

Art Glass Permanent Rulemaking 2016 Fiscal Advisory Committee

Meeting Minutes

Meeting #2



State of Oregon
Department of
Environmental
Quality

June 10, 2016
DEQ Headquarters Office
Conference Room EQC-A (10th Floor)
811 SW 6th Avenue
Portland, OR 97204

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restoring, maintaining and
enhancing the quality of
Oregon's air, land and
water.*

List of Attendees

Advisory Committee members:

Abe Fleishman, Northstar Glassworks
Al Hooton, Glass Alchemy, Ltd
Amanda Jarman, Eastside Portland Air Coalition
Chris Winter, CRAG Law Center
Eric Durrin, Bullseye Glass Company
Jacob Sherman, South Portland Air Quality
Paul Trautman, Trautman Art Glass

Advisory Committee members not present:

Mark Riskedahl, NW Environmental Defense Center

Members of the public:

Cindy Young, East Portland Air Coalition
Eleanor Neal, representing State Rep. Rob Nosse
Rachel Briggs, CRAG Law Center
Tom Crawford, representing State Rep. Rob Nosse

DEQ staff:

Jaclyn Palermo (by phone)
Jill Inahara
Joe Westersund
Leah Feldon

The above list is based on the sign-in sheet. Some public attendees may not have signed in. In addition, an unknown number of members of the public participated in the meeting by phone.

List of Handouts and Presentation Notes

- ❖ Draft fiscal impact narrative and calculations
- ❖ Proposed rule language (same as current temporary art glass rules)
- ❖ Text from ORS 183.540, Reduction of economic impact on small business
- ❖ Minutes from previous meeting of this committee (May 27, 2016)

Agenda

Overview of today's meeting

Committee member introductions

Walk-through of draft fiscal impact calculations

Walk-through of draft fiscal impact narrative

Request for committee member recommendations

1. Would the rule have a fiscal impact?
2. If so, what is the extent of that impact?
3. Would the rule have a significant adverse impact on small businesses?
4. If so, can the economic impact be reduced, consistent with the public health and safety purpose of the rule?

Opportunity for audience member comments and questions

Summary of committee comments

The following comments are in addition to ones given by committee members at the previous meeting on May 27, 2016.

Eric Durrin stated that he 1) agreed the rule would have a fiscal impact, 2) that the DEQ estimates of fiscal impact were legitimate, 3) that the rule would have a significant adverse impact on small businesses, and 4) that he was not aware of ways that the economic impact could be reduced while still meeting the purpose of the rule.

Several committee members stated that the current limits of the rule (only affecting CAGM in the Portland Air Quality Maintenance Area that produce 10 or more tons per year) increase the negative economic impact on the small businesses subject to the rule, because the rule is spurring competition from smaller unregulated operations, some run out of residential garages. Al Hooten said that, while the CAGMs subject to the proposed rule have cut back production and are installing baghouses, a new health risk is being created as individuals fill the production gap by making colored glass with metal HAP in their garages, without control devices. Chris Winter stated that applying the rule only to the Portland area incentivizes facilities to move outside that border rather than install control devices. The committee suggested that applying the rule statewide and lowering the applicability threshold from 10 tons per year to one, 100 or 1,000 pounds per year would better protect public health and reduce incentives to circumvent the rule.

Several of the committee members requested that the fiscal impact analysis for Bullseye show an estimated cost if one baghouse is installed due to the proposed rule, in addition to the zero and two baghouse scenarios included in the calculations. Chris Winter and others requested that DEQ annualize the initial capital costs in the fiscal impact analysis, in order to present all costs on a per-year basis. Amanda Jarman requested that DEQ build the capacity to quantify health benefits for future rulemakings.

Next steps

- The public comment period for this rule is scheduled to begin June 15, 2016, and close at 5pm on July 29, 2016.
- A public hearing has been scheduled for Tuesday, July 19th at 6 pm.
- DEQ plans to bring the proposed rules to the Environmental Quality Commission for their vote in September or October 2016.
- More information can be found at <http://www.oregon.gov/deq/RulesandRegulations/Pages/2016/Rartglass2016.aspx>