

**OREGON
ENVIRONMENTAL QUALITY
COMMISSION MEETING
MATERIALS 12/11/1992**



**State of Oregon
Department of
Environmental
Quality**

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State of Oregon
ENVIRONMENTAL QUALITY COMMISSION

A G E N D A

REGULAR MEETING - December 11, 1992

DEQ Conference Room 3a

811 S. W. 6th Avenue

Portland, Oregon

8:30 a.m.

Note: Because of the uncertain length of time needed for each agenda item, the Commission may deal with any item at any time in the meeting. Times noted on the agenda are approximate. An effort will be made to consider items with a designated time as close to that time as possible. However, scheduled times may be modified if agreeable with participants. Anyone wishing to be heard or listen to the discussion on any item should arrive at the beginning of the meeting to avoid missing the item of interest.

8:30 a.m.

- A. Approval of Minutes
- B. Approval of Tax Credit Applications

Rule Adoptions

Hearings have already been held on the Rule Adoption items; therefore any testimony received will be limited to comments on changes proposed by the Department in response to hearing testimony. The Commission also may choose to question interested parties present at the meeting.

- C. Rule Adoption: Proposed SW Fee for Orphan Sites
- D. Rule Adoption: Rule Exempting Lenders, ORS Chapter 709 Trusts Acting as Fiduciaries, and Government Entities from Cleanup Liability
- E. Rule Adoption: Solid Waste Reduction and Recycling Rules
- F. Rule Adoption: Proposed Revisions to Definitions and to Permit Fee Schedule for Wastewater Disposal Permits
- G. Rule Adoption: Proposed Amendments to the State Revolving Fund (SRF) Rules

11:30 a.m.

Public Forum

This is an opportunity for citizens to speak to the Commission on environmental issues and concerns not a part of the agenda for this meeting. Individual presentations will be limited to 5 minutes. The Commission may discontinue this forum after a reasonable time if an exceptionally large number of speakers wish to appear.

Action Items

- H. Proposal to Amend the EQC Bond Resolution Adopted in September 1991 to Include Approval for Use of Bond Proceeds for State Revolving Fund Match
- I. Request of the City of McMinnville for Approval of (1) an Alternative Design Criterion to that Specified by the Dilution Rule, (2) a Mass Load Increase for the Winter Period for BOD-5 and TSS, and (3) an Extension of the Deadline for Reducing Discharges to Meet the TMDL for the Yamhill River
- J. Request for Variance from New Source Review Rule by Anodizing, Inc.
- K. Recommendations of the State's Task Force on Motor Vehicle Emission Reductions in the Portland Area
- L. Report to the Legislature on Exemptions for FDA Regulated Rigid Plastic Containers
- M. Report to the Legislature on Implementation of the 1989 Toxics Use Reduction and Hazardous Waste Reduction Act
- N. Report to the Legislature on the Conditionally Exempt Small Quantity Hazardous Waste Generator Pilot Project
- O. Report to the Legislature on the Status of Recycling in Oregon (implementation of 1983 and 1991 recycling legislation)
- P. Report to the Legislature on Long Term Funding of the Household Hazardous Waste Program
- Q. Report to the Legislature on Implementation of Household Battery Legislation

Information Items

- R. Report on Proposed Legislation for 1993 Legislative Session (Oral)
- S. Status Report on Budget (Oral)
- T. Commission Member Reports (Oral)
- U. Director's Report (Oral)

The Commission has set aside January 28-29, 1993 for their next meeting. The location has not been established.

Copies of the staff reports on the agenda items are available by contacting the Director's Office of the Department of Environmental Quality, 811 S. W. Sixth Avenue, Portland, Oregon 97204, telephone 229-5395, or toll-free 1-800-452-4011. Please specify the agenda item letter when requesting.

November 20, 1992

OREGON

DEPARTMENT OF ENVIRONMENTAL QUALITY

**REPORT TO THE LEGISLATURE
ON RIGID PLASTIC CONTAINER
EXEMPTIONS**

January, 1993

EXECUTIVE SUMMARY

RIGID PLASTIC CONTAINER EXEMPTION REPORT

This report fulfills the requirements of Oregon Laws, Chapter 385, Section 34(e)(1) which states:

"On or before January 1, 1993, the department shall report to the Legislative Assembly on whether to grant an exemption from the *criteria* established by section 34b of this 1991 Act [ORS 459A.655] for rigid plastic containers that cannot meet the *recycled content criterion* and remain in compliance with United States Food and Drug Administration regulations." (emphasis added)

This requirement is part of Senate Bill 66, referred to as the 1991 Recycling Act. The overall purpose of this Act is to increase the recovery of materials from Oregon's waste stream and to stimulate markets for recycled materials. Increased material recovery is to be achieved through improved recycling programs. Recycling markets are to be stimulated by requiring the utilization of recycled material in new products. The materials targeted to meet the recycled content requirement are newsprint, telephone directories, glass containers, and rigid plastic containers. This report deals only with the requirements for rigid plastic containers, and whether or not rigid plastic containers which hold products that are regulated by the US Food and Drug Administration (FDA) should be exempt from ORS 459A.655.

The Department submitted two draft reports for public comment during the Summer and Fall of 1992. Based on public comment and the Department's analysis, two points are very clear. First, Oregonians want increased plastics recycling opportunities and improved recycled plastics markets. Second, most of the industries which fall under FDA regulation (food, drug, cosmetic) say they cannot meet the recycled content criterion by the January 1, 1995 compliance date and remain in compliance with FDA or other federal regulations governing packaging; and, many affected parties claim they cannot meet the other criteria (options) for compliance: reuse, 25% recycling rate, or the statutory exemption if a 10% reduction in container weight is made.

The Department initially tried to address the relatively straightforward issue of whether to recommend an exemption; or if not an outright exemption then an extension of the January 1, 1995, compliance date.

From the volume of testimony received, it soon became clear that the issue is not straightforward and that basic changes are needed to this part of the law - changes which acknowledge the difficulty in obtaining FDA approvals but which also move the plastics industry toward achieving the SB66 recycling rates.

The Environmental Quality Commission (EQC) reviewed the Department's proposed Rigid Plastic Container Exemption Report to the Legislature (see attached document) on December 11, 1992. The EQC approved the Department's report and the recommendation therein with several

amendments. The recommendation presented to the EQC by the Department *at that time* consisted of the following basic tenets:

1. No broad-scale exemptions. No broad scale exemptions or delays in the compliance date for containers holding FDA-regulated products.

2. Modify compliance options. Replace the options in ORS 459A.655 with the requirement that all rigid plastic containers sold in Oregon contain 25% recycled content or be reusable by January 1, 1995.

3. Add a license option. Any container manufacturer or product packager whose rigid plastic containers are not reusable or do not meet the minimum content requirement by January 1, 1995 would be required to pay an annual licensing fee as of that date. Revenue from that fee would be used to improve plastics recycling in Oregon. The Department recommended setting the fee high enough to encourage manufacturers to aggressively attempt to gain FDA approval.

4. Limited Exemptions. Some containers are exempt from meeting the options in ORS 459A.655. The Department recommended that the exemptions in ORS 459A.660(3)(a)(b)(c) be retained: (a) containers for prescribed medications; (b) containers for shipment outside the state; and (c) tamper resistant packaging. The Department also recommended modifying ORS 459A.660(a) "the packages are used for medication prescribed by physicians" to "the packages are used for medication prescribed by licensed prescribing entities." The Department also recommended that containers for medical devices, infant formula and medical food be exempted to match the exemptions in the California law which is similar to this Oregon law.

The EQC received written and oral testimony from numerous interested parties, including the plastics industry, industries which use plastic containers, and Oregonians interested in recycling. Basically, the plastics industry and industries using plastic containers stated that they wanted the original provisions of the law to remain intact. Industries using plastic containers also stated that they need an exemption from the law for reasons of product safety and package integrity. The recycling community stated a preference to keep the law as written and to grant no exemptions, but that the law could be strengthened and the Department's proposed changes would be a step in that direction. They emphasized that the license fee be set high enough to ensure that industry aggressively worked to meet the recycling requirements. There was also testimony stating the importance of keeping Oregon's law as similar as possible to California's rigid plastic packaging law so that industry would have an easier time complying with both states' laws.

Key points which influenced the EQC's decision were:

- that relatively poor plastic recycling conditions exist in Oregon;

- that it is important to strengthen the law in order to get plastics recycling and recycled plastics markets moving;
- that, where possible, it is important to keep the original provisions of the law so that California's and Oregon's laws would remain similar;
- that fees generated under a licensing option could help support recycled plastics markets and plastics recycling infrastructure, and that the fee needed to be high enough to be meaningful to industry.

The EQC directed the Department to make the following recommendation to the Legislature:

1. No broad-scale exemptions or delays in the compliance date for containers holding FDA-regulated products;
2. Do not remove the compliance options as proposed by the Department but modify the aggregate recycling rate to account only for resins #3-#7 (i.e., do not count resins #1 and #2 into the aggregate recycling rate); and,
3. Adopt the licensing option proposed by the Department.

The Department's recommendation has been added to the current language of ORS 459A.655. The words in italics help illustrate the recommended changes, but are not intended to be recommended language for any amendment.

(1) **ORS 459A.655 Minimum recycled content for rigid plastic containers.** (1) Except as provided in ORS 459A.660(3), every manufacturer of rigid plastic containers sold, offered for sale or used in association with the sale or offer for sale of products in Oregon shall insure that the container meets one of the following criteria:

- (a) Contains 25 percent recycled content by January 1, 1995;
- (b) Is made of plastic that is being recycled in Oregon at a rate of 25 percent by January 1, 1995; or,
- (c) Is a reusable package; *or,*
- (d) Is licensed to be sold in Oregon.**

(2) A manufacturer's rigid plastic container shall meet the requirements in paragraph (b) of subsection (1) of this section if the container meets one of the following criteria:

- (a) It is a rigid plastic container and rigid plastic containers ***with the resin codes 3, 4, 5, 6, and 7*** in the aggregate, are being recycled in the state at a rate of 25 percent by January 1, 1995.
- (b) It is a specified type of rigid plastic container and that type of rigid plastic container, in the aggregate, is being recycled in the state at a rate of 25 percent by January 1, 1995; or

- (c) It is a particular product-associated package and that type of package, in the aggregate, is being recycled in the state at a rate of 25 percent by January 1, 1995.

Public Policy Message

The EQC/Department recommendation sends a strong public policy message.

- Recommending no broad-scale exemptions or delays in the compliance date for containers holding FDA-regulated products indicates to industry that there are options in the law for compliance other than recycled content.
- Recommending an additional option for compliance, an annual license, acknowledges that some companies may have difficulty meeting the January 1, 1995 compliance date but provides a mechanism to sell their containers in Oregon while providing revenue to improve plastics recycling and recycled plastics markets in Oregon.
- Recommending the aggregate recycling rate be only based on resins #3 through #7 sends a message that recycling opportunities for these resins need to be improved. The current success of the Bottle Bill and its impact on #1 resin recycling, and the current markets for plastic milk jug resin #2, should not carry the weight of the rest of the plastics in the state.

The law currently requires manufacturers of rigid plastic containers to meet at least one of the criteria of ORS 459A.655 (25% recycled content, 25% recycling rate, or be reusable) by January 1, 1995. Unless the Legislature takes action and grants an exemption or, as recommended in the Department's report, makes basic changes to the law, the standards set forth in ORS 459A.655 will remain in place.

The following report describes the Department's recommendation to the EQC, which was modified as described above for presentation to the Legislature.

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*** This 283 page document is available for review. Contact Linda Hayes at (503) 229-6823 or toll free within Oregon (800) 452-4011 for more information.*

A. LEGISLATIVE HISTORY

The 1991 Recycling Act (SB66) passed unanimously out of both the Oregon Senate and House. The overall purpose of this Act is to increase the recovery of materials from Oregon's waste stream and to stimulate recycled material markets. The Act has been codified under Chapter 459A in the Solid Waste Recovery section of the Oregon Revised Statutes. The following is a summary of the statutory language for ORS 459A.655-660 (for the complete, current statutory language, please refer to Attachment B).

ORS 459A.655 states that all rigid plastic containers sold in the state of Oregon must meet one of three criteria: (a) contain 25% recycled content by January 1, 1995; (b) be made of plastic that is being recycled in Oregon at a rate of 25% by January 1, 1995; or (c) be a reusable container. Additionally, a rigid plastic container may meet the recycling rate option if a 25% recycling rate is met by plastic containers in the aggregate, by a resin type, by a specified type of container (milk jug or soda bottle, for example), or by a particular product-associated package (e.g., a name brand shampoo or detergent).

Each manufacturer is required to submit a certification to the Department on or before March 1, 1995, and annually thereafter. The manufacturer must certify that their containers have complied with one or more of criteria of ORS 459A.655(1), or that their containers are exempt under the provisions of ORS 459A.655(3). Containers are exempt if they hold medications prescribed by physicians, the containers are produced in the state or are brought into the state and are destined for shipment outside the state, the packaging is necessary to provide tamper resistant seals, the containers are reduced by 10% of their weight when compared with the container used for the same product 5 years earlier, or there has been substantial investment by the manufacturer to achieve the recycling goal and the material is within five percent of the recycling goal and projections show the material will meet the goal within two years.

This report fulfills the requirements of Oregon Laws, Chapter 385, Section 34(e)(1) which states:

"On or before January 1, 1993, the department shall report to the Legislative Assembly on whether to grant an exemption from the *criteria* established by section 34b of this 1991 Act [ORS 459A.655] for rigid plastic containers that cannot meet the *recycled content criterion* and remain in compliance with United States Food and Drug Administration regulations." (emphasis added)

B. DEQ'S APPROACH TO ANSWERING THE EXEMPTION QUESTION

Process for Soliciting Public Comment: The public has been given several opportunities to comment throughout the development of this report. The Department submitted two draft reports for public comment. Prior to developing the first draft report, staff met with numerous groups and individuals and received "position" letters from nine different interested parties. Draft reports were submitted to the public for comment on August 17 and September 30, 1992.

In addition, a public meeting was held on October 8 to discuss the second draft report. Since the second draft report comment period closed, the Department has received numerous letters and telephone calls from concerned citizens. To date, the Department has received comment in person at the public meeting or in writing from 114 different interested parties (Attachment C contains a summary of all written and oral testimony and the Department's response to those comments, Attachment D contains copies of all written comments and a summary of oral comments from the October 8, 1992 meeting).

Oregon Citizens' Concerns: Oregonians demand increased plastic recycling opportunities and improved recycled plastic markets. There is a common sentiment among citizens contacting the Department that the plastics industry and industries which use plastic packaging have not been responsive to the need for recycling. Hence, a weak market and few recycling opportunities exist for the public. Indeed, plastic recycling opportunities have been reduced in recent months as several recyclers have been forced to stop collecting most plastics except milk jugs. Another strong, consistent message has been voiced by Oregonians: a lot of hard work and compromising went into the development of this law. Plastic and other industry groups agreed to this law, and exempting such a large portion of rigid plastic containers from the criteria in this law would signal a retreat from the intent of SB66. Citizens point out that this is not a "recycled content" only law, there are other options for compliance. They want to give the law a chance to work and indicate that the law should encourage industry to act now to improve plastics recycling opportunities and recycled plastics markets.

Container Manufacturers' and Product Packagers' Concerns: Top priority is to maintain product safety and purity. Strict FDA and other federal regulations limit their ability to use recycled content, reuse their containers, or reduce the weight of their containers. The FDA is concerned that chemical contaminants (such as petroleum products and pesticides) in post-consumer plastic materials intended for recycling may remain in the recycled material and migrate into the product packaged in the recycled plastic container. The general regulations under Part 177 of Title 21 of the Code of Federal Regulations (Indirect Food Additives: Polymers) and the requirements specified in Section 174.5 relating to good manufacturing practice are the pertinent regulations for this report. In particular, Section 174.5(a)(2) states, "Any substance used as a component of articles that contact food shall be of a purity suitable for its intended use." Unknowns in technology, the costly and lengthy testing and approval procedures for recycled content use, and uncertainty about the January 1, 1995 recycling rate make it difficult for many of these companies to plan for compliance.

Many manufacturers and packagers are concerned that the "options" for compliance are limited. Achieving compliance by meeting the recycling rate is not realistic for resins #3-#7. The "reuse" option cannot be used by most companies as only certain polymers are approved for repeated use with food products. Product packagers in general are not willing to compromise the safety of their products by placing them in containers whose past history may include contact with a deleterious substance (e.g., a pesticide). Most rigid plastic containers are already reduced as far as possible, since this is a logical materials and shipping cost-saver. In addition, some products in rigid plastic containers have federally regulated container thicknesses and cannot

reduce weight beyond a certain point (e.g., containers holding products regulated under the Federal Insecticide, Fungicide and Rodenticide Act).

The Department's Overview: The goals of ORS 459A.655 are to stimulate both the collection of recyclable plastic products and the use of these resources as manufacturing feedstock. An outright exemption for food and other FDA-regulated products from all the criteria of ORS 459A.655 signals a retreat from these goals, since the containers holding these products amount to over one-half, and possibly as much as two-thirds of the rigid plastic container waste stream in Oregon. Glass and newsprint consumers are changing their business practices and making enormous progress towards meeting their mandated goals. The same should be and is expected of rigid plastic container manufacturers. However, the permeability of plastic, and the ability for contaminants to migrate into a product packaged with plastic, is what distinguishes plastic from other packaging materials. Product safety is a legitimate concern and should not be jeopardized.

After much public comment and internal analysis, the Department concludes that there are two ways to approach this complex issue: (1) narrowly address the specific statutory question of whether to grant an exemption; or (2) recommend more basic changes to this part of the law to help achieve the overall purpose of the Act.

The next section of this report summarizes the exemption scenarios which were examined by the Department and the public through the two draft reports. A more detailed discussion of the exemption scenarios is contained in Attachment A, pages A1 through A6. However, for reasons explained below, the Department rejects the exemption scenarios and recommends basic changes to the law as outlined on pages 10 through 14.

C. DISCUSSION OF EXEMPTION SCENARIOS

A Narrow Look at Exemptions: A "narrow" look at exemptions simply means addressing only the question put forth in the statute: should an exemption from all the recycling/reuse/recycled content *criteria* in the law be granted for rigid plastic containers that cannot meet the *recycled content criterion* and remain in compliance with United States Food and Drug Administration regulations.

The Department examined three exemption scenarios: (1) no exemption from the criteria; (2) exemption from the criteria; and (3) a one-time, two-year extension for those companies committing to the recycled content method for compliance but require more time for testing and approval of the containers.

Currently, the majority of rigid plastic containers which hold FDA-regulated products, or hold products whose packaging is affected by other federal regulations, cannot utilize 25% minimum recycled content in the container and remain in compliance with FDA or other federal regulations. The process for gaining FDA authority to use any level of recycled content requires

extensive testing and considerable time. The Department estimates that between one-half to two-thirds of all rigid plastic containers are federally regulated. Therefore, any exemption could have a detrimental effect on overall plastic recycling.

