Matching envelopes are included in this definition.

(pp) "Tabulating cards" means cards used in automatic tabulating machines; "Tabulating paper" means paper used in tabulating forms for use on automatic data processing equipment;

(qq) "Toilet tissue" means a sanitary tissue paper. The principal characteristics are softness, absorbency, cleanliness, and adequate strength (considering easy disposability). It is marketed in rolls of varying sizes or in interleaved packages;

(rr) "Unbleached papers" means papers made of pulp that have not been treated with bleaching agents;

(ss) "Waste paper" means any of the following "recovered materials":

(1) Postconsumer materials such as:

(i) Paper, paperboard, and fibrous wastes from retail stores, office buildings, homes, and so forth, after they have passed through their end usage as a consumer item, including: Used corrugated boxes, old newspapers, old magazines, mixed waste paper, tabulating cards, and used cordage, and

(ii) All paper, paperboard, and fibrous wastes that enter and are collected from municipal solid waste; and

(2) Manufacturing, forest residues, and other wastes such as:

(i) Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel into smaller rolls or rough sheets) including: Enve-

lope cuttings, bindery trimmings, and other paper and paperboard waste, resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and;

(ii) Finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others;

(tt) "Writing paper" means a paper suitable for pen and ink, pencil, typewriter or printing;

(uu) "Xerographic/copy paper" means any grade of paper suitable for copying by the xerographic process (a dry method of reproduction).

Subpart B—Revisions and Additions to Paper and Paper Product Specifications

§ 250.10 Introduction.

This subpart offers guidance to Federal agencies that draft or review specifications for paper and paper products. As used in this subpart, the term "postconsumer recovered materials" refers to waste paper in the case of printing and writing papers and to recovered materials in the case of cotton fiber papers.

§ 250.11 Elimination of recovered materials exclusion.

By May 8, 1986, each Federal agency was required to assure that its specifications do not unfairly discriminate against the use of postconsumer recovered materials. At a minimum, except as provided in § 250.13 of this part, each Federal agency was required to:

(a) Revise those specifications, standards, and procedures that require that paper and paper products contain only virgin materials to eliminate this restriction; and

(b) Revise those specifications, standards, and procedures that prohibit using postconsumer recovered materials in paper and paper products to eliminate this restriction.

§ 250.12 Requirement of recovered materials content.

(a) Within one year of publication of this revised guideline, paper and paper product specifications must require the use of postconsumer recovered materials to the maximum extent possible without jeopardizing the intended end use of the paper or paper product.

(b) Specifications that are unnecessarily stringent for a particular end use and that bear no relation to function, such as brightness and whiteness for copy paper, should be revised in order to allow for a higher use of postconsumer recovered materials. Specifications that bear no relation to function should be revised according to the agency's established review procedure. In determining the relationship to function of existing specifications, Federal agencies should make maximum use of existing voluntary standards and research by organizations such as the American Society for Testing and Materials' Committees D8, D10, and F5; the Technical Association of the Pulp and Paper Industry; and the American Institute of Paper Chemistry.

§ 250.13 Exclusion of products containing recovered materials that do not meet reasonable performance standards.

(a) Notwithstanding the requirements of §§ 250.11 and 250.12 of this part, Federal agencies need not revise specifications to allow or require the use of postconsumer recovered materials if it can be determined that for technical reasons, for a particular end use, a product containing such materials will not meet reasonable performance standards.

(b) Any determination under this section should be documented by the drafting and reviewing agency and be based on technical performance information related to a specific item, not a grade of paper or type of product. Agencies should reference such documentation in subsequent solicitations for the specific item in order to avoid repetition of previously documented points.

§ 250.14 New specifications.

When paper or a paper product containing postconsumer recovered mate-

rials is produced in quantities not previously available, specifications should be revised to allow use of such type or grade, or new specifications should be developed for such type or grade. EPA recommends that procuring agencies monitor new developments and use them to increase the use of postconsumer recovered materials as appropriate.

Subpart C—Affirmative Procurement Program

§ 250.20 General.

(a) Within one year after the date of publication of this revised guideline, procuring agencies which procure paper and paper products must establish an affirmative procurement program for such items. The program must meet the requirements of section 6002(i) of RCRA, including the establishment of a preference program; a promotion program; procedures for obtaining estimates and certification of postconsumer recovered materials content and for verifying the estimates and certifications; and an annual review and monitoring program. This subpart provides recommendations for implementing section 6002(i).