A "no exemption" recommendation does not acknowledge that while progress can and is being made on utilizing recycled content in FDA-regulated packaging, progress is very slow and may not be achieved by the January 1, 1995 compliance date. "No exemption" also implies that the other compliance mechanisms in the law are implementable. The industry makes compelling arguments that reduction has already been maximized, reuse is regulated by the same strict federal standards, and that the recycling rate is not realistic because resin #3 through #7 are generally not recyclable in Oregon at this time. Individual plastic packaging companies feel that recycling rates are beyond their control and are a joint responsibility of industry, garbage collectors, and state and local governments. A "no exemption" recommendation also implies that substitute packaging (glass, paper) would have to be utilized, and the Department doubts that was the legislative intent, nor are these materials feasible for some of the food products. Overall, a "no exemption" recommendation would likely result in massive non-compliance on January 1, 1995.

A "yes exemption" recommendation recognizes the time and cost involved in gaining FDA approval. It should be noted however, that even if FDA approval is sought, there is no guarantee it will be granted. A "yes exemption" recommendation fails to motivate industry toward the use of recycled content and more recycling opportunities. The public is ready and willing to recycle now. What is most important at this time is to develop a market for recycled materials. An exemption recommendation may delay recycling for several years. Since plastics recycling lags behind its counterparts, the need is for immediate, lasting solutions. The fear of many is that if an exemption is granted for a limited period, another extension will be sought by industry, and no progress towards more recycling will be made.

Any exemption should require mechanisms to ensure a good faith effort by industry to move toward use of recycled content, but an administrative process to assess "good faith" could be burdensome on companies, staff-intensive for the Department, and potentially highly subjective. In addition, there is no guarantee that plastics recycling and markets development would be stimulated. Finally, with or without an exemption, and with current staffing levels at the Department, massive non-compliance could not be dealt with.

A Broader Look at the Law: The Department analyzed the issues and decided to take a broader, more realistic look at the intent of the law and industry's ability to comply by the end of 1994. A broader, more realistic look at the law reveals that it is very difficult, if not impossible to implement as written:

- a) The "options" for compliance for rigid plastic containers holding FDA-regulated products are limited. As stated above, achieving compliance by meeting the recycling rate for resin types is not realistic for resins #3-#7. The current success of the aggregate rigid

plastic container recycling is due largely to the Bottle Bill. If the aggregate 25% recycling rate option is met, it will be carried by the success of the Bottle Bill. This is not a step forward in improving plastic recycling opportunities for the citizens of Oregon, since the Bottle Bill has been on the books since 1971. Recycled content, as mentioned above, is a possibility for FDA-regulated containers, but the process to obtain approval is slow. The "reuse" option cannot be used by most companies as only certain polymers are approved for repeated use with food products. Product manufacturers in general are not willing to compromise the safety of their products by placing them in containers whose past history may include contact with a deleterious substance (e.g., a pesticide). Most rigid plastic containers are already reduced as far as possible, since this is a logical materials and shipping cost-saver. In addition, some products in rigid plastic containers have federally regulated container thicknesses and cannot reduce weight beyond a certain point.

- b) The determination of compliance is difficult and burdensome on industry and Department staff alike. In the national plastics arena, there are at least one hundred large manufacturers and hundreds of smaller ones that make rigid plastic containers. There are over one thousand companies who make a product which is placed in rigid plastic containers. At the retail level (grocery, bakery and delicatessen) there may be several thousand companies that may utilize rigid plastic containers. All would require certification.
- c) The public is anxious for plastic recycling; however, until markets exist plastics will not be collected on a dependable, broad scale basis throughout Oregon. The need for market development, which was recognized by the 1991 Legislature in creating the Recycling Markets Development Council, is critical to all recycling. So far, there is little evidence of a team approach by the industry to stimulate markets for recycled products, and there are no major new programs on the horizon at this time.

D. DEPARTMENT RECOMMENDATION - Modify Existing Law

The Department recommends that the law be modified. This is the best way to achieve measurable results in overall plastics recycling.

Recycled content/reusable criteria: Change the law to a 25% minimum recycled content law. Allow credit for containers which are reused, but otherwise remove any other options for compliance. The effective date is unchanged - January 1, 1995. The requirement applies to all rigid plastic containers sold in Oregon which have a capacity between eight ounces and five gallons. A few recommended exemptions are listed on page 9. Any containers sold in the state must be accompanied by paperwork that indicates the containers contain 25% recycled content or that they are reusable. A container manufacturer OR product packager must be licensed to sell rigid plastic containers in Oregon which do not meet the minimum 25% recycled content or reuse criteria by January 1, 1995.

Licensing: A container manufacturer OR product packager must be licensed to sell rigid plastic containers in Oregon which do not meet the minimum 25% recycled content or reuse criteria by January 1, 1995. *Only one license need be associated with a container.* For example, if a container manufacturer is licensed in Oregon, then all containers made by that manufacturer are licensed in Oregon. The packager need not obtain a license if they use containers produced by the container manufacturer which holds the license. In-state container manufacturers and product packagers who ship products out-of-state will not require a license.

A licensing example: An Oregon manufacturer of many rigid plastic containers and products who ships all of those containers and products out-of-state, will not be required to obtain a license. However, the container manufacturer or the product packager must obtain a license if any portion of those containers or products return to Oregon for sale in Oregon. The license can be obtained by the container manufacturer and cover all containers made by that manufacturer, OR by the product packager cover all products packaged by the packager. This recommendation allows industry to determine which entity should obtain the license.

The license, and the associated annual fee, are an important part of this recommendation. The fee must be high enough to encourage the container manufacturer or product packager to apply to the FDA for approved status (to use recycled content). The license fee is not intended to be calculated on an item-by-item basis, but rather should be based on broad categories and on the estimated number of containers sold in Oregon.

Exemptions: The Department recommends maintaining three of the current exemptions under ORS 459A.660(3)(a)(b)(c) for prescribed medications, tamper resistant containers, and containers destined for shipment outside the state of Oregon. The Department also recommends modifying the existing language in ORS 459A.660(a) from "the packages are used for medication prescribed by physicians" to "the packages are used for medication prescribed by licensed prescribing entities." The Department recommends adding exemptions for packages used for medical devices, medical food, and infant formula because these products are currently exempt from a similar law in California and they account for a small portion of Oregon's rigid plastic container waste stream.

Recommended Licensing Procedures

Who Obtains the License (and pays the fee)?

- Any rigid plastic container that does not have 25% recycled content or that is not reusable cannot be purchased for sale or be sold in Oregon unless the container manufacturer or product packager has been licensed.
- The license can be obtained by the container manufacturer and cover all containers made by that manufacturer; OR by the product packager and cover all products packaged by the packager which are sold in Oregon. License shall accompany container type and/or product type to Oregon distributors or retailers.

How Is the Licensing Fee Assessed?

- Fee should be high enough to encourage licensee to pursue FDA approval for the use of recycled content.
- Fee should be broad based and may be graduated by sales (numbers of containers) in Oregon; may be a minimum fee, a flat fee, or have an option for calculating a fee up to a flat fee.
- Fees may be assessed by the DEQ or by Economic Development Department and are to be used for developing plastics recycling and recycled plastics markets.

How Long Is the Licensing Fee Paid?

- Annually, beginning January 1, 1995, until container is made from a minimum of 25% recycled plastic or is reused.

What is the Licensing Fee Used For?

- Stimulating plastics recycling and recycled plastics markets (i.e., technology development, increasing processing capacity).
- Administering the licensing program.

How is Licensing Verified?

- Distributors/retailers cannot purchase for sale or sell container unless the container/product is licensed.
- Do annual survey of small percent to verify license.

Limitations on Licensing

- Intent is not to let container manufacturers or products packagers buy their way out of using 25% minimum recycled content.
- Allow the Environmental Quality Commission to eliminate licensing option for those manufacturers whose containers can clearly use recycled content due to changes in federal laws or technology improvements.

(see a summary table on page 13)

PROPOSED RIGID PLASTIC CONTAINER REQUIREMENTS

<u>MINIMUM CONTENT</u>	<u>LICENSE (fee)</u>	<u>EXEMPT</u>
<p><i>What:</i> All rigid plastic containers, whether federally regulated or not, must meet 25 % recycled content, or be reused, by January 1, 1995.</p> <p><i>Why:</i> Already the law.</p>	<p><i>What:</i> The container manufacturer or product packager must be licensed in order for their containers/ products to be sold in Oregon IF the containers have not achieved 25 % recycled content or are not reusable by January 1, 1995.</p> <p><i>Why:</i> Establishes a funding mechanism for improving plastics recycling and market development.</p> <p>Provides a stimulus for utilizing recycled content.</p>	<p><i>What:</i> prescribed medicine containers tamper resistant containers shipments destined outside Oregon *medical device containers *infant formula containers *medical food containers</p> <p><i>Why:</i> Uniformity with California's SB235 exemptions.</p> <p>Small portion of waste stream.</p> <p>* proposed additions to currently exempted rigid plastic containers under ORS 459A.660(3)</p>

E. ADDITIONAL CONSIDERATION FOR THE LEGISLATURE

The Department recommends an additional, related item be considered by the 1993 Legislature. The definition of "manufacturer of rigid plastic container" needs further clarification. The current definition of "manufacturer" in ORS 459A.650(2) (see below) is not consistent with the use of "manufacturer" in ORS 459A.655(1) and 660(1). There remains disagreement over the legislative intent of this section of state law. The Department recommends that the 1993 Legislature clarify what is meant by "manufacturer" so the law can be implemented as intended. The definition must be clear for all parties involved, including the container manufacturers, the product packagers, and the Department.

Current definition under ORS 459A.650(2):

"Manufacturer" means the producer or generator of a packaged product which is sold or offered for sale in Oregon in a rigid plastic container.

Inconsistent use of the term "manufacturer" in the law's language.

459A.655(1) "... every *manufacturer of rigid plastic containers* sold, offered for sale or used in association with the sale or offer for sale of products in Oregon shall insure that the container meets one of the following criteria:..."

459A.660(1) "... each *manufacturer of rigid plastic containers* shall submit a certification to the department."

These sentences are phrased inconsistently, i.e., spelling out "manufacturer of rigid plastic containers," instead of using just the word "manufacturer." "Manufacturer" in both instances could be the actual maker of the container or the "producer or generator of a packaged product."

Comments from interested parties indicate why the "manufacturer" should or should not be the product packager or the container manufacturer. Arguments are convincing on both sides. Manufacturers of rigid plastic containers cannot track the shipments of their containers to Oregon. In many cases, the containers may change hands as many as four or five times before finally reaching the shelves in Oregon. Product packagers are close enough to the final shipments to determine what and how many containers are sold in Oregon. If product packagers were required to submit certifications, however, the Department would be handling well over 1,000 - maybe as many as 4,000 - certifications. Product packagers could be one or all of a number of different entities ranging from the entity which produces a product, to the entity which packages the product, to the entity which distributes the product, or to the entity whose name appears on the product's label. On the other hand, the number of rigid plastic container manufacturers whose containers are sold in Oregon is significantly lower, somewhere between 150 to 200 entities.

Certification and reporting are highly sensitive issues, and for this reason the Associated Oregon Industries has organized a Rigid Plastic Container Certification Work Group to work on a system for certification and reporting. The work group is comprised of representatives from national and local companies and trade associations that make or use rigid plastic containers to sell products in Oregon. The Department commends this work group for tackling the certification/reporting issue and recommends that the work group's recommendation be considered by the 1993 Legislature.

ATTACHMENT A

EXAMINING THE THREE EXEMPTION SCENARIOS

The following exemption scenarios were examined by the Department and submitted for public comment during the development of this report. Please note that the following are *not* being recommended by the Department.

- Scenario A** No exemption from criteria in ORS 459A.655 for containers holding FDA-regulated products.
- Scenario B** Grant exemptions from criteria in ORS 459A.655 for containers holding FDA-regulated products. January 1, 1995 effective date for exemptions.
- Scenario C** No exemption from requirements in ORS 459A.655 with the exception of a one-time, two-year extension of the effective date for the recycled-content criterion only. This extends the compliance date from January 1, 1995 to January 1, 1997 and only applies to those rigid plastic containers holding FDA-regulated products for which there is currently no FDA-approved (non-objected) process for utilizing recycled resins in those containers. The certification date for ALL rigid plastic containers, including those with extensions, remains March 1, 1995.

Scenario A Discussion

Scenario A No exemption from criteria in ORS 459A.655 for containers holding FDA-regulated products.

Arguments For No Exemption:

- Law provides several choices other than recycled content for compliance
- Technology is changing rapidly and there is a good chance that new FDA non-objected processes for recycled content will be available before the 1995 effective date
- FDA has guidelines for chemistry consideration for use of recycled plastics in food packaging (non have been released for drugs and cosmetic divisions)
- National studies are being conducted for recycled content use with food products

Arguments Against No Exemption:

- Over half of the rigid plastic containers in Oregon are under federal regulations and must undergo lengthy and costly testing in every case for approval to use recycled material in the packaging.

Many of the comments received by the Department stress that this is an "industry choice" law. It offers four choices for the plastics industry or an individual manufacturer to meet the requirements of ORS 459A.655:

- a. Use 25% recycled content, or

- b. Meet 25% recycling rate, or
- c. Use reusable container, or
- d. Use reduced container (exemption provision under ORS 459A.660(3)(d)).

Additional flexibility was built into this law; under the recycling rate option, 25% recycling can be met by rigid plastic containers as a whole, by a certain type of container, by a certain resin type, or by an individual company. Thus, if an industry cannot achieve the rate, a company or industry sector can (e.g., milk jugs or soft drink bottles).

In addition, the manufacturer of any rigid plastic container not certified under the above requirements can show investment, progress and a trend to improvement in meeting its goals within two years, is allowed an exemption.

Although most FDA-regulated products cannot currently utilize recycled content in their containers, plastic recycling technologies are rapidly changing. The FDA has developed informal guidelines to help food packaging manufacturers evaluate the use of post-consumer recycled plastic (*Points to Consider for the Use of Recycled Plastics in Food Packaging: Chemistry Considerations, May, 1992*). There are currently three FDA-approved recycling processes for polyethylene terephthalate (PETE). Two processes are tertiary recycling involving a chemical change: glycolysis and methanolysis. The third process is secondary recycling (physical regind) involving a core layer of reground post-consumer PETE with a layer of virgin PETE on either side (see page A-7 for a current listing of "no-objection" letters from the FDA). These processes were submitted to and were not objected by the FDA for specific uses by the companies submitting the application.

According to the FDA's Center for Food Safety & Applied Nutrition, several plastic recycling processes are currently being researched for no-objection (approval) status. However, this report cannot specify which processes and polymers are under consideration for approval because FDA policy does not allow disclosure of such information.

In addition, The National Food Processors Association is in the process of conducting research for the use of recycled content in high density polyethylene (HDPE) food packaging. The researchers caution, though, that thorough research will take several years and that there are many unknowns and no guarantees in the end.

The Drug Division of the FDA has not released, nor is it certain whether they ever will release, guidelines for use of recycled content with drugs, over the counter drugs, cosmetics which are under their purview. Testing of these products must include the product and the container together as a unit, whereas food packaging testing is conducted on the packaging alone.

In addition to FDA regulations, there are other state and federal regulations governing packaging of hazardous materials and agricultural products such as dairy products, poultry and meats. These regulations are as demanding as FDA regulations and therefore the products falling under these categories should be considered in the scope of this report.

Minimum content is the most direct route for the majority of manufactures to comply with the law. Several companies, including some large resins producers, have approval for use of recycled PETE for food packaging. These processes are specific to the companies who received the non-objection letters. According to the FDA, until they have some mechanism in place to consider comparable uses as a class, it will remain necessary for each company, on a case-by-case basis, to request FDA to consider each specific situation and proposed use.

Despite the commercial availability of approved recycled-content PETE, PETE cannot be substituted across the board in the place of other plastic resins (e.g., HDPE). Over half of the rigid plastic containers sold in Oregon contain state or federally regulated products. Each plastic resin exhibits different properties, some not suitable for use with different food products. Users of rigid plastic containers also point to the "relative" commercial availability of approved recycled content PETE, citing cost and inadequate supply as obstacles to use of the resin.

Because a significant volume of regulated containers sold in Oregon cannot currently use recycled content plastic and remain in compliance with those regulations, the Department believes that Option A does not allow sufficient time between now (1993) and 1995 (the compliance date) for FDA approval of new recycling processes followed by the production of recycled content containers. Many large companies may be able to convert some product lines as technology becomes available, however, most medium to small-sized businesses may not be able to fund testing for recycled content plastic for direct contact with FDA-regulated products or other federally regulated products. Until national testing, which is underway, is completed and federal agencies are approving the use of recycled content, recycled content is not a "true" option for most companies with regulated products.

Scenario B Discussion

Scenario B Grant exemptions from criteria of ORS 459A.655 for containers holding FDA-regulated products. January 1, 1995 effective date for exemptions.

Arguments For Exemption From Criteria:

- Alleviates lengthy and costly testing for over half of Oregon's rigid plastic containers to meet the 25% minimum recycled content requirement.
- Many believe this is not an "options law": recycled content is restricted under federal regulations; reuse is restricted under federal regulations; recycling rate is not under manufacturers' control; and most packages are already reduced as far as possible

Arguments Against Exemption From Criteria:

- Over half of the rigid plastic containers in Oregon would be exempted from complying with ANY of the options: recycled content, recycling rate, or reuse.
- May negatively impact the ability of the 25% recycling rate to be met and thus limit the ability of others trying to comply via the 25% recycling rate option.

- Would be a premature move in that recycling technologies are rapidly changing and an exemption from the recycled content requirement may not be necessary for all FDA-regulated containers.
- Could result in exempted manufacturers delaying pursuits towards seeking approval for new recycling processes from FDA or utilizing new processes as they become approved and commercially available.

A majority of the comment from industry indicates that this is not an "options" law.

"Recycled content" issues were addressed under discussion of Option A.

"Recycling rate" is not an option for most containers. Many companies have stated that they cannot plan on the aggregate recycling rate meeting 25%. Marketing plans need to be implemented approximately two years ahead of scheduled product delivery to the shelves. Many interested parties commented that companies have no control over the recycling rate in Oregon. The Department has just been given statutory and budgetary ability to calculate current plastic recycling rates, but 1992 recycling rate information will not be available until May or June of 1993. Based on a 1989 Department study and discussions with recycling industry professionals, the Department estimates a rough 10% aggregate recycling rate for rigid plastic containers. This recycling rate is largely due to the success of the Bottle Bill and subsequent returns of plastic PETE liter soda bottles. Plastic milk jug recycling enjoys modest success in many areas of the state as well.

Meeting a 25% recycling rate by resin type is guaranteed for PETE, again, due to the Bottle Bill. Recycling opportunities for other PETE containers do not currently exist in Oregon. Although it is not likely, given the current status of plastic recycling markets in Oregon, there is a chance that HDPE may reach a 25% recycling rate by 1995. All other resins have recycling rates below 2% and are not expected to reach a 25% recycling rate by January 1, 1995.

"Reuse" is not an option for most containers. Federal regulations do not allow repeated contact with food for most polymers. Many companies are not willing to take the risk that a consumer may place a deleterious substance (e.g., pesticides or used motor oil) in an empty container for use around the home before they return it for reuse. With regards to "refillable" containers, some companies claim that despite advertising and the availability of reusable containers, consumers do not always refill or reuse a container. The companies state they have no way of guaranteeing that a consumer will reuse a container one time or five times.

"Reduction" is also not an option for most containers. Many interested parties commented that the provision in the statute for an exemption based on a 10% weight reduction is worthless. Most containers are already lightweighted to reduce material and shipping costs. Additionally, companies claim this exemption is unfairly biased, punishing those with already reduced packages while benefitting those whose current packaging are not fully lightweighted.

The Department also points out the statutory exemption under ORS 459A.660(3)(e) allows for

an exemption from the requirements if "[t]here has been substantial investment achieving the recycling goal, viable markets for the material, if collected, can be demonstrated, the material is within five percent of the goal, there is substantial evidence of recycling rates and reasonable projections show that the material will meet the goal within two years."

The Department believes that an exemption (from all criteria) would be premature because more plastic recycling technologies for direct contact with FDA-regulated products are being developed and may be approved in the near future. An exemption could result in the exempted manufacturers delaying or "relaxing" their pursuit towards applying for FDA approval of a new plastic recycling process, or not pursuing the production of a recycled-content container if and when approved plastic recycling processes are developed.

Also, these containers comprise over half of Oregon's rigid plastic container waste stream. If these containers are exempted from all criteria, then this could significantly impact the ability of the other half of the rigid plastic waste stream from meeting the 25% recycling rate. In other words, many of the manufacturers will not take measures to increase recycling.

The Department considered granting an exemption from only the recycled content criterion, but this only reduces the options for rigid plastic container manufacturers. Granting an exemption from ALL of the criteria under ORS 459A.655 is not under consideration. This law was passed so that rigid plastic container manufacturers would have to take action, one way or another, to get their products recycled, reused, source reduced or to contain recycled materials.

Scenario C Discussion

Scenario C No exemption from content requirements in ORS 459A.655 with the exception of a one-time, two year extension of the effective date for the recycled-content criterion only. This extends the compliance date from January 1, 1995 to January 1, 1997 and only applies to those rigid plastic containers holding FDA-regulated products for which there is currently no FDA-approved (non-objected) process for utilizing recycled resins in those containers. The certification date for ALL rigid plastic containers, including those with extensions, remains March 1, 1995.

Arguments For Limited Extension:

- Gives manufacturers of containers which hold FDA-regulated products additional time to *complete* research and apply for FDA non-objection of recycled polymers in their containers.

Arguments Against Limited Extension:

- The one time two-year extension of the compliance effective date for over half of the rigid plastic containers in Oregon could be costly, in terms of inaction, for the rest of the rigid plastic containers, especially if manufacturers are depending on

reaching a 25% recycling rate.

The Department strongly considered this "compromise" scenario to the exemption question. We felt it was a logical approach to the dilemmas presented in the statute. Thus, this was the option presented as the Department's recommendation in the second draft report. Basically, this option consisted of a one-time, two-year extension to allow manufacturers of containers holding FDA-regulated products time to do the research and complete the application necessary for FDA non-objection of recycled content polymers. In no way did the Department want this option to be misconstrued as allowing these container manufacturers additional time for inaction or to seek exemptions. Products held in containers for which there is approved recycled content processes would not receive the extension.

Citizens were concerned with this compromise. They feared most manufacturers would commit to the recycled content option in order to get the extension and not even consider the other options required by 1995. Concern was also expressed that manufacturers would continue to request "extensions," thus effectively exempting themselves from any action towards compliance. On the other hand, concerned companies stated that two year's extension time was simply not enough time to complete research, and that the two years extension appeared to be an arbitrary length of time - certainly not based on science and the ability for technology to be properly developed. On the one hand consumers demand purity and safety of food and products, on the other hand they are demanding recycled content on a time table that is not consistent with technology's ability to assure that purity and safety.

The Department wanted to recommend to the Legislature an option which, despite allowing some flexibility for manufacturers of containers holding FDA-regulated products, would ultimately result in a higher compliance rate with ORS 459A.655. We also wanted to avoid an annual request for extension, which could effectively result in a "rolling exemption." To encourage manufacturers of rigid plastic containers which hold regulated products to explore all options under ORS 459A.655, the Department suggested that manufacturers report all efforts taken to comply with the recycling rate and reuse options and reasons why these efforts were or were not successful.

The only way this option could be implemented is to have an annual review process requiring manufacturers to describe their efforts in trying to comply with the recycling rate, reuse, and reduction portions of the law and any efforts made toward pursuing recycled content containers.

Continued internal analysis and public comment has led us to discount this option. The Department does not want to be in the position of judging a company's actions towards either compliance or pursuit of recycled content. This process could prove to be too burdensome and subjective.

**"NO OBJECTION" LETTERS ISSUED BY FDA
FOR PACKAGING MADE FROM RECYCLED RESINS:**

- PS - thermoformed egg carton to: Dolco Packaging Corp.
- PS - thermoformed egg carton to: Landfill Alternatives
- PETE - resins produced by methanolysis processing of beverage bottles to: Hoechst-Celanese and to Eastman Chemical
- PETE - resins produced by glycolysis processing of beverage bottles to: Goodyear
- PETE - pint and quart sized containers for packaging fresh fruits and vegetables to: Frank I. Harvey, attorney for UltraPac Inc.
- PETE - PETE regrind as inner core of a triple layer, coextruded sandwich laminate limited to short term storage (less than two weeks) of food at refrigerated and room temperature (prepared bakery and deli products) to: Frank I. Harvey, attorney for UltraPac Inc.
- PETE - PETE regrind tri-laminate clamshell for food contact, (same temperature & time conditions as above). Also, fresh fruit and vegetable baskets to: Bullwinkel Partners, LTD.
- PP & PE - for harvesting crates for transport of fruits and vegetables from field to processing plant, to: Lewisystems
- PETE - methanolysis from post-consumer PETE to: E.I. du Pont de NeMours & Co.

(source: FDA letters of no-objection)

ATTACHMENT B
CURRENT STATUTORY LANGUAGE
ORS 459A.650-660

459A.650 Definitions for ORS 459A.650 to 459A.665. As used in ORS 459A.650 to 459A.665:

- (1) "Department" means the Department of Environmental Quality.
- (2) "Manufacturer" means the producer or generator of a packaged product which is sold or offered for sale in Oregon in a rigid plastic container.
- (3) "Package" means any container used to protect, store, contain, transport, display or sell products.
- (4) "Product-associated package" means a brand-specific rigid plastic container line, which may have one or more sizes, shapes or designs and which is used in conjunction with a particular, generic product line.
- (5) "Recycled content" means the portion of a package's weight that is composed of recycled material, as determined by a material balance approach that calculates total recycled material input as a percentage of total material input in the manufacture of the package.
- (6) "Recycled material" means a material that would otherwise be destined for solid waste disposal, having completed its intended end use or product life cycle. Recycled material does not include materials and by-products generated from, and commonly reused within, an original manufacturing and fabrication process.
- (7) "Reusable package" means a package that is used five or more times for the same or substantially similar use.
- (8) "Rigid plastic container" means any package composed predominantly of plastic resin which has a relatively inflexible finite shape or form with a minimum capacity of eight ounces and a maximum capacity of 5 gallons, and that is capable of maintaining its shape while holding other products.

(1) ORS 459A.655 Minimum recycled content for rigid plastic containers. (1) Except as provided in ORS 459A.660(3), every manufacturer of rigid plastic containers sold, offered for sale or used in association with the sale or offer for sale of products in Oregon shall insure that the container meets one of the following criteria:

- (a) Contains 25 percent recycled content by January 1, 1995;
- (b) Is made of plastic that is being recycled in Oregon at a rate of 25 percent by January 1, 1995; or,
- (c) Is a reusable package.

(2) A manufacturer's rigid plastic container shall meet the requirements in paragraph (b) of subsection (1) of this section if the container meets one of the following criteria:

- (a) It is a rigid plastic container and rigid plastic containers, in the aggregate, are being recycled in the state at a rate of 25 percent by January 1, 1995.
- (b) It is a specified type of rigid plastic container and that type of rigid plastic container, in the aggregate, is being recycled in the state at a rate of 25 percent by January 1, 1995; or

- (c) It is a particular product-associated package and that type of package, in the aggregate, is being recycled in the state at a rate of 25 percent by January 1, 1995.

2) ORS 459A.660 Certification; records; exempt containers. (1) On or before March 1, 1995, and annually on or before March 1 thereafter, each manufacturer of rigid plastic containers shall submit a certification to the department. The certification shall include the total tons of rigid plastic containers the manufacturer produced or sold for sale or distribution in the state by resin type, the tons of recycled materials used in manufacturing those rigid plastic containers and other information the department may require to administer the requirements of ORS 459A.650 to 459A.655. Proprietary information included in a report or certification submitted to the department under this section shall not be made available to the general public. Manufacturers shall keep records documenting the certification for presentation to the department upon its request. Each manufacturer required to make a certification under this section may be audited by the department.

(2) Each manufacturer shall certify that the manufacturer has complied with one or more of the requirements of ORS 459A.655 during the preceding calendar year for all of the manufacturers rigid plastic containers subject to section (3) of this section.

(3) For any rigid plastic containers not certified under subsection (2) of this section, each manufacturer shall certify that such containers are exempt from the requirements of ORS 459A.655 for one of the following reasons:

- (a) The packages are used for medication prescribed by physicians.
- (b) The packages are associated with products produced in or brought into the state that are destined for shipment to other destinations outside the state, and which remain with such products upon such shipment.
- (c) The packaging is necessary to provide tamper-resistant seals for public health purposes.
- (d) The packages are reduced packages. A package shall qualify as reduced when the ratio of package weight per unit of product has been reduced by at least 10 percent when compared with the packaging used for the same product by the same packager five years earlier. In no case may packaging reduction be achieved, for purposes of this paragraph, by substituting a different material category for a material that constituted a substantial part of the packaging in question, or by packaging changes that adversely impact the potential for the package to be recycled or be made of recycled content. Exemptions under this paragraph shall be limited to five years, shall not be renewable and shall not be applicable to packages for which the ratio of package weight per unit of product increased after January 1, 1990.
- (e) There has been substantial investment in achieving the recycling goal, viable markets for the material, if collected, can be demonstrated, the material is within five percent of the goal, there is substantial evidence of accelerating recycling rates and reasonable projections show that the material will meet the goal within two years.

3) Oregon Laws, Chapter 385, Section 34(e)(1): On or before January 1, 1993, the department shall report to the Legislative Assembly on whether to grant an exemption from the criteria established by section 34b of this 1991 Act [ORS 459A.655] for rigid plastic containers

that cannot meet the recycled content criterion and remain in compliance with United States Food and Drug Administration regulations.

ATTACHMENT C

PUBLIC COMMENT AND DEPARTMENT RESPONSE to drafts of the RIGID PLASTIC CONTAINER EXEMPTION Report to the Legislature

Statutory Requirement

The Department is required under Oregon Laws, Chapter 385, Section 34(e)(1) to report by January 1, 1993, on whether to grant an exemption from the criteria established by ORS 459A.655 for rigid plastic containers that cannot meet the recycled content criterion and remain in compliance with the United States Food and Drug Administration regulations.

Schedule of the Draft Reports

The Department submitted two draft reports for public comment, requested written comment on both drafts, and invited oral testimony for the second draft at a public meeting. Thirty-seven different interested parties commented within the comment period. Since the comment period began, the Department has received dozens of letters and phone calls from Oregonians concerned about the plastic container exemption report. To date (November 23, 1992), 139 different interested persons have contacted the Department (114 written and 25 via telephone). Below is the schedule of the draft reports and comment periods:

	<u>mailed to interested persons</u>	<u>written comments due to the Dept.</u>	<u>oral comments at public meeting</u>
1st Draft	August 17, 1992	September 8, 1992	
2nd Draft	September 30, 1992	October 22, 1992	October 8, 1992

Summary of Comments

Comments received have been categorized under general topic headings. Individuals or organizations who made the stated or similar comments are listed by number after each general comment. A numerical listing of the commenters can be found on pages C-24 through C-27. The following are not to be interpreted as direct quotes from any of the identified entities. It is possible that a listed individual or organization may not agree with the comment in its entirety. It is also possible that some one may agree with the comment but was not listed as such. However, every effort was made to be as inclusive as possible.

A. Recycled Content and Federal Regulations

Comment 1: report should address more than just food containers & FDA regulations (1,9,15,16,20)

The Department's report appears to place an emphasis on food containers. FDA regulations cover more than just food. They also govern drugs, nonprescription drugs, and cosmetics. Containers and devices used in the medical field also come under purview of the FDA. There are other federal regulations guiding product packaging, which may conflict with ORS 459A.655. For example, the United States Dept. of Agriculture (USDA) has regulations governing dairy, poultry and meat products. Under the Environmental Protection Agency (EPA) is the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) which places specific limitations on container thickness and forbids reuse of containers.

Department Response:

The Department agrees that previous drafts appear to emphasize food packaging and recognizes that the FDA regulates products other than food. This was addressed by using the term "regulated products." Thus, all containers whose products come under federal or state regulations are included.

Comment 2: safety and purity of product is primary concern (1,2,9,10,13,15,16,17,19,20,22,23,24,25,27,28)

Safety and purity of the food and product supply is tantamount to any other consideration. Food and product purity must not be jeopardized by the use of recycled material in packaging.

Department Response:

The Department recognizes the importance of food and product safety and purity and has emphasized it in the report. The report recommends a compliance method which does not unnecessarily jeopardize public health.

Comment 3: technology is limited and may not be broadly applied (1,2,3,9,15,22,24,25,30,32)

Current FDA-approved technology is limited. Technology does not currently exist by which a product manufacturer can guarantee that recycled plastic

packaging will have virgin properties and thereby meet safety standards the public has come to expect. Additionally, a recycled resin may only be used in the manner for which it received approval from the FDA. For example, recycled PETE made from physical regrinding of recycled plastic containers can be used only as indicated on the application: for contact with bakery and deli products at ambient temperatures (room temperature or cooler), for no longer than 2 weeks' time. Even if the recycled PETE becomes more widely available, this material is suitable only for use with certain types of foods. For other foods, based on their fill temperature, water or oxygen barrier requirements, chemical composition or storage state, other types of materials (such as HDPE, LDPE, polystyrene or polypropylene) are required. There is not yet satisfactory technology that will allow the use of recycled resins other than PETE, that will ensure safety and provide adequate protection to the food. Plastic packaging may not be switched in all cases from one resin to another.

Department Response:

The Department's recommendation maintains the January 1, 1995, compliance date for containers which can utilize recycled content. However, because technology is limited and may not be broadly applied, the recommendation establishes a method which allows time for technological advancement while promoting plastics recycling research and development.

Comment 4: FDA reviews food applications on case-by-case basis
(32)

Until the FDA has a mechanism in place to consider comparable uses as a class, it will remain necessary for each company to request FDA consideration of each specific situation and proposed use.

Department Response:

The Department understands that the FDA is considering the possibility of developing a mechanism to identify comparable uses as a class for recycled resins. Until such time, case-by-case review by FDA will continue. By licensing products without minimum content, the Department has made allowance for this potential delay while at the same time providing funding to encourage increased plastics recycling.

B. It's An Options Law - There are Other Possibilities for Compliance

Comment 5: the law is an options law with maximum flexibility for compliance
(4,5,6,7,8,13,26,29,31,33,34,38,41,43,46,49,54,55,59,62,68,71,78,79,
81,84,86,87,89,92,97,101,110,113)

This is not a "recycled content only" law. There are other options available for compliance. For example, manufacturers will be in compliance if a 25% recycling rate is met via four different possibilities: plastic containers in the aggregate, plastic containers by resin type, plastic containers by specific use (e.g., soda bottles or milk jugs), or by product-associated containers (e.g., a brand line of shampoo or cleaning products). Compliance can also be met if the containers are reusable. Containers may be exempt for five years if the containers have been reduced by 10% of their weight. Even substantial investment in plastics recycling and a recycling rate within 5% of the 25% goal, and with the trend indicating reaching the goal within 2 years, will enable a manufacturer to exempt its containers.

Department Response:

The Department received comment from industries using rigid plastic packaging stating that the options for compliance were problematic and that the only way to control one's "compliance destiny" was via recycled content. The caveat, however, is that more research time is needed to utilize recycled content. The overwhelming testimony on this issue led the Department to recommend removal of the options and changing the law to a recycled content law with licensing for those currently unable to use recycled content.

Comment 6: food packaging can be recycled into other durable products
(4,8,13,29,36,39,40,104,106)

Food packaging does not need to be recycled back into food packaging. There are numerous durable products being manufactured out of recycled food packaging: PETE soda bottles are being used to make carpet. Polypropylene packaging is being used to fill sleeping bags and jackets and vest. HDPE is being used to make all sorts of household and industrial containers such as motor oil and detergent and shampoo bottles. PVC packaging is being recycled into pipe. Even resin #7, "other" or "multi-resin" plastic is being reground and used for plastic lumber and fence posts. Collection and processing capabilities should grow in the short term, with the material going into durable products other than packaging, while parallel efforts are being made to increase the ability to utilize recycled resin in food containers.

Department Response:

Durable items are a good market for recycled resins. The licensing fees are recommended as a funding source to develop recycled plastics markets.

Comment 7: companies can stimulate recycling and the use of recycled content (4,5,13,30)

There are many ways to stimulate recycling and the use of recycled content products. Companies themselves have the power to stimulate recycled-content containers by requesting that companies from which they purchase products place their products in recycled-content packaging. Another way to stimulate plastics recycling is to develop a collection and recycling program for your own packaging. Examples of this in the Northwest are Tetra-Pak and Procter & Gamble.

Department Response:

The public in general is placing demands on product companies to use recycled content and progress is being made, albeit not as fast as some would like to see. The fees generated by licensing (as recommended in the Department's report) could be used to develop recycled plastic markets with the goal of stimulating the collection and use of more recycled plastic.

Comment 8: California law waives FDA-regulated packages from recycled content only (4)

California's law, SB235, was developed after Oregon's law and grants a waiver from the recycled-content criterion to FDA-regulated packaging. There is no more reason to exempt FDA-regulated packaging from all criteria today than there was in 1991. California's law makes clear that FDA regulated packaging may be eligible for a waiver "from the post-consumer material content requirement but not from any other requirement" if certain conditions are met.