(b) As used in this subpart, the term "postconsumer recovered materials" refers to waste paper in the case of printing and writing grades and to recovered materials in the case of cotton fiber papers.

§ 250.21 Recovered materials preference program.

(a)(1) EPA recommends that procuring agencies establish minimum recovered materials content standards that assure that the postconsumer recovered materials content required is the maximum available without jeopardizing the intended end use of the item or violating the limitations of Section 6002(c)(1) (A) through (C) of the Act.

(2) EPA recommends that procuring agencies set their minimum content levels at the highest levels that meet the statutory requirements but not lower than the levels shown in Table 1.

TABLE 1: EPA RECOMMENDED MINIMUM CONTENT STANDARDS OF SELECTED PAPERS AND PAPER PRODUCTS

	Minimum percentage of recovered materials	Minimum percentage of postconsumer recovered materials	Minimum percentage of waste paper ¹
Newsprint		40	
High grade bleached printing and writing papers			
Offset printing			50
Mimeo and duplicator paper			50
Writing (stationary)			50
Office paper (e.g., note pads)			50
Paper for high-speed copiers			(¹)
Envelopes			50
Form bond including computer paper and carbonless			(¹)
Book papers			50
Bond papers			50
Ledger			50
Cover stock			50
Cotton fiber papers	25		
Tissue products			
Toilet tissue		20	
Paper towels		40	
Paper napkins		30	
Facial tissue		5	
Dolies		40	
Industrial papers		0	
Unbleached packaging			
Corrugated boxes		35	
Fiber boxes		35	
Brown papers (e.g., bags)		5	
Recycled paperboard			
Recycled paperboard products including folding cartons		80	
Pad backing		80	

¹ Waste paper is defined in Section 250.4 and refers to specified postconsumer and other recovered materials.
² EPA found insufficient production of these papers with recycled content to assure adequate competition.

(3) Minimum content standards should be reviewed annually based on procurement experiences, including data compiled on postconsumer recovered materials content, as recommended in § 250.23(c) of this part.

(b) The recommendations in paragraphs (a) (1) and (2) of this section, as well as any other affirmative procurement program that an agency may adopt, are subject to the following limitations provided in section 6002(c)(1) of RCRA:

(1) Maintenance of a satisfactory level of competition;

(2) Availability within a reasonable period of time;

(3) Ability to meet the performance specifications in the invitation for bids;

(4) Availability at a reasonable price.

(c) Procuring agencies should make determinations regarding competition and availability in accordance with the

Federal Acquisition Regulation (FAR), 48 CFR Ch. 1 *et seq.*

§ 250.22 Promotion program.

EPA recommends that procuring agencies consider all possible promotional methods including the following:

(a) A special notation prominently displayed in any paper or paper product procurement solicitation or invitation to bid.

(b) A statement in each paper specification defining "postconsumer recovered materials," "waste paper," or "recovered materials," as applicable, as they are defined in § 250.4 of this part.

(c) A brief statement in advertisements of bids describing the preference program. Such advertisements should be placed in the *Commerce Business Daily* and periodicals commonly read by vendors of paper and

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paper products containing postconsumer recovered materials.

(d) Catalog listings of available products (such as GSA's Office Supplies) indicating which paper or paper product contains postconsumer recovered materials.

(e) Discussion of the preference program at bidders' conferences or similar meetings of potential bidders.

(f) Announcements in recycling journals, trade magazines, and procurement publications.

§ 250.23 Estimates, certification, and verification.

(a) Agencies must require vendors to estimate the total percentage of postconsumer recovered materials in paper and paper products supplied to them.

(b) Agencies must require vendors to certify the minimum postconsumer recovered materials to be used in the performance of a contract.

(c) There must be reasonable verification procedures for estimates and certifications, e.g., the procuring agency may state in solicitations for bids that, in the case of a bidder's protest, all estimates and certifications will be subject to audits of mill records.

(d) For each paper or paper product procured, agencies should maintain the following records:

(1) The percentage of postconsumer recovered materials in the products procured or offered;

(2) Comparative price information on competitive procurements;

(3) The quantity of each item procured over a fiscal year;

(4) The availability of the paper and paper products to procuring agencies;

(5) Type of performance tests conducted, together with the categories of paper or paper products containing postconsumer recovered materials that failed the tests; the percentage of total virgin products and products containing postconsumer recovered materials, respectively, that failed each test; and the nature of the failure;

(6) Agency experience with the performance of the procured products.