Department Response:

The Department recommendation is consistent with California Law in that there are no exemptions from the minimum content requirement. The licensing program is similar to California's waiver program.

C. Not An Options Law

Comment 9: options limited if not infeasible
(1,3,9,16,24,27)

The options for compliance are not realistically obtainable by 1995. Recycled content for FDA-regulated products is very slow due to research and the federal approval process. Reuse is limited to very few applications due to state and federal regulations. Weight reduction is limited, as most containers are naturally lightweight due to the economic benefits in material acquisition and shipping costs. Companies have no control over the recycling rate in Oregon.

Department Response:

The Department acknowledges these difficulties. Different viewpoints are strongly held on this issue. The Department has recommended removing the options altogether and licensing containers so that these companies can comply with the law, while at the same time generating monies from the licensing fees which can be used to improve plastics recycling and recycled plastic markets in Oregon.

Comment 10: recycled content: significant testing, time, expense for approval
(1,9,15,22,23,25,27,28,30)

Safety and purity for food, drug and cosmetic products is a top priority and caution must be used when making packaging with recycled plastic. There are many unknowns and possibilities for contamination for which protocols must be developed and tested. This requires testing, time and expense. When the testing and research is complete, there is no guarantee that FDA approval will be granted.

Department Response:

The Department acknowledges the lengthy and costly process required for using recycled content with these products and that product safety and integrity is important. This is one of the reasons the Department is recommending a change to the law.

Comment 11: commercial availability of recycled resins: cost, quantity, quality at issue
(2,10,25)

The Department refers to the commercial availability of FDA-approved recycled resins yet does not mention the relative cost of these resins compared to virgin resins. In order to use recycled content, should a company be expected to purchase the more expensive recycled resins and raise their prices, thus losing a competitive advantage? In addition, there is no recognition that both quantity and quality recycled resins are easy to come by. Running an Oregon-only container line is not practical and large companies must obtain large amounts of dependable plastic to make 25% recycled content containers.

Department Response:

Under the recommendation in the Department's final report, companies not able to obtain sufficient quantities of quality recycled resins can license their containers in Oregon until they are able to acquire the quality and volumes needed for their business.

Comment 12: reuse is not an option for most
(1,3,9,15,22,23,25,27)

There are health and safety concerns about contamination in the container migrating to the product. Containers may be used by the consumer to hold a deleterious substance such as a pesticide or used motor oil, and companies may not be able to guarantee that those containers will be effectively cleaned or removed from reuse. Even if the container were designed and marketed for refill or reuse by the consumer without ever having to come back to the original product manufacturer, companies have no control over consumers' behavior. Companies cannot guarantee that the containers will be refilled.

Department Response:

Department investigation reveals examples of reuse with milk and water bottles. While the report's primary recommendation emphasizes recycled content, reuse is possible and important and therefore the Department recommends that credit be given to reusable containers.

Comment 13: most containers are already reduced as much as possible
(1,2,3,9,15,22,23,24,25,27)

Most containers are already lightweight to the maximum extent possible

because it makes economic sense when it comes to material acquisition and shipping costs.

Department Response:

This is one of many arguments that led the Department to recommend abandoning the options for compliance and relying on a recycled content and licensing approach.

Comment 14: no control over Oregon's recycling rate
(1,2,3,9,25,27)

Companies have no control over Oregon's recycling rate. A company can advertise recycling all it wants, but it is the Oregon consumer who must ultimately recycle the container. Companies usually require a two year advance for marketing plans and cannot put all their eggs in one basket and rely on the 25% recycling rate (which the Department will not have calculated and published until after the January 1, 1995 compliance date).

Department Response:

An association working with polystyrene has been successful in recycling its members' packaging in Oregon. Companies may not control Oregon's recycling rate, but they can contribute to it. The Department's recommendation eliminates the 25% recycling rate exemption option.

Comment 15: how can a company with #7 plastic comply?
(10,23)

If a company's product must be packaged with a #7 resin due to the performance requirements placed on the container for the product, how can a company comply? Due to current technology and federal regulations, recycled content is not possible within the statutory time frame. The best bet would be a 25% aggregate recycling rate but companies cannot plan on this happening. The container will not meet the "by resin," "product-specific," or "product-associated" recycling rates. The containers cannot be reused because of federal regulations and the container is already reduced as far as possible to maintain package stability and product safety. These products will be forced off the shelves in Oregon. It is doubtful that the legislature intended to ban these products. These containers should be exempt because there is no method for compliance.

Department Response:

The Department recognizes the limitations on certain classes of containers for compliance, and notes that there has been some success with #7 being recycled back into plastic lumber and fence posts. The Department's recommendation for licensing would make compliance possible for companies which cannot comply via current options in the law.

Comment 16: ability to comply should be available to all impacted by law
(9)

Many small and medium-sized companies do not have the same ability to comply with this law as do some of the larger companies. Standards should not be based on the success of one or two companies. Such requirements should be imposed only when they become technologically feasible and attainable by any company making a good faith effort to comply.

Department Response:

The Department feels that its recommendation for licensing can withstand the "fairness" test for compliance. Some sort of scale, based on ability to pay, size of company, sale of products in Oregon (not by monetary sales, but by units or products sold), or some other equitable measuring stick, can be developed.

Comment 17: companies may have to pull products from Oregon shelves
(9,10,23,28)

Compliance with this law is not possible for many companies. These companies may have to remove their products from Oregon shelves.

Department Response:

It is not the intent of the law or this recommendation to remove products from Oregon shelves. The concept of a license fee is that it is fairly administered and contributes to Oregon's recycling goals.

D. No Exemption

Comment 18: this law was agreed to by the plastics industry: do not weaken by exemption or delay
(4,8,18,29,37,40 and generally 34 through 114)

This law was passed after much compromise and agreement. The plastics industry agreed to this law because they felt the options for compliance were achievable. Now many of them say they cannot meet any of the options and are trying to weaken the law. Do not recommend exemptions or delays.

Department Response:

Numerous industries use rigid plastic packaging: toys, cleaning products, automotive products, healthcare, personal care, cosmetics, foods, nonprescription drugs, garden products, etc. While it is true that the Department has received comments from many affected companies stating that they cannot meet one and/or all of the options for compliance by the 1995 date, some indicate they are searching for new, creative ways to comply. Our recommendation reflects their concerns about realistically complying with the options in the law and provides licensing for those not able to use recycled content by 1995.

Comment 19: endorse no exemption
(4,5,6,7,8,13,18,26,29,31,33 through 114)

Do not recommend an exemption from the criteria. Any exemption would weaken this law. Stand firm with the agreements made in SB66.

Department Response:

The Department received written comments very similar in nature to the above statement from over 70 different interested parties and also received 25 telephone calls requesting the same. This is a very polarized issue with many interested parties on either side seeking opposite recommendations in this report: either "no exemption" or "full exemption." Oregonians want plastics recycling now. The recommended licensing fees for those companies whose containers do not meet the 25% recycled content requirement by 1995 could be used to develop plastics recycling infrastructure and recycled plastics markets in Oregon.

Comment 20: granting an exemption is premature and removes incentive for research
(4,7,8,26,29,33)

Given the rapid changes in recycling technology that are occurring, an exemption would be premature at this time. The law does not become effective until 1995. Rapid changes in technology are continually being made, and by 1995 there could be many technological advances that would make recycled content use in plastic food packaging commonplace. If companies are exempted from recycled content requirements, then a major incentive for conducting research and applying for FDA non-objection is removed.

Department Response:

The Department recognizes that technology is rapidly changing but also understands that not all technological problems in using recycled plastic may be solved by 1995. The Department also believes that if companies are exempted from recycled content criterion, a major incentive for research and the use of recycled resins is removed. This is one of the reasons the Department is recommending changing the law - to a straight recycled content requirement with an annual licensing fee until a minimum of 25% recycled content is manufactured into the container. The fee is not intended as a way for companies to buy their way out of recycled content; rather, the fee should provide incentive to move toward the use of recycled content.

Comment 21: exempting FDA-regulated products from all criteria could be detrimental to Oregon's plastic recycling rates and markets
(4,5,6,8,29)

If over half of Oregon's rigid plastic containers are exempt from all criteria simply because they cannot use recycled content at this time, this could seriously impact the ability of the 25% recycling rate to be met. Companies which might otherwise place efforts on improving the recycling rate instead of utilizing recycled content, probably and realistically would not make that effort, if an exemption were granted.

Department Response:

The question posed by the Legislature, should FDA-regulated containers be exempted from all criteria if they cannot meet the recycled content criterion?, places this concern in the middle of the debate. The Department's recommendation of recycled content or licensing enables all companies with regulated rigid plastic containers to comply with the law, without having to exempt a major portion of the rigid plastic containers sold in the state.

Comment 22: packaging trends moving toward non-recyclable materials
(5,7,8,68)

By recommending an exemption the state would be creating an unlevel, unfair playing field. One consequence is that some companies are finding it easier to switch from packaging that has to meet more rigorous recycling standards, such as glass bottles, to plastics packaging with its less demanding requirements. For example, in the past few years a number of food products, such as peanut butter, have switched packaging from clear glass containers to PETE or PVC rigid plastic containers. This switch includes national brands as well as house brands. The market for clear glass is very strong in Oregon, and elsewhere, while it is impossible to find an adequate market, if any, for PVC and non-soft drink PETE in Portland, let alone the rest of the state. Glass containers have no options under Oregon law, and would be at a further disadvantage to plastic food and beverage containers if plastic food and beverage containers were given an even bigger advantage of two years to comply.

Department Response:

The Department does not believe that the minimum recycled content sections of SB66 (specifically glass and plastic) were designed to stimulate the movement of packaging from one material category to another. Creating a level playing field is one of the reasons behind the Department's recommendation to move to a straight recycled content law - similar to the glass, newsprint and telephone directory 25% minimum recycled content requirements. The Department does believe, however, that there are technological differences when using recycled content plastic with food and other products which in some cases may take longer than 1995 to solve. Therefore, the recommendation includes the availability of a license until the 25% recycled content is achievable.

Comment 23: DEQ cannot base a decision on possible action/inaction of FDA
(8)

The Department's argument for two more years' extension is flawed because it relies on action or inaction of the FDA. If we wait two years for the FDA to act, and it does not act or provides no definitive answers, then must we wait another two years after that? How long will the ultimate delay be?

Department Response:

Even though the Department suggested in the second draft report that this two year extension be limited to one time, there may be no significant changes in

the approval process at the end of such an extension period. Recognizing this, the Department's recommendation for "recycled content or licensing" enables companies to comply by 1995, while also giving those obtaining an annual license the incentive to move to recycled content packaging. Extensions or exemptions are no longer an issue in the Department's final recommendation.

Comment 24: plastic packaging bearing recycling symbol tells public it's recyclable (18,40)

Plastic packaging bearing a recycling symbol indicates to the public that it is recyclable. Publicity from the plastic industry is telling the public that plastics are recyclable. Let the industry prove its claim.

Department Response:

There are two possible symbols the commenters are referring to: the symbol required by Oregon state law ORS 459A.680 on or near the bottom of a rigid plastic container or bottle (a chasing-arrows triangle around the Society of Plastics Industry [SPI] resin code numbers #1 through #7, with the resin's abbreviation letters below the triangle), but which companies are uniformly using across the country; or, some other type of chasing arrows symbol placed on the packaging. The SPI resin code was designed for ease of sorting plastics for recycling, but is commonly understood by the public to mean the packaging is recyclable, when in fact, that is not the meaning of the label. Recycling opportunities do not generally exist for all plastic resins. The Department recommendation for market development funding is intended to enhance recycling opportunities for all plastic resins.

E. Exemption

Comment 25: full exemption for all FDA-regulated containers (1,3,9,15,22,25,27)(12-food exemption)

Rigid plastic containers holding FDA-regulated products cannot use recycled content and stay in compliance with FDA regulations. The other methods for compliance are not realistically achievable. Therefore, these containers should receive full exemption.

Department Response:

Because a full exemption does not get the state to the goal of improved plastics

recycling and recycled plastics markets, the Department does not consider exemptions acceptable.

Comment 26: if FDA-regulated containers are exempted, remove these containers from recycling rate computations
(4,8,29)

Currently the majority of the plastic being recycled in Oregon are food containers - PETE bottles and HDPE milk jugs. An exemption from all of the criteria does not make sense when the exemption would apply to the same materials which are being recycled at the highest rate. If an exemption is going to be granted, the Department should consider changing the wording regarding the 25% recycling rate so that rigid plastic food containers could not count toward that recycling rate.

Department Response:

The Department is not recommending exemptions. However, if the Legislature were to amend the law as it now stands to allow for exemptions, it may be difficult, if not impossible, for recyclers to separate FDA-regulated packaging from other non-regulated packaging. With the exceptions of milk jugs and soda bottles, recyclers do not typically track the recycled containers via categories such as food or non-food containers. Overall, calculating the recycling rates for rigid (versus all) plastic containers and their various resins could prove to be too cumbersome.

Comment 27: exempting food (or drugs or cosmetics) packaging would not affect Oregon's solid waste
(15,16,25)

Exemption of food (or drug or cosmetic) packaging would not signal a retreat from the general commitment to further plastic recycling. Plastic food (or drug or cosmetic) packaging represents a very small amount of the solid waste stream; even if that entire amount were converted to 25% recycled-content materials, there would hardly be a noticeable reduction in the solid waste stream in Oregon.

Department Response:

The Department believes it would be a retreat from the commitment to further plastic recycling if an exemption from the criteria were granted to all containers holding FDA regulated products. Therefore, the Department's

recommendation of offering a license for compliance recognizes the inability of all regulated containers to use recycled content packaging at this time.

Comment 28: Oregon regulations should be consistent with California regulations
(21)

Oregon regulation should be consistent with California's SB235 regulations (SB235 is a law similar in nature to Oregon's SB66). Uniformity with regulations and reporting would help avoid costly inefficiencies in trying to meet varying state requirements.

Department Response:

The Department believes the recommendation is consistent with California law. Oregon's Department of Environmental Quality and the California Integrated Waste Management Board have been sharing information about activities and have been exchanging staff-generated documents. We will continue to keep in touch with each other and when possible will make every effort to keep regulations and reporting procedures consistent.

F. Extension

Comment 29: two-year extension not enough time: need provision for review
(1,2,3,9,22,23,27,28)

There are many unanswered questions for industry, researchers, and state and federal regulators. The recommendation for a two-year deadline is totally unrealistic. These commenters urge DEQ to develop a recommendation which is sensitive to the higher priority for food and product safety, and which allows flexible scheduling in view of technical achievements.

Department Response:

The Department recognizes that not all technological questions can be answered within two years time. This law was passed in 1991, and a two-year extension would give those needing an extension a total of 6-1/2 years to do research. If a steadfast compliance date is not provided, the incentive for compliance is weakened. The Department's recommendation reflects the recognition that not all containers can safely use recycled plastic by 1995 and offers a license for those containers. The Department believes its recommendation is sensitive to the needs of industry and the environment.

Comment 30: extension should be a minimum
(33)

If DEQ feels that some modification of the current deadline is absolutely necessary, it should be the very minimum extension of time which would allow this issue to be considered again after industry has made a good faith effort to comply with current requirements. This argues for a six-month extension from January 1 to July 1, 1995 so that the issue can be considered again by the 1995 Legislature.

Department Response:

This minimum extension was considered by the Department but it was felt that this simply does not allow enough time for analysis of the "good faith" efforts or the recycling rate surveys. Certification/reporting is required by March 1, 1995. The task of determining "good faith" efforts could be staff intensive and potentially highly subjective. The recommendation made by the Department eliminates the need for constant renegotiation of a deadline.

Comment 31: what happens at end of extension period?
(10)

The idea of a two-year extension rate is interesting, but the wording of "one time" (in the second draft report) may put the state statute in conflict with the FDA requirements. What would happen on January 1, 1997 if the FDA has not sent letters on non-objection.

Department Response:

The current recommendation does not include an extension. If a container cannot use recycled content by January 1, 1995, then the container can be licensed.

Comment 32: two-year extension does not create markets or increase plastics recycling
(4,7,8)

In the absence of any other state action, a delay in implementing the standards incorporated in SB66 will cause severe harm to the existing and future plastics recycling industry in Oregon. We need improvement now.

Department Response:

The Department agrees. Therefore, the Department's recommendation reflects the concerns of both the regulated community and the recycling community by offering a license to those companies whose containers cannot currently use recycled content. The fees generated by those licenses would be used for improving plastics recycling and recycled plastics markets in Oregon.

G. Special Consideration Exemptions

Comment 33: nonprescription drugs, cosmetic-drugs, medical devices, infant formula, medical food deserve same exemption as "prescribed by physician"
(9,16,19,28,30)

For many of the same health and safety reasons that "medications prescribed by physicians" are exempt under this law, nonprescription drugs, cosmetics, cosmetic-drugs, and personal care products should be exempt. While the regulations and testing for these products differ from food, in each case the Agency and the manufacturer must consider the possibility that contaminants may migrate from packaging that comes in contact with the product. If the FDA were to determine the product to be adulterated due to contaminants from packaging, the Agency would have the same regulatory authority as for food, prescription drugs and devices to seize or enjoin sale of the product and to prosecute the manufacturer. Many of these products are ingested or placed on the skin and around the eyes and mouth.

Department Response:

The Department recognizes that product safety and public health are important, and that testing for new packaging can be costly and time consuming. The Department's recommendation reflects this and allows licensing for companies whose containers cannot use recycled content by 1995.

Comment 34: products regulated by the Federal Insecticide, Fungicide and Rodenticide Act should be exempt
(16)

The Environmental Protection Agency regulates pesticides under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). In addition, the transportation of these materials in commerce is regulated by the Department of Transportation under the Hazardous Materials Transportation Act. Stringent manufacturing and performance standards have been promulgated by

the federal government with respect to the containers for these products. All of these standards cannot be assured if recycled content is required to be used in FIFRA-regulated product containers. FIFRA products are already exempt from recycled content requirement under the California law and we suggest that FIFRA products be exempted from the Oregon recycled plastic content requirements. At a minimum these products should be treated in the same manner as the FDA-regulated products addressed in your report.

Department Response:

The Department's recommendation allows for FIFRA products to be licensed until these containers can safely use recycled plastic.

Comment 35: expand "prescribed by physician" to include all licensed prescribing entities
(17)

Present language only exempts "medications prescribed by physicians." The commenter believes the intention of the legislature was to also exempt prescription drugs before they are actually prescribed, as well as medications prescribed by any health care professional (not just physicians) licensed by the state of Oregon to prescribe medications.

Department Response:

The Department agrees and is making this recommendation.

Comment 36: give permanent exemption to source reduced containers
(3,24,25)

The exemption for source reduced packages has a built-in bias against companies that have already reduced their package weight per volume as much as possible. ORS 459A.660(3)(d) states that packages in which the ratio of package weight per volume has been reduced by at least 10% as compared to the same package five years earlier are exempt from the certification requirements of ORS 459A.655. The inequity of this exemption is clear. If a company which has used excessive packaging for years then reduces the excess plastic that shouldn't have been there in the first place, it receives an exemption from the requirements of ORS 459A.655. Another company, which has always used the minimum amount of plastic possible in its containers, cannot receive the exemption. This company must therefore take additional steps to comply with the law and is thus penalized for its

proactivity. If a company could certify that its packages were already at a minimum weight per volume, it should also be exempted from the requirements of the law.

Department Response:

The Department has heard from many interested parties that their containers are already reduced as much as possible because a light-weighted package reduces costs for material acquisition and shipping. If containers in general are already source reduced as far as possible, then exempting all these containers from all of the criteria would not serve to improve plastics recycling in Oregon. As a result, the recommendation does not include maintaining the "10% reduction in weight" exemption option.

H. Reporting Entity

Comment 37: responsibility for options falls on different entities
(3,4,14)

The problem with reporting is that responsibilities for the different options in the law are most easily assumed by different sectors. Some of the compliance options are based on the product in a container, not just on the container itself. Recycled content can best be verified by the container manufacturer. Product manufacturers have the better ability to report on recycling rates, reuse of containers and reduction of containers. Rather than have a two-party reporting system, the law has one, with the product manufacturer responsible for obtaining recycled content information from the container producer.

Department Response:

Any reporting system will likely require cooperation on behalf of both the container manufacturer and product manufacturer. The Department's recommendation allows for these entities to decide between themselves which company is in the better position to identify the recycled content of the container, OR to obtain the license.

Comment 38: product manufacturer specifies packaging
(3,4,8,10,14,21,29,30)

There is a public policy reason for keeping responsibility on product manufacturers. Companies that manufacture or package products have a wide variety of containers to choose from. A company can choose from seven types

of plastic resins, glass, aluminum, steel, or paperboard. The law now puts responsibility on the company that chooses the type of packaging it will use. Since these companies have the ability to determine how their products will be packaged, keeping them responsible will promote informed decision-making and lead to more environmentally sound packaging choices, such as switching from a generally non-recyclable plastic #7 to a more recyclable plastic #2.

Department Response:

In most cases, product manufacturers specify the containers used for their products and are in a position to make environmentally sound packaging choices. The Department's recommendation keeps all parties involved and interested in working towards a full-circle recycling solution.

Comment 39: near impossible for container manufacturer to track containers to Oregon shelves
(3,10,14,21,30)

Container manufacturers usually have no knowledge or direct control over what products are packaged and sold in Oregon. For a manufacturer of containers to certify its own containers in Oregon, it would have to receive information from customers, from the product manufacturers and their customers, from the distributors and their customers, and from the retailers as to what products are sold in Oregon. The name on the product label on the shelf in Oregon is the only logical place to start the certification process. In most cases, plastic bottles and containers do not have producer names on them.

Department Response:

The Department's recommendation allows information and licensing to come from either the container manufacturer or the product manufacturer (company with the label on the container). As recommended, paperwork shall accompany the containers to Oregon indicating the containers have recycled content or that a license to sell the containers has been obtained.

Comment 40: packagers have no way to certify recycled content
(1,15,22,23)

Certification of compliance with the recycled content criteria must come from the packaging manufacturer, since the product manufacturer has no knowledge of or means to verify the recycled content of the package. Certification of the

recycled content by the product packager could potentially impose liability on product companies for activities of upstream suppliers over which they have no control.

Department Response:

The concept is that paperwork identifying the recycled content of containers should accompany the rigid plastic containers into the state and to the point of sale.

I. Considerations for the Reporting Process

Comment 41: reporting complex and sensitive: need confidentiality measures
(2,3)

The issue of reporting is both complex and sensitive. Special measures should be taken to ensure the confidentiality of any information submitted by reporting requirements.

Department Response:

ORS 459A.660(1) states "Proprietary information included in a report or certification submitted to the Department under this section shall not be made available to the general public." The Department takes very seriously all claims of confidentiality and proprietary information and has established procedures for document security, including limited staff access to locked file rooms and locking file cabinets.

Comment 42: certifications of compliance should be modeled after CONEG's
Toxics Restriction Legislation
(3,9,10,14,21)

Requiring certification dealing with the total tons of rigid plastic containers produced or sold in the state by resin type and the tons of recycled materials used in manufacturing the rigid plastic containers will result in an avalanche of documentation submitted to the Department, despite the fact that the manufacturer will retain more detailed documents on file. A workable, realistic approach to ensure compliance is to establish a certificate of compliance system similar to that in the 14 states with laws prohibiting metals in packaging. The Coalition of Northeast Governors (CONEG) Model Toxics Legislation law states: "The certificate of compliance shall be signed by an authorized official of the manufacturing or supplying company.... The

purchaser shall retain the certificate of compliance for as long as the package or packaging component is in use. A copy of the certificate of compliance shall be kept on file by the manufacturer or supplier of the package or packaging component. Certificates of compliance, or copies thereof, shall be furnished to the [state administrative agency] upon its request and to members of the public..."

Department Response:

The CONEG toxics packaging restrictions certification process is a possibility for reducing paperwork demands on the state from its rigid plastic container certification. If the Legislature does not adopt the changes to the law as recommended in this report, then this type of process should be taken into consideration as a possible model for certification.

Comment 43: review on good faith appears too subjective
(9)

The Department's second draft report proposes that starting in 1995, companies must approach the Department on a case-by-case basis for any extension. The likelihood of obtaining an extension from DEQ appears to be so subjective and uncertain that packagers trying to make packaging for 1995 won't find out until then if they are eligible. Marketers need to know their choices in packaging much in advance of that time.

Department Response:

This is one of the reasons the Department's recommendation does not include a process to determine steps taken to use recycled content.

Comment 44: consolidate reporting through associations
(4,8)

Extra handling of information can be eliminated by consolidating reporting through trade associations.

Department Response:

This process for reporting would eliminate handling of paperwork by the state. It is also possible that companies would be more willing to submit information through their trade association than directly to the Department, despite the law's provision for the handling of proprietary information. If the Legislature does not move to adopt the changes to the law as recommended in this report,

this type of certification process should be considered for streamlining reporting.

Comment 45: latitude with recycled content calculation
(21)

Companies could be given latitude to comply with the 25% recycled content requirements either on a product line average basis or ideally on a company-wide average basis. For example, if a product containing several flavors or sizes uses a total of 100 lbs. of packaging, the requirement would be that 25 lbs. of the total be recycled material. That 25 lbs. could be distributed uniformly across all flavors or sizes or could be used exclusively for one or two flavors or sizes at the discretion of the manufacturer. This option would not in any way reduce the amount of material being removed from the waste stream. It would allow manufacturers to more efficiently comply with the law.

Department Response:

The Department agrees this would allow manufactures to comply with the law more efficiently. This recommendation, and other methods for calculating recycled content compliance, should be taken into consideration with any changes the Legislature makes with the law.

Comment 46: only those seeking exemption should have to report
(29)

An annual certification process is too complicated and should be simplified. Any annual certification process will generate excessive paperwork and costs by both industry and the state. To reduce this cost, the certification process could be done by exemption. Only those products desiring exemption should need to submit documentation. A random audit procedure could still be used to assure compliance.

Department Response:

The recommendation reduces annual paperwork submitted to the Department. Documentation must accompany the container into Oregon. The recommendation intends that the regulatory agency assigned review of this documentation will perform spot checks at retail establishments to certify recycled content, reusability or container license.

Summary of Commenting Interested Parties

The following interested parties submitted position letters to the Department *before* the report was developed. The interested parties are listed in the order that their letters were received and are given a reference number. These numbers are used to identify the party with a comment.

	<u>Received by Department</u>
1. Northwest Food Processors Association	April 1, 1992
2. Grocery Manufacturers of America	May 8, 1992
3. The Procter & Gamble Company	May 12, 1992
4. Oregon St. Public Interest Research Group	May 18, 1992
5. Recycling Advocates	May 22, 1992
6. Oregon Environmental Council	May 26, 1992
7. Resource Recycling	May 29, 1992
(1). Northwest Food Processors Association	June 11, 1992
8. Association of Oregon Recyclers	July 1, 1992
9. Cosmetic, Toiletry and Fragrance Assn.	July 29, 1992
(4). Oregon St. Public Interest Research Group	July 31, 1992

The following is a list of interested parties who submitted written or oral comment on the first and second draft reports *within* the comment period established by the Department:

<u>No.</u>	<u>Individual or Organization</u>	<u>Written Comment 1st Draft</u>	<u>Written Comment 2nd Draft</u>	<u>Oral Comment 2nd Draft</u>
10.	Molded Container Corporation	X	X	X
11.	Nature's Fresh Northwest	X		
12.	Union Carbide Chemicals & Plastics Co.	X		
13.	Metro	X	X	
(9).	Cosmetic, Toiletry, Fragrance Association	X	X	X
(4).	Oregon St. Public Interest Research Group	X	X	X
(6).	Oregon Environmental Council	X		
(5).	Recycling Advocates	X		
14.	Continental Plastic Containers, Inc.	X		
15.	Kraft General Foods, Inc.	X	X	
16.	Abbott Laboratories	X	X	X
17.	Pharmaceutical Manufacturers Association			X
(8).	Association of Oregon Recyclers	X		X
18.	Becker Projects	X		
19.	Health Industry Manufacturers Association	X	X	
(2).	Grocery Manufacturers of America	X	X	X
(1).	Northwest Food Processors Association	X	X	

<u>No.</u>	<u>Individual or Organization</u>	<u>Written Comment 1st Draft</u>	<u>Written Comment 2nd Draft</u>	<u>Oral Comment 2nd Draft</u>
(3).	The Procter and Gamble Company	X	X	X
20.	Baxter Healthcare Corporation	X		
21.	The Clorox Company	X	X	
22.	National Food Processors Association	X		X
23.	Truitt Brothers, Inc.		X	X
24.	General Mills, Inc.		X	
25.	Helene Curtis, Inc.		X	
26.	City of Eugene		X	
27.	Chesebrough-Pond's USA Company		X	
28.	Nonprescription Drug Manufacturers Assn.		X	X
29.	City of Portland		X	
30.	Owens-Brockway, Plastics & Closures Unit		X	
31.	Clackamas County		X	
32.	U.S. Food and Drug Administration		X	
33.	Lane County		X	

The following is a list of citizens and organizations who, in general, wrote the Department letters encouraging no exemption or delays in the criteria:

	<u>Received by Department</u>	
(5).	Jeanne Roy (Recycling Advocates)	September 4, 1992
34.	Campus Recycling, University of Oregon	October 15, 1992
35.	Suzanne Johannsen	October 16, 1992
36.	Oregon Sanitary Service Institute	October 16, 1992
37.	Sharon R. Tremble	October 22, 1992
38.	Catherine Collins	October 26, 1992
39.	Tom Throop, Deschutes Co. Commissioner	October 26, 1992
40.	Bend Recycling Team Board Members	October 26, 1992
41.	Tina Springer	October 29, 1992
42.	Elven & Geraldine Sinnard	October 30, 1992
43.	June Fleming	November 2, 1992
44.	Bob Carleton	November 3, 1992
45.	Jan Bisermics	November 3, 1992
46.	Kim McDonnell	November 3, 1992
47.	Loen A. Dozono	November 4, 1992
48.	Theresa A. Kempenich	November 4, 1992
49.	Debra C. Jones	November 4, 1992
50.	Sharon Conroy	November 5, 1992

	<u>Received by Department</u>
51. Kathleen Gow	November 5, 1992
52. Ann S. Holznagel	November 5, 1992
53. Suzanne E. Adams	November 5, 1992
54. Catherine B. Nollenberger	November 5, 1992
(7). Jerry Powell (Resource Recycling)	November 5, 1992
55. Randy & Jill Hack	November 5, 1992
56. Patti Rouse	November 5, 1992
57. Liza & Gerald Maness	November 5, 1992
58. Kathy Luiten & Carl Goodwin	November 5, 1992
59. Mary E. Kleiner	November 6, 1992
60. Pat Wolter	November 6, 1992
61. Jerry Porter	November 6, 1992
62. Christine Farrington	November 6, 1992
63. Jon J. Kart	November 6, 1992
64. Sharon Bobbe	November 6, 1992
65. Nancy L. Tracy	November 9, 1992
66. Deja, Inc.	November 9, 1992
67. Victor Damgaard & Victor Nielsen	November 9, 1992
68. Steve Apotheker	November 9, 1992
69. Rick Craycraft	November 9, 1992
70. Jeremy V. Sarant	November 9, 1992
71. Susan Denning	November 9, 1992
72. Florence Fleskes	November 9, 1992
73. Lou Stagnitto	November 9, 1992
74. Holly P. Goldsmith	November 9, 1992
75. Mary Preston	November 9, 1992
76. Susan Brenner	November 9, 1992
77. Dr. & Mrs. Raymond E. Balcomb	November 9, 1992
78. Mary S. Coats	November 9, 1992
79. Jeanette R. Egger	November 9, 1992
80. Charlie Blank	November 9, 1992
81. Louise Tippens	November 9, 1992
82. Kate Kent	November 9, 1992
83. Hazel S. Balcomb	November 9, 1992
84. Mary Blankevoort	November 10, 1992
85. Ginger Babin	November 10, 1992
86. Margaret & Steven Bismarck	November 10, 1992
87. David A. & Karen Force	November 10, 1992
88. Northwest Women in Recycling	November 12, 1992
89. Shiela Carlson	November 13, 1992
90. Joanne Weiss	November 13, 1992
91. Renee Sessler	November 13, 1992
92. Dena Turner	November 13, 1992

	<u>Received by Department</u>
93. Nancy Chaney	November 13, 1992
94. Teresa Giacomini	November 16, 1992
95. Doug Frank	November 16, 1992
96. Diane Conradi	November 17, 1992
97. Scott Turner	November 17, 1992
98. Barbara McGaa	November 18, 1992
99. Joseph Walker	November 18, 1992
100. Diane L. Coaser	November 18, 1992
101. Quinton Carlson	November 18, 1992
102. Charmian Mass	November 20, 1992
103. William K. Harris	November 23, 1992
104. Lee Jolyk	November 23, 1992
105. James Vincent Soyers, Jr.	November 23, 1992
106. Dave Bradley	November 23, 1992
107. Gretchen Stolte	November 23, 1992
108. S.A. Brown	November 23, 1992
109. Columbia Co. Land Development Services	November 23, 1992
110. Robert Van Newkirk	November 23, 1992
111. Pamela Strong	November 23, 1992
112. Kevin Lucas	November 23, 1992
113. Davis E. & Virginia L. Gaines	November 23, 1992
114. Karl J. Heimer	November 23, 1992

The Department continues to receive telephone calls encouraging it to not recommend any exemptions or delays in the recycling criteria. A total of 25 telephone calls have been received to date (November 23, 1992).

Approved _____
Approved with Corrections _____

Minutes are not final until approved by the EQC

ENVIRONMENTAL QUALITY COMMISSION

Minutes of the Two Hundred and Twenty Fourth Meeting
October 15 and 16, 1992

Special Public Forum - October 15, 1992

Chair Wessinger convened the special public forum on Lower Columbia River water quality at 7:35 p.m. in the Kern Room of the Maritime Museum, 1792 Marine Drive, in Astoria, Oregon. The following commission members were present:

William Wessinger, Chair
Emery Castle, Vice Chair
Henry Lorenzen, Commissioner
Linda McMahan, Commissioner
Carol Whipple, Commissioner

Also present were Fred Hansen, Director, DEQ, and other Department staff.

Director Hansen introduced the discussion by providing background on the Bi-State program. Cordelia Shea and Andy Schaedel from the Department's Water Quality Division provided a status report on the Lower Columbia River Bi-State Water Quality Program plan and reconnaissance survey which was initiated to determine where problems might occur in the study area. Ms. Shea and Mr. Schaedel also gave a summary of the changes made to the Bi-State program. A handout of the status report was provided and is made a part of the meeting record.

Several individuals and groups spoke to the Commission about the Lower Columbia.

- **Jim Bergeron**, extension agent and history teacher, said that he was often not able to give fishermen answers to their questions. Mr. Bergeron indicated he was pleased with the steering committee and that the committee represented interests from industry and environmental groups. He said that funding the program is of great concern.

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- **John Platt**, Columbia River Intertribal Fish Commission, speaking as an alternate for Mike Farrell, indicated concern that the study did not include problems in the upper river. He said the study did not indicate the full problem and mischaracterized other problems. Mr. Platt indicated that water is the most important cultural resource to the tribes, and tribes consume significantly more fish than average citizens. Mr. Platt said that although the tribal representative had resigned and that a non-Native American now represented the tribes, the Intertribal Fish Commission still had a great deal of interest in the committee. He said the tribes appreciate the committee's aggressive approach and that they believe the committee is a strong ally.

Commissioner Wessinger indicated the tribes would make a bigger impact on committee's decisions if they stay committee members. Mr. Platt replied that the tribes intend to be involved in the clean up of the river.

- **Rollie Montagne**, representing Oregon Public Ports and as a Bi-State committee member, told the Commission that having a good base of information was critical to the committee but that it would take time. He said the committee should first gather information, then develop answers from the information. Mr. Montagne said the ports support the committee's approach. He said the study will produce scientific, defensible data. Mr. Montagne expressed concerns about the committee. Those concerns included a need for a clear definition of the committee's role, advisory or broader; adequate staff resources; strong commitment to supporting public education; and commitment of all parties to complete the program.

Chair Wessinger and Commissioner Castle asked Mr. Montagne about the role definition. Mr. Montagne said that it remains unclear whether the committee or agencies are advisory or who administers the steps from planning to task completion.

- **Eugene Rosalie**, Northwest Environmental Advocates (NWEA), told the Commission that Nina Bell, Executive Director of NWEA, who had served on the committee had resigned due to many frustrations about the direction of the committee. He said that she was disturbed that the Lower Columbia River had been rejected for the National Estuary Program (NEP). Mr. Rosalie indicated that Ms. Bell urged the use of TMDLs to control the City of Astoria's National Pollutant Discharge Elimination System (NPDES) permit. Further, Ms. Bell believed that expanding the scope of the program when goals cannot be met is misleading to the public. Mr. Rosalie concluded by saying the committee is not being funded, that other areas of the river are being ignored and the Lower Columbia River should not be emphasized in the study.

Commissioner Castle asked Mr. Rosalie if he had a particular recommendation for the Commission. Mr. Rosalie said that NWEA recommended that:

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- † The committee needs a broader scope.
- † The committee should not just study the Lower Columbia River without looking at the basin.
- † There needs to be some type of action to occur outside of the bi-state control.
- † There needs to be an incentive so that the involved agencies work together.
- † The whole Columbia Basin needs to be addressed.