§ 250.24 Annual review and monitoring.

(a) Each procuring agency must conduct an annual review and monitoring

of the effectiveness of its affirmative procurement program.

(b) EPA recommends that the annual review include the following items:

(1) An estimate of the quantity of paper and paper products purchased containing postconsumer recovered materials and the total quantity of paper and paper products purchased.

(2) A review of the variation between estimates and certifications of postconsumer recovered materials content in paper and paper products purchased during the year. If the variations are significant, procuring agencies should determine whether minimum content standards can be introduced or raised without causing a long-term increase in price.

(c) Procuring agencies should prepare a report on their annual review and monitoring of the effectiveness of their procurement programs and make the report available to the public. The report should contain the following information:

(1) If the case-by-case approach is being used, a demonstration that they procure paper and paper products containing postconsumer recovered materials to the maximum extent practicable. The basis for this determination should be a review of the data compiled on recovered materials content, price, availability, and performance, as well as a comparison of estimates and certifications provided by the vendors.

(2) If the minimum content standards approach is being used, a determination of whether the minimum content standards in use should be raised, lowered, or remain constant for each item. The basis for these determinations should be a review of the data compiled on postconsumer recovered materials content, price, availability, and performance, as well as a comparison of estimates and certifications provided by the vendors.

(3) Documentation of specification revisions made during the year.

§ 250.25 Implementation.

(a) Procuring agencies must complete specification revisions in accordance with RCRA section 6002(c)(2) and development of affirmative pro-

urement programs in accordance with RCRA section 6002(i) within one year from the date of publication of this revised guideline.

(b) Procuring agencies must begin procurement of paper and paper products containing postconsumer recovered materials in compliance with RCRA section 6002, one year from the date of publication of this revised guideline.

PART 252—GUIDELINE FOR FEDERAL PROCUREMENT OF LUBRICATING OILS CONTAINING RE-REFINED OIL

Subpart A—General

- Sec.
- 252.1 Purpose.
- 252.2 Designation.
- 252.3 Applicability.
- 252.4 Definitions.

Subpart B—Specifications

- 252.10 Revisions.
- 252.11 Recommendations.

Subpart C—Affirmative Procurement Program

- 252.20 General.
- 252.21 Preference program.
- 252.22 Promotion program.
- 252.23 Estimates, certification, and verification.
- 252.24 Annual review and monitoring.
- 252.25 Implementation.

AUTHORITY: 42 U.S.C. 6912(a) and 6962.

SOURCE: 53 FR 24715, June 30, 1988, unless otherwise noted.

Subpart A—General

§ 252.1 Purpose.

(a) The purpose of this guideline is to assist procuring agencies in complying with the requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA or the Act), as amended, 42 U.S.C. 6962, as that section applies to procurement of lubricating oils containing re-refined oil.

(b) This guideline contains recommendations for use in implementing the requirements of section 6002, in-

cluding revision of specifications, purchasing activities, and procurement.

(c) The Agency believes that adherence to the recommendations in the guideline constitutes compliance with section 6002. However, procuring agencies may adopt other types of procurement programs consistent with section 6002.

§ 252.2 Designation.

EPA designates lubricating oils as items which are or can be produced with recovered materials (re-refined oil) and whose procurement by procuring agencies will carry out the objectives of section 6002 of RCRA. For purposes of this designation, "lubricating oils" means engine lubricating oils, hydraulic fluids, and gear oils, excluding marine and aviation oils.

§ 252.3 Applicability.

(a)(1) This guideline applies to all procuring agencies and to all procurement actions involving lubricating oils where the procuring agency purchases \$10,000 or more worth of one of these items during the course of a fiscal year, or where the cost of such items or of functionally equivalent items purchased during the preceding fiscal year was \$10,000 or more. For purposes of the \$10,000 threshold, all lubricating oils are considered to be "functionally equivalent."

(2) This guideline applies to Federal agencies, to State or local agencies using appropriated Federal funds, and to persons contracting with any such agencies with respect to work performed under such contracts. Federal agencies should note that the requirements of RCRA section 6002 apply to them whether or not appropriated Federal funds are used for procurement of items designated by EPA.