Commissioner Lorenzen asked about the major problems of the Upper Columbia River. Mr. Rosalie said that Hanford, mining in Montana and the pulp mills contributed to the river's pollution.

Director Hansen said that no resources were available for expanding the committee's scope. He talked about the NEP requirements and how nominations were given priority. Messrs. Rosalie and Montagne spoke about previous sampling and studies. Director Hansen briefly described the efforts being made to improve the water quality in the Columbia River. Those efforts included enhancing technology at discharge points, using TMDLs and sampling under 305(b) of the Clean Water Act.

Commissioner Whipple said she could appreciate the committee's difficulty. She said that users of the upper river need to put forth effort to help maintain good water quality.

- **Carol Rushmore**, Director, Columbia River Estuary Study Task Force (CREST), and **Ron Lee**, Watershed Manager, EPA, spoke to the Commission. Ms. Rushmore said that CREST is comprised of cities, counties and port districts and that CREST was a forum for discussion and has helped to open communication. Ms. Rushmore indicated she was attending the meeting on behalf of CREST. She said that funding was based on economics not resources. She added that there is a need by the jurisdictions to have data, and the role of CREST was to coordinate the efforts between the two states. Chair Wessinger asked if development of a useful database was the next step for the committee to take. Ms. Rushmore responded that the database was part of the solution.

Mr. Lee said that he was working with other agencies and organizations trying to provide a holistic approach to the bi-state program. He said that EPA does not have enough staff to characterize the entire Columbia River Basin. Mr. Lee listed the steps needed to pull the program together:

- † Put existing data into a shared system.
- † Evaluate existing data and making decisions on priorities.
- † Solve problems at the local level.

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Commissioner Castle asked about addressing sources of funding. Mr. Lee indicated that Congress can appropriate funding for special projects.

- **Dave Kruger**, Astoria, told the Commission that he was a citizen-at-large on the Bi-State Committee. He said the major problems facing the committee were funding, that it was critical for the program to advance economic development and that obtaining necessary information is expensive.

Director Hansen talked about budget problems of both states and about the three major service categories funded by Oregon's General Fund (GF). Those categories include public safety, education and human resources. He said the natural resource agencies receive less than 2 percent of GF monies. Additionally, Ballot Measure 5 transfers 40 percent of GF monies to community colleges and local school districts. Director Hansen indicated that Anne W. Squier, Senior Policy Advisor for Natural Resources, and Governor Roberts were interested in the Lower Columbia River.

There was no further discussion, and Chair Wessinger thanked the participants and adjourned the special public forum at 9:10 p.m.

Regular Meeting - October 16, 1992

The Environmental Quality Commission regular meeting was convened at 8:30 a.m. on Friday, October 16, 1992, in the Kern Room, Maritime Museum, 1792 Marine Drive, Astoria, Oregon. The following commission members were present:

William Wessinger, Chair
Emery Castle, Vice Chair
Henry Lorenzen, Commissioner
Linda McMahn, Commissioner
Carol Whipple, Commissioner

Also present were Michael Huston, Assistant Attorney General, Oregon Department of Justice, Fred Hansen, Director, DEQ, and other Department staff.

Note: Staff reports presented at this meeting, which contain the Department's recommendations, are on file in the Office of the Director, DEQ, 811 S. W. Sixth Avenue, Portland, Oregon 97204. Written material submitted at this meeting is made a part of this record and is on file at the above address. These written materials are incorporated into the minutes of the meeting by reference.

Chair Wessinger called the meeting to order.

- A. **Approval of the minutes.** Commissioner McMahan indicated that the September 11, 1992, regular meeting minutes, page 11, contained an error. She said the fifth sentence in the first paragraph should read as follows:

Commissioner McMahan indicated *that eliminating tax credits could harm small businesses.*

Commissioner Castle moved that the minutes for meetings on August 7, September 1, and September 11 with the correction be approved; Commissioner Whipple seconded the motion. The motion was unanimously approved.

- B. **Approval of tax credit applications.**

Chair Wessinger indicated that Tax Credit Applications 2884, 3788 and 3802 submitted by Oregon Waste Systems would be deferred for consideration at the end of the meeting. He said the Commission would convene in an executive session to consider those three applications and read the following statement into the record:

The Environmental Quality Commission may hold an executive session to consider confidential written legal advice from counsel on the tax credit applications from Oregon Waste Systems. The executive session would be held pursuant to Oregon Revised Statutes (ORS) 192.660(1)(f).

Commissioner Lorenzen asked why no Return on Investment (ROI) was calculated for Tax Credit Applications 3231, 3790 and 3811 submitted by Lane International Corporation. John Fink, Tax Credit Program, replied the tax credit rules for plastics does not contain ROI language.

Commissioner Castle moved that the tax credits listed below excluding Tax Credit Applications Nos. 2884, 3788 and 3802 be approved; Commissioner Lorenzen seconded the motion. The motion was unanimously approved.

Application Number	Applicant	Description
TC-3231	Lane International Corp.	Molding die for reclaimed plastic product.
TC-3717	Roseburg Forest Products Co.	Noise abatement equipment.

Application Number	Applicant	Description
TC-3728	Environmental Rubber Bonding Co.	1991 Freightliner truck; 1991 Fruehauf 28-foot trailer
TC-3748	Willamette Industries, Inc.	Advanced Control Technologies Data Acquisition System
TC-3790	Lane International Corp.	Molding die for reclaimed plastic product.
TC-3811	Lane International Corp.	Molding die for reclaimed plastic product.
TC-3824	Willamette Industries, Inc.	American air filter type R Roto Clone size 8 and support equipment.
TC-3825	Willamette Industries, Inc.	Macron Model 108 baghouse and support equipment.
TC-3826	Willamette Industries, Inc.	Donaldson Day 15 6RF10 bagfilter and support equipment.
TC-2884	Oregon Waste Systems, Inc.	Landfill liner and leachate collection system.
TC-3420	Fujitsu Microelectronics, Inc.	Wastewater treatment system.
TC-3716	Golden Valley Farms	Forklift; 5 trailers, 4 trucks, straw loader; rake, 4 balers; roadrunner with hay clamp, 3 tractors.
TC-3788	Oregon Waste Systems, Inc.	Landfill liner and leachate collection system.
TC-3802	Oregon Waste Systems, Inc.	Landfill liner and leachate collection system.

RULE ADOPTIONS

C. Rule Adoption: New Emission Statement Rule for Ozone Nonattainment Areas.

This item was removed from the agenda. The Commission decided to take action on

this agenda item during a telephone conference to be scheduled before November 16, 1992.

D. Rule Adoption: Proposed Oxygenated Fuel Rule.

Steve Greenwood, Sarah Armitage and Jerry Coffey of the Air Quality Division presented a brief history of the oxygenated fuel rule. Mr. Greenwood indicated that the rule was federally mandated by the 1990 Clean Air Act (CAA) amendments. Use of this fuel will reduce carbon monoxide (CO) by 17 percent. He said that issues raised by the petroleum industry had been resolved, and a good consensus had been reached. Those issues included boundary requirements, availability of oxygenated fuels in parts of southern Oregon and payment of fees.

Commissioner Lorenzen asked about the downside of using oxygenated fuels. Mr. Greenwood said the price of the rule will affect the consumer. However, tax credits are available to dealers who use ethanol (oxygenated fuel). Mr. Coffey added that problems can occur if water is not removed from fuel tanks prior to adding fuel containing ethanol. Commissioner Whipple asked if the oxygenated fuel was in leaded and unleaded fuels. Mr. Coffey replied that all gas will be oxygenated excluding diesel fuel.

Steven Crockett, BP, and **Dale Andert**, Texaco, spoke to the Commission. Mr. Crockett said he supported the rules and fees. He served on the advisory committee. Mr. Crockett said there had been disagreement about funding. He said Oregon has restrictive laws for funding and has the philosophy that the polluter pays; however, he added, that equity in funding had been proposed in the rule. In regard to Commissioner Lorenzen's question about the downside to the oxygenated fuel rule, Mr. Crockett said that addition of ethanol to the product increases supply which reduces price. He indicated that small businesses may not be able to compete with larger companies. Mr. Crockett added that during the wintertime, more oxygenated fuel is produced than is needed, thereby dropping profits. He said the new product will increase supply and not demand.

Mr. Andert said he also served on the advisory committee and indicated the proposed rule was similar to Washington and Alaska's oxygenated fuel rule. He said compromises occurred on both sides and that the fee structure was the best option available considering Oregon's constitutional provision. Mr. Andert added that the advisory committee needs to address fuel issues regarding the aviation industry for small aircraft and provide more information about this issue. Additionally, he said Texaco recommends rule adoption.

Chair Wessinger thanked Messrs. Crockett and Andert for serving on the advisory committee and for showing support of the rule by attending the commission meeting.

Commissioner Lorenzen moved approval of the oxygenated fuel rule; Commissioner Whipple seconded the motion. The motion was unanimously approved.

Director Hansen gave his compliments to the advisory committee and staff members who worked on the rule. He added that the tax credits existed year round; however, ethanol can exacerbate ozone pollution in the summer. Mr. Coffey said that the advisory committee is looking at this issue, and the best solution may be to use the tax credit program in the wintertime and outside of that period eliminate the tax credits. He added that the tax credits deplete road maintenance funds and that legislative action would be needed to implement this seasonal tax credit approach. Chair Wessinger asked why the state could not prohibit selling ethanol in the summer. Mr. Coffey replied that federal law preempts independent state regulation in this area. Commissioner Wessinger asked if the Department was working on this issue. Director Hansen indicated that the issue was not brought before last legislative session. He said that harder discussion needs to occur and that a friendly committee is needed to further examine the issue.

E. Rule Adoption: (1) Hazardous Waste and (2) Toxic Use Reduction (TUR) Regulations.

Director Hansen indicated that these rules keep the state consistent with federal rules. He said that the hazardous waste rules concern mixture and derivation of hazardous waste and shift some types of hazardous waste to solid waste. He noted that a lawsuit regarding the federal mixture rule resulted in a determination that the federal rule was not properly adopted. A new federal rule on this issue is required by November 1994. States are assisting EPA in redrafting this rule. It will probably be necessary to address this issue again in two years.

Commissioner Whipple moved approval of the regulations; Commissioner Castle seconded the motion. The regulations were unanimously approved.

F. Proposed Adoption of Revision to the State of Oregon Clean Air Act Implementation Plan to Establish a Small Business Stationary Source Technical and Environmental Compliance Assistance Program.

Sarah Armitage and John MacKellar of the Air Quality Division provided a brief summary of the proposed revision. Director Hansen indicated the revisions were

federally mandated and that this outreach program will lessen the burden for small businesses who must reduce toxic air emissions.

Commissioner Whipple asked who was monitoring the program. Mr. MacKellar said the Department would provide staffing and that an advisory committee and subcommittee would be created. Commissioner Whipple asked that since no direct financial assistance was provided by the Department, would businesses be informed of other financial assistance. Ms. Armitage replied that the Department will work with industry and volunteers. She added that the Economic Development Department (EDD) would help in identifying small business concerns. Commissioner Castle said that if the program works well, it could be an important initiative. He added that high risks may be associated with this program.

Commissioner Castle moved approval of the program; Commissioner Whipple seconded the motion. The motion was unanimously approved.

Commissioner Whipple asked that the Commission be apprised on the program's progress. Mr. MacKellar replied that the pilot group would begin after the first of the year. He said that the Department would be able to report to the Commission around July, August or September.

PUBLIC FORUM

Public forum occurred after agenda items I, J and H.

ACTION ITEMS

G. Authorization to Sell Pollution Control Bonds to Provide for State Match for Federal Grant to Capitalize State Revolving Loan Fund for Sewerage Works Construction.

This item was removed from the agenda and will be considered at an upcoming meeting.

The Commission then considered agenda item I to accommodate the return trip for people attending from Ontario.

I. Request for Approval of Mass Load Limitation Increase for the City of Ontario.

Dick Nichols, Water Quality Division, provided background information and an explanation of this item. The Malheur River is Water Quality Limited. The City of

Ontario will expand and upgrade their sewage treatment plant by 1995. The upgraded and expanded plant will discharge to the Snake River in the winter and utilize effluent for irrigation during the summer. The city was requesting an increase in the current mass load limitation in their permit to accommodate the expansion. The department has determined that the proposed mass load increase will not cause a measurable effect on the water quality of the river, and that the proposal meets the criteria specified in OAR 340-41-026(3) for granting the increased load.

Mayor Ray Kenney of the City of Ontario told the Commission that Ontario's wastewater treatment plant effluent would be used to irrigate farms.

Commissioner Lorenzen asked about groundwater management in the Ontario area and the resulting high level of nitrates. Dick Nichols replied that there have been some nitrates found and that Malheur County is flood irrigated. Commissioner Lorenzen urged careful application of nitrates and not to substitute one problem for another. Mr. Nichols indicated that the city will submit weekly effluent reports.

Commissioner Whipple asked how long the project would be used. Mayor Kenney said that the project is planned for ten years. Commissioner Whipple asked about the projected rate of growth for the county. Mr. Nichols replied that the county has a comprehensive land use plan and that growth has double over the past 20 years. He said that this mass load increase will serve the county population for the next 20 years.

Commissioner Castle moved approval of the mass load increase for the City of Ontario; Commissioner Lorenzen seconded the motion. The motion was unanimously passed.

J. Pollution Control Facilities Tax Credit Program Recommendations.

Mike Downs, Administrator of the Environmental Cleanup Division introduced this item which presents recommendations for an alternative legislative proposal for amendment of the current tax credit law. At the September meeting, the Commission voted to recommend to the Legislature that the tax credit program be terminated. The Commission also directed staff to develop this alternative proposal. The details of the alternative proposal are outlined in the staff report for this item.

Commission members asked Mike Downs and John Fink of the Tax Credit Program several questions about the staff report. Commissioner Castle suggested a wording change to page 2, under paragraph numbered 1 to read as follows:

Should the legislature be unwilling to eliminate the tax credit program, the Commission recommends restructuring the tax credit program to a limited set of purposes.

Commissioner Lorenzen suggested a \$10,000 a year ceiling on any allowed tax credit. He said this would provide a safety device so that costs do not get out of hand. Commissioner McMahan summarized the issues considered by the Commission as whether to have the tax credit program or whether to find another mechanism to provide incentives for selected items. Commissioner Lorenzen said the tax credit program was entirely the wrong approach to encourage environmental improvements; Commissioner Whipple agreed.

Director Hansen said the staff report contained several options. Under Option 1, recycling, underground storage tanks (USTs) and field burning would be allowed for tax credits.

Commissioner McMahan said she believed there was nothing wrong with eliminating the tax credit program and that a special program be developed or continued that would benefit applicants and the state. Commissioner Lorenzen said he supported Option 1 with the provision that a \$10,000 cap be included. Commissioner Castle said the Commission needed to inform the legislature of their general view of the tax credit program and indicate that view by using language that says the program is not working and should be eliminated. Additionally, he said, it should be communicated that some options are workable and would contribute to environmental quality.

Commissioner Castle suggested eliminating Option 4 and moving item 2c to Option 3. Director Hansen summarized Commissioner Castle's suggestion as follows: retain Option 2 and eliminate items 2a and 2b, move item 2c to Option 3 and add a \$10,000 cap for each applicant.

Commissioner Castle moved approval of Director Hansen's summarization; Commissioner Lorenzen seconded the motion. Commissioner Castle restated the motion as follows:

The Commission should inform the legislature of their general view that the tax credit program is not working and should be eliminated. If the legislature is unwilling to eliminate the tax credit program, the Commission recommends restructuring of its purposes. The recommended restructuring would modify the alternative proposal in the staff report as follows: Retain Option 1, retain the opening of Option 2 but eliminate items 2a and 2b, move item 2c to Option 3, add a \$10,000 limit for each applicant in Option 3, retain Option 3 and eliminate Option 4.

The motion was unanimously approved.

The Commission then returned to Item H because the representative for the Unified Sewerage Agency had arrived.

H. Request by Unified Sewerage Agency for an Exception to the Receiving Stream Dilution Requirement [OAR 340-41-455(1)(f)] for the Forest Grove and Hillsboro Wastewater Treatment Facilities.

Barbara Burton and Judy Johndohl of the Water Quality Division provided a brief summary of this staff report. This item requests Commission approval of an exception to the receiving stream dilution requirement for the Forest Grove and Hillsboro sewage treatment plants and is similar to one approved for the Rock Creek and Durham plants at a prior meeting. The Department had concluded that water quality standards could be met with less dilution than is required by the dilution factor specified in the rule. The rule allows the Commission to grant an exception to the rule.

The Commission discussed total maximum daily loads (TMDLs) in regard to this request. Neil Mullane of the Water Quality Division indicated the TMDL process resulted in a much more detailed and sophisticated approach to determining that quantity of wastewater effluent that could be discharged without causing a violation of water quality standards. The dilution requirement in the rule is a "rule of thumb" that was intended to apply and be adequately protective in cases where more detailed analysis is not available. In this case, the TMDL is a detailed analysis which provides a basis for granting an exception to the dilution rule.

Commissioner Whipple moved approval of the request; Commissioner Castle seconded the motion. The motion was unanimously approved.

PUBLIC FORUM

Doug Coenen, Oregon Waste Systems, spoke to the Commission. He provided the Commission with a history of his company's tax credit application. He argued that the company was not selling their liner/leachate system. Mr. Coenen said Oregon Waste Systems is selling waste disposal capacity or air space. He said the liner/leachate system represented about 20 percent of total capital costs. Mr. Coenen said he agreed with the Commission and Department that the tax credit program should be considered by the legislature. He said the Oregon Waste System's application had been developed in good faith.

Director Hansen said that Oregon Waste Systems had been very patient during the

120-day timeframe of the application review.

INFORMATIONAL ITEMS

K. Commissioner Member Reports.

There were no Commission member reports.

L. Director's Report.

The following issues were discussed:

1. **Fort Rock UST:** The first grant made available through the UST financial assistance program was awarded to Ira and Betty Dutcher of the Fort Rock General Store. The grant is the first in a series of grants designed to assist gasoline retail operators who must meet new environmental standards. It is intended to maintain a motor fuel supply throughout Oregon by making assistance available to gasoline retail businesses that might otherwise close due to financial hardship.
2. **Multi-Media Inspections:** The multi-media inspection is a federal enforcement initiative aimed at large facilities. Over the last two years, the EPA has taken the lead in conducting multi-media inspections in Oregon. However, this year the Department will take over the lead for the inspections with EPA serving in a technical assistance role. The inspections will be unannounced.
3. **League of Oregon Cities:** The Department will be an active participant at this year's League of Oregon Cities (LOC) conference in November. The Department has been involving in planning several sessions to provide cities with information on water, air and hazardous and solid waste.
4. **New Source Review Amendments and Emission Statement Rule:** The Department pulled Item C of this agenda which dealt with CAA requirements for a November submittal to EPA. Considerable testimony and comments had been received on the proposed rules, and the Department did not want to take the rules to the Commission until a meeting could be held with industry representatives and reach a consensus on support of the proposed rules. The Commission will consider a telephone conference call meeting in early November to adopt the rules.
5. **State Motor Vehicles Task Force Report:** The task force completed its

recommendations which included a broad approach to addressing motor vehicle emissions in the Portland metropolitan area. The recommendations will be brought before the Commission at a later meeting. Some recommendations will be incorporated into the Department's legislative package and ultimately will be acted on by the Commission as part of a maintenance plan to be submitted to EPA. A list of the recommendations was provided to the Commission.

6. **One-Stop Car Licensing at the Medford Vehicle Inspection Station:** On November 19, DEQ and the Department of Motor Vehicles (DMV) will kick off a demonstration project at the Medford Vehicle Inspection station. The goal of the program is to improve customer service by offering to process vehicle registrations at the inspection stations along with vehicle testing. If the project is successful, it could be implemented at other stations as well.
7. **Offset Banking:** DEQ and the Oregon EDD recently applied for and received a grant to develop an offset bank so that companies wishing to expand or located in a non-attainment area can quickly and easily offset emissions caused by new development. For new companies, particularly in the high technology market, time is an extremely valuable resource, and this offset bank offers a way to achieve a healthy economy and environment.
8. **Environmental Crimes Bill:** DEQ and the Attorney General's (AG's) Office are co-sponsoring legislation to the 1993 legislature which would create criminal penalties for certain environmental violations. The Environmental Crimes Bill of 1993 would create felony sanctions for extreme violations of the hazardous waste, air and water laws. In addition to acquiring additional criminal authority from the legislature, DEQ and the AG's Office are working closely with EPA, the Oregon State Police, local law enforcement and district attorneys to develop an environmental crimes program for Oregon.
9. **Hearings Authorizations:**
 - **Solid Waste Disposal Fee for the Orphan Site Account**

A 13 cent per ton disposal fee is proposed effective January 1, 1993, for solid waste received at domestic solid waste disposal facilities. The fee is required by prior legislative action. The disposal fee revenue is to be used exclusively for financing the investigation and cleanup of releases of hazardous substances solid waste orphan sites.
10. **Water Quality Major Municipal Backlog Eliminated:** Director Hansen said

that the water quality permit backlog has been eliminated. He complimented Lydia Taylor and Barbara Burton of the Water Quality Division for their work in achieving this effort.

11. Capitol Press Article: The Commission was provided with a copy of a Capitol Press article dated September 18, 1992, about the voluntary program overseen by the Oregon Department of Agriculture (ODOA). It mentioned that the Tualatin River basin farmers need to get their animal waste collection systems in order. Currently, the Department has enforcement authority over nonpoint source pollution remedies. ODOA was given an extension by DEQ to get the farms in order. However, the ODOA board unanimously decided they would prefer ODOA to seek control over the animal waste storage pollution program.

The Commission noted for the record that they visited the James River Wauna Pulp Mill on Thursday, October 15, 1992. Since this visit could be considered ex parte contract relative to the pending pulp mill contested case, they directed staff to prepare a memo for the file on the visit that can be introduced and added to the record when the case is reconvened.

Executive Session

The Commission then went into Executive Session to receive advise from counsel regarding Tax Credit Applications 3884, 3788 and 3802. Chair Wessinger read the executive session notice (quoted at the beginning of these minutes) and told the audience that representatives of the news media are allowed to attend but all other members of the public are asked to leave the meeting room until the Commission returns to open session. He said the news media are allowed to report the subject of the executive session as stated on the agenda but otherwise are specifically directed not to report any deliberations during the executive session. One member of the news media attended the session.

Reconvened Meeting

The meeting was reconvened and Commissioner Lorenzen opened the discussion on the Oregon Waste Systems Tax Credit Applications. He said with the information submitted by Oregon Waste Systems that he could not make an assessment and did not believe that the application was complete.

Commissioner Whipple spoke about the Department's application review process. She said these applications were consistent with previous applications reviewed and did not agree with Commissioner Lorenzen that insufficient information had been supplied. Additionally, she said that the 100 percent allocable did not make sense. Commissioner Whipple said these applications were a good reason to show the problem of the tax credit program. She said she

supported approval of the application with constraints because she saw no other option.

Commissioner McMahan said she was interested in consistency and the philosophy of waste management. She indicated she would be comfortable with approval of the application if a public statement could be made that indicates that approving the application would cause future examination of tax credits to be different.

Commissioner Castle said he agreed with all parties on both sides. He said he also agreed with Commissioner Whipple. He said that if the legislature does not address the tax credit program, he would strongly recommend that the rule be revisited.

Chair Wessinger indicated the Commission had given notice about their views on the tax credit program. Director Hansen said that three similar applications would be before the Commission. Assistant Attorney General Michael Huston suggested that the Commission accomplish as much as possible formally and quickly while contemplating changes. He said their motion might include that the Commission will reexamine the Return of Investment (ROI) policy and rule change. Mr. Huston added that a hearing notice will need to be prepared and that draft rules will need to be written.

Michael Huston and Director Hansen articulated a potential motion with the following elements:

1. The Commission approve the three pending Waste Management tax credit applications (TC-2884, 3788, 3802).
2. The Commission announce its intent to revisit its current policy and interpretations of the tax credit program return on investment rule through the appropriate rulemaking procedures.
3. The results of the process to revisit the current ROI policy and interpretations shall be applied to all future applications as quickly as legally defensible.

This motion was moved by Commissioner Whipple, seconded by Commissioner McMahan and approved with four yes votes and Commissioner Lorenzen voting no.

There was no further business, and the meeting was adjourned at 1:45 p.m.

Approved _____
Approved with Corrections _____

Minutes are not final until approved by the EQC

ENVIRONMENTAL QUALITY COMMISSION

Minutes of the Special Telephone Conference Call Meeting

Amendments to New Source Review and Adoption of Emission Statement Rules as an Amendment to the Air Quality Implementation Plan

November 10, 1992

The Environmental Quality Commission special telephone conference call meeting was convened at about 8:30 a.m. on Tuesday, November 10, 1992. Participating in the conference call were Chair Wessinger, Vice Chair Emery Castle, Commissioners Whipple and McMahan. Commissioner Lorenzen was not available. Staff members present included Director Fred Hansen and Steve Greenwood, Brian Finneran and John Kowalczyk of the Air Quality Division. The public could participate by speaker phone in Conference Room 3A of the Department of Environmental Quality offices at 811 S. W. Sixth Avenue, Portland, Oregon.

Director Hansen provided a brief explanation about why the conference call was needed. He indicated that the 1990 Clean Air Act (CAA) deadlines compel the Department to adopt rules and requirements. Although guidance was slow to come, the November 15 deadline still remains for rule adoption.

Commissioner Castle said he did not have any trouble with the staff report and proposed rules.

Mr. Finneran provided a brief summary of the report which included new offset requirements and requirements for emission statements for Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) in ozone for nonattainment areas. He said the proposed rules are similar to current rules in nonattainment areas which require a 10 percent emission reduction.

Chair Wessinger asked about offsets. Mr. Finneran explained that new sources obtain credits from existing sources. He said the offsets are the primary mechanism for allowing new development in nonattainment areas. Mr. Finneran said industry had been concerned whether a new source would be able to receive offset credits. However, the CAA requires

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that reductions used for offsets must be actual reductions. Director Hansen added that actual emissions removed would be used as offsets.

Commissioner Castle asked what attitude industries had toward this rule and what industries were affected. Mr. Kowalczyk replied that all major industries, that is, pulp and paper, electronics and others represented by Associated Oregon Industries (AOI) would be affected by this rule. He said the Department reviewed the rule with industry and indicated that they fully understood the implications of the rule and that requirements for actual offsets needed to be included.

Mr. Kowalczyk said the Department is working to achieve attainment designation so that the offset program is not needed. Mr. Greenwood added that the offset provision of the CAA was to obtain cleaner air.

Commissioner Whipple asked about nonattainment areas. Mr. Finneran indicated that nonattainment areas were the PM₁₀ and CO areas throughout the state. She asked if those areas outside the metropolitan area had been informed about the proposed rule. Mr. Finneran said he had talked with the Medford Chamber of Commerce. Commissioner Whipple asked if those communities were taking similar steps as the metropolitan areas and if progress was being made. Director Hansen replied that the nonattainment areas were making progress especially in the reduction of woodstove emissions. Mr. Greenwood said that the Klamath County Commissioners were aware of the need to reach attainment.

Director Hansen said that in nonattainment areas the CAA requires:

- Existing sources to implement reasonable available control technology (RACT); New or expanding sources to implement lowest achievable emission rates (LAER) without regard to cost.
- Maintenance of an offset program.

Commissioner Castle moved that the proposed rule be approved; Commissioner Whipple seconded the motion. The motion was unanimously passed with four yes votes.

Other Business

The Commission agreed to the 1993 EQC meeting schedule as distributed earlier. The dates reserved for meetings are as follows:

January 28-29, 1993

March 5, 1993

April 22-23, 1993

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November 10, 1992

June 10, 1993

July 22-23, 1993

September 9-10, 1993

October 28-29, 1993

December 9-10, 1993

There was no further business and the telephone conference call meeting was adjourned.

Environmental Quality Commission

- Rule Adoption Item
 Action Item
 Information Item

Agenda Item B
December 11, 1992 Meeting

Title:

Approval of Tax Credit Applications

Summary:

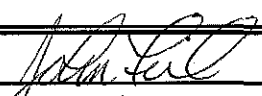
Attachment A of the staff report presents the Department's evaluation and recommendation for certification of 75 tax credit applications with a total facility cost of \$5,736,923 as follows:

- 3 Air Quality facilities with a total facility cost of \$609,329.
- 42 Air conditioner coolant recycling machines with a total facility cost of \$129,442.
- 1 Noise facility with a total facility cost of \$2,084,264.
- 4 Solid Waste Recycling facilities with a total facility cost of \$446,180.
- 2 Reclaimed Plastic facilities with a total facility cost of \$33,997.
- 2 Water Quality facilities with a total facility cost of \$45,634.
- 19 Underground Storage Tank related facilities with a total cost of \$1,588,218.
- 2 Solid Waste Landfill related facilities with a total cost of \$799,859.

Three of the applications have facility costs exceeding \$250,000 (1 Air Quality, 1 Noise, and 1 Solid Waste Landfill) and have been reviewed by independent contractors selected by the Department. Contractor review statements are provided with the application review reports.

Department Recommendation:

Approve issuance of tax credit certificates for 75 applications as presented in Attachment A of the staff report.


Report Author


Division Administrator


Director

November 24, 1992

REQUEST FOR EQC ACTION

Meeting Date: December 11, 1992
Agenda Item: B
Division: MSD
Section: Administration

SUBJECT:

Approval of Tax Credit Applications.

ACTION REQUESTED:

- Work Session Discussion
 - General Program Background
 - Potential Strategy, Policy, or Rules
 - Agenda Item for Current Meeting
 - Other: (specify)

- Authorize Rulemaking Hearing
- Adopt Rules
 - Proposed Rules Attachment
 - Rulemaking Statements Attachment
 - Fiscal and Economic Impact Statement Attachment
 - Public Notice Attachment

- Issue a Contested Case Order

- Approve a Stipulated Order
- Enter an Order
 - Proposed Order Attachment

- Approve Department Recommendation
 - Variance Request Attachment
 - Exception to Rule Attachment
 - Informational Report Attachment
 - Other: (specify) Attachment A



811 SW Sixth Avenue
Portland, OR 97204-1390
(503) 229-5696



Meeting Date: December 11, 1992
Agenda Item: B
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Tax Credit Application Review Reports:

TC-3399 Trashco Services, Inc.	Peterbilt 320 truck; Rand Enviro Master Recycling body; Plastic-Pak Plastic Compactor Model LC60-B.
TC-3566 Portland General Electric Company	Four ENDA-1220 continuous emission monitoring systems and display equipment.
TC-3730 Hydraulic and Machine Services, Inc.	Model EC RGF Ultrasorb Water Recycling System; covered wash pad; concrete sump.
TC-3766 GFK Associates	Auto air conditioning recycling machine.
TC-3784 Columbia Plywood Corporation	Carter Day 144 RJ120 Baghouse and modifications to existing support equipment.
TC-3803 Jantzen Inc.	Air conditioner refrigerant recycling machine.
TC-3806 Graham Oil Company, Inc.	Installation of three STI-P3 tanks and fiberglass piping, spill containment basins, overflow alarm, line leak detectors, tank monitor and automatic shutoff valves.
TC-3807 Station Mart James Bao & Thuy Luong	Installation of three STI-P3 tanks and fiberglass piping, spill containment basins, tank monitor, line leak detectors, monitoring wells, Stage I vapor recovery and automatic shutoff valves.
TC-3817 Harvey & Price Co.	Air conditioner refrigerant recycling machine.
TC-3821 All Around Automotive	Auto air conditioning recycling machine.
TC-3822 E & E Body Shop	Auto air conditioning recycling machine.

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TC-3823 The Heating Specialist, Inc.	Air conditioner refrigerant recycling machine.
TC-3827 Marion Ag Service, Inc.	Auto air conditioning recycling machine.
TC-3828 Knez Building Supply	John Deere Loader 544B, sheetrock processing machine, vibrating conveyor, and support equipment.
TC-3829 Certified Automotive	Auto air conditioning recycling machine.
TC-3830 Denny Green Radiator & Automotive, Inc.	Auto air conditioning recycling machine.
TC-3831 BP Oil Company	Installation of three fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.
TC-3833 BP Oil Company	Installation of three fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.
TC-3834 BP Oil Company	Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, tank monitoring system and Stage I vapor recovery equipment.
TC-3835 BP Oil Company	Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

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TC-3837
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves and monitoring wells.

TC-3838
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

TC-3839
Gil's Truck Repair, Inc.

Auto air conditioning recycling machine.

TC-3840
Atlas Refrigeration, Inc.

Three commercial air conditioning recycling machines.

TC-3841
Westermam Heat & Cool

Air conditioner refrigerant recycling machine.

TC-3842
Harvey & Price Co.

Air conditioner refrigerant recycling machine.

TC-3845
Blooms Automania

Auto air conditioning recycling machine.

TC-3847
Cascade Farm Machinery Co., Inc.

Auto air conditioning recycling machine.

TC-3848
Professional Drivers & Dispatch

Auto air conditioning recycling machine.

TC-3849
Brakes Plus

Auto air conditioning recycling machine.

TC-3850
Don Rasmussen Co.

Auto air conditioning recycling machine.

TC-3852
Terry Shellman

Auto air conditioning recycling machine.

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TC-3853 Western Stations Co.	Installation of epoxy lining in three tanks, sumps and Stage II vapor recovery system.
TC-3854 Pendleton Grain Growers, Inc.	Installation of a tank monitor system, overflow alarm and spill containment basins.
TC-3855 J & R Automotive Services, Inc.	Auto air conditioning recycling machine.
TC-3856 Bewley Mechanical Systems, Inc.	Air conditioner refrigerant recycling machine.
TC-3857 Prewitt's Quality Body & Paint	Auto air conditioning recycling machine.
TC-3858 Erickson Automotive	Auto air conditioning recycling machine.
TC-3860 Meier & Frank	Air conditioner refrigerant recycling machine.
TC-3861 Crown Auto Craft	Auto air conditioning recycling machine.
TC-3862 Central Auto Services, Inc.	Auto air conditioning recycling machine.
TC-3863 Scott T. Robertson	Yale Model #GLC030CE 3,000 lb. forklift truck.
TC-3865 Portland General Electric	Steel containment basin and 4-inch oil stop valve.
TC-3867 BP Oil Company	Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells and Stage I vapor recovery equipment.

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TC-3868
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves and Stage I vapor recovery equipment.

TC-3869
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells and Stage I vapor recovery equipment.

TC-3870
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, Stage I vapor recovery equipment and automatic tank gauges.

TC-3871
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells, Stage I vapor recovery equipment and automatic tank gauges.

TC-3872
BP Oil Company

Installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells and Stage I vapor recovery equipment.

TC-3873
Cedar Mill Texaco

Auto air conditioning recycling machine.

TC-3875
G & R Auto Wreckers, Inc.

Auto air conditioning recycling machine.

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TC-3876 G & R Auto Wreckers, Inc.	Auto air conditioning recycling machine.
TC-3879 The Master Wrench Inc.	Auto air conditioning recycling machine.
TC-3881 Quality Volvo Service	Auto air conditioning recycling machine.
TC-3883 Far West Fibers, Inc.	Fence and paving; forklift truck; magazine storage area; metal tote bins; mixed waste paper drop box.
TC-3884 Far West Fibers, Inc.	Krause rubber belt conveyor; CIII Promal chain; 20 HP hydrostatic drive.
TC-3886 Virgil Welch Chevron	Auto air conditioning recycling machine.
TC-3887 Quality Repairs, Inc.	Auto air conditioning recycling machine.
TC-3888 Larry Henderson's Chevron	Auto air conditioning recycling machine.
TC-3889 Western Stations Co.	Installation of two corrosion protected storage tanks (1 STI-P3 and 1 composite), double wall fiberglass piping to four tanks, spill containment basins for four tanks, expansion of tank monitoring system with overflow alarm, monitoring wells, sumps, Stage II vapor recovery piping, automatic shutoff valves and an oil/water separator.
TC-3890 American Heating, Inc.	Air conditioner refrigerant recycling machine.
TC-3891 Foster Auto Parts, Inc.	Auto air conditioning recycling machine.
TC-3894 U-Pull-It, Ltd.	Auto air conditioning recycling machine.

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TC-3895
U Pull It Tigard, Inc.

Auto air conditioning recycling machine.

TC-3896
Western Stations Co.

Installation of a Stage II vapor recovery system and spill containment basins, sumps and vapor leak detection system related to retrofitting the facility for Stage II.

TC-3897
Comfort Control, Inc.

Air conditioner refrigerant recycling machine.

TC-3899
Coastal Refrigeration

Air conditioner refrigerant recycling machine.

TC-3900
Don Giles Gas & Oil

Installation of two fiberglass tanks and piping, spill containment basins, line leak detectors, overflow alarm, monitoring wells, sumps, automatic shutoff valves, Stage I vapor recovery and hook up to an existing tank monitoring system at an adjacent facility.

TC-3901
Cascade Chevron

Auto air conditioning recycling machine.

TC-3905
Sheldon's Texaco &
Muffler Shop

Auto air conditioning recycling machine.

TC-3907
Clear Pine Moulding, Inc.

Clark wood crusher, Jeffery hog, two drum magnetic separators, and conveyor belts.