(3) The \$10,000 threshold applies to procuring agencies as a whole rather than to agency subgroups such as regional offices or subagencies.

(b) The term "procurement actions" includes purchases made directly by a procuring agency and purchases made by any person directly in support of work being performed for a procuring agency (e.g., by a contractor).

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(c) This guideline does not apply to purchases which are not the direct result of a contract, grant, loan, funds disbursement, or agreement with a procuring agency.

§ 252.4 Definitions.

As used in this guideline:

(a) "Act" or "RCRA" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*

(b) "Engine lubricating oils" means petroleum-based oils used for reducing friction in engine parts.

(c) "Federal agency" means any department, agency, or other instrumentality of the Federal Government; any independent agency or establishment of the Federal Government including any Government corporation; and the Government Printing Office.

(d) "Gear oils" means petroleum-based oils used for lubricating machinery gears.

(e) "Hydraulic fluids" means petroleum-based hydraulic fluids.

(f) "Person" means an individual, trust, firm, joint stock company, corporation (including a government corporation), partnership, association, Federal agency, State, municipality, commission, political subdivision of a State, or any interstate body.

(g) "Practicable" means capable of being used consistent with: Performance in accordance with applicable specifications, availability at a reasonable price, availability within a reasonable period of time, and maintenance of a satisfactory level of competition.

(h) "Procurement item" means any device, good, substance, material, product, or other item, whether real or personal property, which is the subject of any purchase, barter, or other exchange made to procure such item.

(i) "Procuring agency" means any Federal agency, or any State agency or agency of a political subdivision of a State which is using appropriated Federal funds for such procurement, or any person contracting with any such agency with respect to work performed under such contract.

(j) "Re-refined oils" means used oils from which the physical and chemical contaminants acquired through previ-

ATTACHMENT B

**Recycling Efforts of the Oregon State Government
Memorandum to Linda Snow from Byron Thompson
State of Oregon, dated February 20, 1990**



Department of General Services

1225 FERRY STREET SE, SALEM, OREGON 97310

February 20, 1990

State of Alaska
Legislative Research Agency
P. O. Box "Y"
Juneau, AK. 99811

Attn: Ms. Linda Snow

F A X T R A N S M I T T A L M E M O
TO: LINDA SNOW
DEPT: LEG. RES. AGENCY TAX #: 503-455-3351
FROM: State of Oregon PHONE: 503-373-1467
CO: PURCHASING FAX #: (503) 373-7210
Post-It "or" and fax transmittal memo 7671

NO. OF
PAGES

4

Re: Recycling efforts of the Oregon State Government.

Dear Linda Snow,

Thank you for your interest in the recycling efforts of the Oregon State Government. The Purchasing Division is pleased to pass along information on the laws and policies of the State of Oregon requiring state agencies to increase use of recyclable and reusable products to reduce reliance on incineration and landfilling.

The State of Oregon's first recycling bills were introduced in the 1973 Legislature under the administration of Governor Tom McCall and became effective in 1975. Looking toward the 1990's, the State of Oregon government is as excited and committed to its policy advocating recycling, as in the 1970's, and in many ways, even more so.

The State of Oregon has, in existence, a number of statutes and administrative rules covering the purchase of products containing recovered resources which are condensed and outlined below:

ORS 279.733:

"The use of recovered resources and recycled material in state agency purchasing; All state agencies purchasing supplies, materials, equipment or personal services shall: (1) Utilize recovered resources or recycled materials. (2) Provide incentives in all procurement specifications issued by them for the maximum use of recovered resources and recycled materials. (3) Develop purchasing practices which assure purchase of materials which are recycled or which may be recycled or reused when discarded. (4) Establish management practices which minimize the volume of solid waste generated by them by limiting the amount of materials consumed and discarded. (5) Use and require persons with whom they contact to use, to the maximum extent recycled paper."

ORS 279.735:

"Establishes rules for recycling and reusing solid waste: (1) Establishes procedures for the separation of solid waste generated by state agencies which can be recycled or reused. (2) Establishes a system for the collection of solid waste generated by state agencies which can be recycled or reused. (3) Establishes state agencies compliance (4) Allows the Governor to exempt any state agency if he determines it to be of paramount interest of the state."

ORS 279.739:

"Establishes preference to recycled materials by public agencies; Notwithstanding provisions of law requiring a public agency to enter into contracts with the lowest responsible bidder any public agency charged with the purchase of materials and supplies for any public use may, in its discretion, give preference to the purchase of materials and supplies manufactured from recycled materials if the public good will be served and the price of the recycled material does not exceed by more than five percent the lowest bid or prices quoted by person and manufacturing concerns offering nonrecycled materials."

ORS 279.729:

"The Department of General Services shall prescribe standards and specifications for paper used by state agencies that shall require the highest percentage possible of the total of the paper purchased by the department in any fiscal year be recycled paper or paper in the same grade most nearly meeting the definition of recycled paper."

The department shall make available, through its purchasing procedure, in all grades where it can be obtained, recycled paper or that paper in the same grade most nearly meeting the definition of recycled paper."

ORS 279.731:

- "(1) 'Post-consumer waste' means a finished material which would normally be disposed of as solid waste.
- (2) 'Recycled paper' means a paper product with not less than:
 - (a) Fifty percent of its total weight consisting of secondary waste materials; or
 - (b) Twenty-five percent of its total weight consisting of post-consumer waste.
- "(3) 'Secondary waste materials' means fragments of products or finished products of a manufacturing process which has converted a virgin resource into a commodity of real economic value, and includes post-consumer waste, but does not include mill broke, wood slabs, chips, sawdust or other wood residue from a manufacturing process." (emphasis added)

OAR 125-30-030:

"Paper which contains significant quantities of recycled materials will be made available to state agencies in all grades where it can be obtained. When the cost of available recycled paper does not exceed by more than 5% the cost of the same quality paper containing little or no recycled material, the purchase and use of recycled paper by state agencies will be mandatory."

In the 1989 legislative session laws were passed to prohibit purchase or use of nonbiodegradable and nonrecyclable food packaging

ORS 468.967:

"Defines state agencies in ORS 468.967 to 468.969 to mean any state officer, department, board, commission or court created by the Constitution or statutes of this state, including the Legislative Assembly, its committees, officers and employees."

ORS 468.968:

"Prohibition against purchase or use of nonbiodegradable and nonrecyclable food packaging. (1) A state agency may not purchase any product to be used for packaging food if the product is composed of material that is not either biodegradable or recyclable through an existing effective recycling program. (2) A vendor who leases space from a state agency shall not sell food in, or use for food packaging any product containing or composed of material that is not either biodegradable or recyclable through an existing, effective recycling program. (3) Notwithstanding subsections 1 and 2 of this section, the Environmental Quality Commission may exempt specific products from the requirements if the applicant for the exemption demonstrates: (a) There is no acceptable alternative for the product; and (b) Compliance would cause undue hardship."

ORS 468.969:

"Standards for determining effective recycling programs. The Department of Environmental Quality shall establish percentages of plastic material that must be recycled before a recycling program is considered an effective recycling program. In establishing the percentages the department: (1) Shall establish percentages for each different type of plastic resin. (2) Shall require that at least 15 percent of each plastic resin type be recycled statewide in 1992. (3) May not establish a required percentage of more than 75 percent before December 31, 1999."

Some of the accomplishments of these laws and good faith effort by Purchasing Division staff are shown as follows:

Sale of Discard Paper

The State of Oregon began seriously getting into recycling its office paper in December 1979, through joint cooperative efforts with a private qualified rehabilitation workshop, Garten Foundation. State employees sort recyclable paper at their work stations from nonrecyclable trash. Custodial employees

collect the recyclable paper for pickup by Garten Foundation employees. Garten pays a percentage to the state, based on the Official Board Market price, San Francisco Northern Region, for paper collected by the State.

In 1988, Garten Foundation collected over 1,152 tons of paper for recycling from State office buildings. Some examples of benefits were:

1. The contract for collecting the paper provides for full-time employment for 35 mentally disabled people who sort papers by type.
2. For every ton of paper collected and recycled three cubic yards of landfill was saved. The state saved 3,456 cubic yards of landfill.
3. For every ton of paper recycled, 17 average-size trees are spared. By selling its discard paper to a recycler, the lives of 19,584 trees were spared in 1988, that would otherwise be cut down and processed into paper products.
4. For every ton of paper recycled into reusable products 60 pounds of air pollutants are not discharged into the earth's atmosphere. In 1988, by recycling 1,152 tons of paper discarded in State government offices, our atmosphere has been saved from 69,120 pounds of air pollutants being released.
5. In the same year, 3,962,880 kilowatt hours of electricity was saved by State of Oregon government's contract to recycle its discard paper.
6. Individual state agencies are paid a portion of the money from recyclers, based on the percent of acceptably sorted discard paper.

The State's recycler estimates that 60 to 65% of state government's waste paper is now being recycled. In a joint effort between the State and recyclers to increase this percentage, a pilot program is being conducted at the State's largest medical university to find ways to recycle food service waste paper products and used paper towels from lavatories.

Copier Paper

Not only does the State of Oregon sell its discarded paper, it buys recycled paper. Oregon statute gives a 5% preference to bidders offering recycled paper. Since January 1988, the State has had a contract to purchase recycled paper for mandatory use in copiers by State Agencies. Prior to awarding the contract, the awarded paper was tested and approved by the State Printer, and later tested by the Oregon State University Forestry Laboratory, and a third time by an independent laboratory. The tests revealed some areas needed improvement, such as excessive dark spots in the paper, and brightness tested at only 80%, where the virgin xerographic paper tested at 85%. The supplier has since reduced the spotting in the paper to a satisfactory level and brought the brightness up to between 80 to 83%. In the first couple of months into the contract, problems were experienced with paper curling and jamming in high speed copiers. After investigation it was decided to use the recycled paper in office copiers while allowing agencies to purchase virgin paper for use in the high speed copiers where the recycled was found to perform unacceptably. Since January 1988, state government has purchased \$1,252,535 of this recycled paper, compared to only \$349,365 worth of the virgin paper, which shows that 78% of xerographic paper purchased by the state was recycled.

A secondary benefit to the State is that the cost of the recycled paper has been favorable to the customer, dropping faster than the price of virgin paper in the 1989, making its use cost effective.

Printing Paper and Envelopes

Purchases of recycled printing paper by the State-operated printing plants constitute approximately 12% of its total paper budget, excluding copier paper and envelopes.

Of the envelopes purchased by state agencies during the last eight years, more than half have been recycled. In the most recent year, state agencies have purchased \$92,152 worth of envelopes through price agreements awarded by State.

Purchasing Division was nearly successful at awarding to a contractor providing all envelopes made from recycled materials on its most recent 1989 bid, but the cost of the recycled group of clasp-type envelopes exceeded the 5% price preference. As the purchase of recycled envelopes are encouraged regardless of price differential, 55% of the envelopes purchased by the state in 1989 were made from recycled materials.

The State continues its efforts to increase market availability of recycled paper in the procurement process through joint efforts between the state and political subdivisions, by making available its price agreements to political subdivisions and coordinating piggy-backed orders when feasible. The State encourages its paper vendors to take measures to make an appreciable impact in the recycled market by aggressively marketing their papers, and increasing availability and reducing the size of minimum orders, and taking all measures to foster a cooperative business climate between government and industry.

Recycled Oils

In 1983, the State of Oregon's Purchasing Division, through its Federal Surplus Program, pioneered with the Federal Government a program to recover waste or used aircraft and automotive oils for use as fuel to create steam and heat for Oregon institutions, such as Port of Portland and the Klamath Falls Rural School Districts. The project initially required some minor modifications to existing heating plants to meet the federal environmental EPA and DEQ clean air standards. Over the 87-89 biennium 2,500,000 gallons of federal oil was delivered to Oregon locations at 30 cents per gallon, compared to an average 80 cents for new heating fuel in the same period. This saved the state \$1,250,000 in one year. The future for expanding this program to other agencies where applicable looks bright, as the supply of used oil is currently abundant.

Plastic News

In January 1989, the State of Oregon adopted a rule effectively banning the purchase and use of polystyrene foam products in food service areas of state government and by vendors having food service contracts with the state. The rule was adopted after public hearing in November 1988, and technically mandates the purchase of biodegradable or recyclable products for food service and food service packaging when available. On August 5, 1989, signed House Bill 2854 into law which prohibits the purchase of polystyrene food packaging products by state agencies and prohibits the use of polystyrene foam food packaging products by vendors leasing space from state agencies. The effective date of the law is January 1, 1990.

The Purchasing Division is pleased to forward the above information regarding our recycling programs and laws. If we can be of further assistance in this regard, please feel free to call on us.



Byron Thompson
Purchasing Analyst
Purchasing Division
Phone: (503) 373-1467

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