Tax Credit Application Review Reports With Facility Costs Over \$250,000:

TC-3419
Fujitsu Microelectronics,
Inc.

Sound walls; cooling tower modifications; scrubber exhaust silencers and system modifications; standby generator silencers and structural materials; boiler silencers and structural modifications.

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CONSISTENCY WITH STRATEGIC PLAN, AGENCY POLICY, LEGISLATIVE POLICY:

Yes.

Note - Pollution Tax Credit Totals:

Proposed December 11, 1992 Totals

<u>Certificates</u>	<u>Certified Costs*</u>	<u># of Certificates</u>
Air Quality	\$ 609,329	3
CFC	129,442	42
Field Burning	0	0
Hazardous Waste	0	0
Noise	2,084,264	1
Plastics	33,997	2
Solid Waste - Recycling	446,180	4
Water Quality	45,634	2
Underground Storage Tanks	1,588,218	19
Solid Waste - Landfills	799,859	2
TOTAL	\$ 5,736,923	75

1992 Calendar Year Totals through October 1992

<u>Certificates</u>	<u>Certified Costs*</u>	<u># of Certificates</u>
Air Quality	\$ 1,298,507	11
CFC	180,457	68
Field Burning	1,103,655	17
Hazardous Waste	10,119,299	1
Noise	84,873	1
Plastics	86,078	5
Solid Waste - Recycling	175,421	4
Water Quality	3,342,794	13
Underground Storage Tanks	1,322,158	26
Solid Waste - Landfills	9,411,350	3
TOTAL	\$27,124,592	149

* These amounts represent the total facility costs. To calculate the actual dollars that can be applied as credit, the total facility cost is multiplied by the determined percent allocable of which the net credit is 50 percent of that amount.

Meeting Date: December 11, 1992
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INTENDED FOLLOWUP ACTIONS:

Notify applicants of Environmental Quality Commission actions.

Approved:

Section:

Division:

Director:

Michael Homan

Michael Homan

Leif Hansen

Report Prepared By: John Fink
Phone: 229-6149
Date Prepared: November 24, 1992

JF:y
MY104905

State of Oregon
Department of Environmental Quality

RECLAIMED PLASTIC TAX CREDIT
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Trashco Services, Inc.
David R. Burns & Anthony Catalan
P.O. Box 14788
Portland, OR 97214

The applicant owns and operates a refuse and recycling collection company in Portland, Oregon.

Application was made for Plastic Recycling Tax Credit.

2. Description of Equipment, Machinery or Personal Property

Claimed Investment Cost: \$18,543.13

The facility consists of those portions of a 1991 Peterbilt 320 truck, Rand Enviro Master recycling body, and Plastic-Pak plastics compactor model LC60-B which are allocated to collection of recyclable plastic.

The truck, body, and compactor are used to collect post-consumer plastic from residential customers. The plastic collected is sold to Oregon processors for recycling into new reclaimed plastic products.

Costs have been documented from invoices.

3. Procedural Requirements

The investment is governed by ORS 468.925 through 468.965, and by OAR Chapter 340, Division 17.

The investment met all statutory deadlines in that:

- a. The request for preliminary certification was filed March 22, 1991 and was approved on April 1, 1991.
- b. The investment was made on April 18, 1991, prior to June 30, 1995.

- c. The request for final certification was submitted on September 17, 1992.
- d. The application for final certification was found to be complete and filed on September 28, 1992.

4. Evaluation of Application

- a. The investment is eligible because the equipment is used to collect reclaimed plastic.
- b. Allocable Cost Findings

In determining the portion of the investment costs properly allocable to reclaiming and recycling plastic material, the following factors from ORS 468.960 have been considered and analyzed as indicated:

- 1) The extent to which the claimed collection, transportation, processing or manufacturing process is used to convert reclaimed plastic into a salable or usable commodity.

This factor is applicable because the truck collects eight materials including plastic so the truck and body have been pro rated at 12.5% and the compactor claimed at 100% to make a facility which is used 100% for collecting reclaimed plastic.

	<u>Actual Cost</u>		<u>Claimed Cost</u>
Truck cost	\$53,000.00	@ 12.5%	\$ 6,625.00
Body cost	40,145.00	@ 12.5%	5,018.13
Plastic compactor	6,900.00	@ 100%	<u>6,900.00</u>
			\$18,543.13

- 2) The alternative methods, equipment and costs for achieving the same objective.

The applicant indicated that they knew of no alternative method which could be utilized to achieve the same objective.

- 3) Any other factors which are relevant in establishing the portion of the actual cost of the investment properly allocable to the collection, transportation or processing of reclaimed plastic or to the manufacture of a reclaimed plastic product.

The applicant has already factored the portion of the equipment allocable to plastic collection of reclaimed plastic.

The actual cost of the investment properly allocable to reclaiming plastic materials as determined by using these factors is 100%.

5. Summation

- a. The investment was made in accordance with all regulatory deadlines.
- b. The investment is eligible for final tax credit certification in that the equipment is necessary to collect a reclaimed plastic product.
- c. The qualifying business complies with DEQ statutes and rules.
- d. The portion of the investment cost that is properly allocable to reclaiming and recycling plastic is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Reclaimed Plastic Tax Credit Certificate bearing the cost of \$18,543.13 with 100% allocated to reclaiming plastic material, be issued for the investment claimed in Tax Credit Application No. TC-3399.

WRB:b
RECY\RPT\YB11942T
(503) 229-5934
September 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Portland General Electric Company
Beaver Generating Plant
121 SW Salmon Street, 1WTC-10
Portland, OR 97204

The applicant owns and operates a combined cycle combustion turbine generating facility in Clatskanie, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The claimed facility reduces emissions of NO_x from the combustion canisters of four of the six combustion turbines. The facility consists of four ENDA-1220 continuous emission monitoring systems and display equipment. The four continuous emission monitoring systems monitor emissions from turbines three through six.

Claimed Facility Cost:	\$169,870.68
Costs were attributed to the following categories:	
PGE labor, materials, expenses, & overhead:	\$55,532.63
Monitors; materials & installation:	\$114,338.05
Costs which are not allocable to pollution control:	\$707.13
Adjusted facility costs:	\$169,163.55

The applicant indicated on the application the useful life of the facility is ten years.

Accountant's Certification was provided.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that: Installation of the facility was substantially completed on April 26, 1991 and placed into operation on April 26, 1991. The application for final certification was submitted to the Department on June 24, 1991, within two years of substantial completion of the facility. The application was found to be complete on October 20, 1992.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution. The air contaminant Discharge Permit for this source, 05-2520, item 3 and 8 require the permittee to control and monitor NO_x emissions. This is in accordance with the Federal New Source Performance Standards. The specific standards are 40 CFR 60.330 to 60.335, Subpart GG, of the Federal Code. The control of emissions is accomplished by the elimination of air contaminants as defined in ORS 468A.005.

The facility provides information which enables the operators of the power generating plant control room to adjust the combustion process and reduce NO_x emissions by lowering the temperature in the combustion canisters. At lower temperatures the levels of NO_x emitted decrease. The temperature reduction is accomplished through the injection of water into the combustion canister.

The facility samples the exhaust gas generated by the combustion turbine and an infrared analyzer determines the NO_x levels. The control room has both a strip chart and instantaneous digital display. An alarm in the control panel notifies control room operators when the NO_x levels rise above 50 ppm.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application there is no income or savings from the facility, so there is no return on the investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

In addition to control of NO_x emissions the facility records data for compliance purposes. A scrubber system can be used to control NO_x emissions. A scrubber system can not record data or aid in process control to prevent the creation of excess levels of NO_x.

- 4) Any related savings or increase in costs which occur as a result of the installation of the facility.

There is no savings or increase in costs as a result of the facility modification.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to the control of pollution. The principal purpose of the facility is to

prevent a substantial quantity of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution.
- c. The facility complies with Federal Code and permit conditions.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$169,163.55 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3566.

BKF:
3566.rpt
(503) 229-5365
October 8, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Hydraulic and Machine Services, Inc.
883 North 28th Street
Springfield, OR. 97477

The applicant owns and operates a machine shop that repairs hydraulic cylinders in Springfield, Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The facility consists of a system that cleans and recycles wash water resulting from the cleaning of the hydraulic machinery parts. The system includes the Model EC RGF Ultrasorb Water Recycling System, a covered wash pad, and a concrete sump. The estimated useful life of the facility is 15 years.

The machinery parts are cleaned on a wash pad constructed of concrete and sloped such that the wash water collects on one side of the pad in a sump, or low area. The wash water is then pumped into the RGF Ultrasorb System for treatment with the following processes: aeration, gravity separation, coalescing centrifugal separation, diffused air flotation, metallic oil separation, solids separation, hydrocarbon absorption, chlorination, and polishing filtration. The treated water from the RGF Ultrasorb System is piped into the steam cleaner for reuse in cleaning operations. With recycling of the wash water, no wastewater is discharged from the washing process. Heavy oils are removed from the wash water, and the company pays for removal of the waste oil from the site. Solids collected from the wash water are removed from the site by DEQ approved waste handlers.

Claimed Facility Cost: \$13,200.00
The claimed facility cost was supported by invoices submitted by the company.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadlines in that:

The facility was substantially completed and placed into operation on May 1, 1991. The application for certification was submitted to the Department on February 10, 1992, within two years of the completion date.

4. Evaluation of Application

a. The facility is eligible because the sole purpose of the facility is to reduce a substantial quantity of water pollution. This reduction is accomplished by the elimination of industrial waste as defined in ORS 468.700.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility converts part of the waste products into a usable commodity consisting of recycled wash water.

2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application that there is no income or savings from the facility, so there is no return on investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered other wash water recycling systems that accomplish the same objective and provided cost data to demonstrate that these systems were more costly than the RGF Ultrasorb System that they installed. It is the Department's determination that the proposed facility is an acceptable method for achieving the pollution control objective.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings from the facility. Even with the recycling of the wash water, the applicant has demonstrated that no savings in the cost of water consumption has resulted from the operation. The cost of maintaining and operating the facility has been estimated to be \$1,760.00 annually.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

The applicant submitted receipts totalling \$17,130.00 for construction of the wash pad and purchase and installation of the RGF Ultrasorb Water Recycling System. However, the applicant indicated in the application that portions of the wash pad were not allocable to water pollution control. Additional information was requested to clarify the allocable portion of the cost. The applicant indicated that part of the pad was used for storage and therefore reduced the claimed cost based upon usable space for washing activities. It was agreed that the allocable portion of the claimed facility cost was \$13,200.00 or 77.06% of the total cost.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to reduce a substantial quantity of water pollution and accomplishes this purpose by the elimination of industrial waste as defined in ORS 468.700.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the claimed facility cost that is properly allocable to pollution control is 100.00%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$13,200.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-3730.

Pamela Fink:crw
(503) 229-6776
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

GFK Associates
527 SE 82nd
Portland, OR 97216

The applicant owns and operates a automotive repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$2,241.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 8, 1991. The facility was placed into operation on May 8, 1991. The application for final certification was submitted to the Department on March 31, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to

comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.00/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine

- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

The applicant indicated on the application that an extra 30 pound freon storage tank was included with the claimed facility costs. Additional storage tanks do not have a principal purpose of pollution control as defined in OAR 340-16-025 because they are not required by ORS 468A.635. The expense of \$174 for the extra storage tank is not allocable to pollution control.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 92%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 92%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,241 with 92% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3766.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Columbia Plywood Corporation
Klamath Division
PO Box 1780
Klamath Falls, OR 97601

The applicant owns and operates a hardwood plywood manufacturing plant in Klamath Falls, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The facility controls the emissions of particulate from the plywood sander and plywood trimming operations. The facility consist of a Carter Day 144 RJ120 Baghouse and modifications of existing support equipment.

The applicant attributed costs to the following categories:

Baghouse and particulate removal equipment:	\$50,000.00
Materials and installation for ductwork, 150 HP material handling fan and motor & miscellaneous support equipment:	\$23,437.00
In house labor:	\$7,339.00

Total Claimed Facility Cost: \$80,776.00

Accountant's Certification was provided.

The applicant has identified the useful life of the facility to be 15 years.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Installation of the facility was substantially completed

on July 16, 1990 and placed into operation on July 16, 1990. The application for final certification was submitted to the Department on April 24, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 15, 1992.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution. This is in accordance with OAR Chapter 340-25-315(2). The air contaminant Discharge Permit for this source, 18-0014, item 2 and 3 requires the permittee to control particulate emissions from all sources. The emission reduction is accomplished by the elimination of air contaminants as defined in ORS 468A.005.

The claimed facility consists of improvements to an existing wood waste handling system. Particulate from the plywood sander is blown through ductwork by a new 150 HP material handling fan. The dust is blown into a cyclone which exhausts into the new baghouse. Material from the plywood trimming operation is blown through ductwork by a material handling fan into a cyclone. The exhaust from the cyclone is routed to the new baghouse. The exhaust stream enters the baghouse and is diverted by a series of baffles giving a cyclonic effect to the exhaust stream. Heavier particulate falls out of the exhaust stream into the hopper. The exhaust stream then blows upward through the 144 tubular filters. The baghouse blows reverse air through individual bags once a minute causing particulate to accumulate in the hopper. The accumulated particulate is used as fuel in the boiler. Modifications were made to the existing ductwork to accommodate the new bag house and the elimination of cyclones.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to

recover and convert waste products into a salable or usable commodity.

A portion of the waste product is converted into a salable or usable commodity consisting of 21.8 tons per year of wood particulates used as fuel. The applicant estimated the value of this fuel to be \$327 a year.

- 2) The estimated annual percent return on the investment in the facility.

The average annual cash flow is \$7,901.32 which results from a decrease in operating costs and the income mentioned in 1) above. The previous wood waste handling system had an annual operating expense of \$38,786.51. The annual operating expense of the claimed facility is \$31,212.19. Dividing the average annual cash flow into the cost of the facility gives a return on investment factor of 10.22. Using Table 1 of OAR 340-16-30 for a useful life of 15 years gives an annual return on investment of 5.25%. As a result, the percent allocable is 69%.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated a rebuilt baghouse was installed. The applicant stated the installation of the rebuilt baghouse saved \$28,000 over the installation of a new baghouse.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant indicated savings of \$7,574.32 in operational costs compared to the previous wood waste handling system.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

There are no other factors to consider in

establishing the actual cost of the facility properly allocable to control of pollution. The principal purpose of the facility is to control a substantial quantity of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 69%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution.
- c. The facility complies with DEQ statutes, rules, and permit conditions.
- d. The portion of the facility cost that is properly allocable to pollution control is 69%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$80,776.00 with 69% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3784.

BKF
3784.RPT
(503) 229-5365
October 20, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Jantzen Inc.
411 NE 19th
Portland, OR 97232

The applicant owns and operates a garment manufacturing establishment in Portland, Oregon. Applicant does it's own air conditioning equipment maintenance.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be seven years.

Claimed Facility Cost: \$2,508.99
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 7, 1992. The facility was placed into operation on May 20, 1992. The application for final certification was submitted to the Department on June 8, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This reduction is accomplished by capturing and/or

recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.60/pound. The applicant estimated an annual coolant recovery rate of 108 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceed facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,508.99 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3803.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Graham Oil Company, Inc.
PO Box 407
North Bend, OR 97459

The applicant owns and operates a service station at 525 North Broadway, Coos Bay, OR, facility no. 7176.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of three STI-P3 tanks and fiberglass piping, spill containment basins, overflow alarm, line leak detectors, tank monitor and automatic shutoff valves.

Claimed facility cost \$ 73,295
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 15, 1990 and placed into operation July 15, 1990. The application for certification was submitted to the Department on June 15, 1992, within two years of the completion date. The application was determined complete and filed on July 29, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of three tanks and piping with no corrosion protection and no spill and overflow prevention or leak detection equipment.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - STI-P3 tanks and fiberglass piping.
- 2) For spill and overflow prevention - Spill containment basins, overflow alarm and automatic shutoff valves.
- 3) For leak detection - Tank monitor and line leak detectors.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$73,295) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility <u>Cost</u>	Percent <u>Allocable</u>	Amount <u>Allocable</u>
Corrosion Protection:			
STI-P3 tanks & fiberglass piping	\$18,556	37%(1)	\$ 6,866
Spill & Overfill Prevention:			
Spill containment basins	4,281	100	4,281
Overfill alarm	993	100	993
Automatic shutoff valves	3,323	100	3,323
Leak Detection:			
Tank monitor	5,740	90 (2)	5,166
Line leak detectors	718	100	718
Labor & materials	<u>39,684</u>	<u>100</u>	<u>39,684</u>
Total	\$73,295	83%	\$61,031

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$18,556 and the bare steel system is \$11,700, the resulting portion of the eligible tank and piping cost allocable to pollution control is 37%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 83%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$73,295 with 83% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3806.

Barbara J. Anderson:ew
(503) 229-5870
October 8, 1992

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of three steel tanks and piping with no corrosion protection and no spill and overflow prevention or leak detection equipment.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - STI-P3 tanks and fiberglass piping.
- 2) For spill and overflow prevention - Spill containment basins, and automatic shutoff valves.
- 3) For leak detection - Tank monitor, line leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$85,443) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
STI-P3 tanks & fiberglass piping	\$21,900	23%(1)	\$ 5,037
Spill & Overfill Prevention:			
Spill containment basins	591	100	591
Automatic shutoff valves	1,823	100	1,823
Leak Detection:			
Tank monitor	5,300	90 (2)	4,770
Line leak detectors	555	100	555
Monitoring wells	341	100	341
Stage I vapor recovery	588	100	588
Labor & materials	<u>54,345</u>	<u>100</u>	<u>54,345</u>
Total	\$ 85,443	80%	\$68,050

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$21,900 and the bare steel system is \$16,868, the resulting portion of the eligible tank and piping cost allocable to pollution control is 23%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 80%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$85,443 with 80% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3807.

Barbara J. Anderson:ew
(503) 229-5870
October 16, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Harvey & Price Co.
2015 Nugget Way
Eugene, OR 97403

The applicant owns and operates a heating and air conditioning service establishment in Eugene, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,082.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 9, 1992. The facility was placed into operation on June 15, 1992. The application for final certification was submitted to the Department on July 13, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This reduction is accomplished by capturing and/or

recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.60/pound. The applicant estimated an annual coolant recovery rate of 240 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceed facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,082 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3817.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

All Around Automotive
4937 SE Division
Portland, OR 97256

The applicant owns and operates a automotive and truck repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$4,450.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 25, 1992. The facility was placed into operation on July 25, 1992. The application for final certification was submitted to the Department on July 28, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.95/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 84%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 84%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$4,450.00 with 84% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3821.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

E & E Body Shop
3509 Third Street
Tillamook, OR 97141

The applicant owns and operates an auto body repair and refinishing establishment in Tillamook, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,300.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 1, 1992. The facility was placed into operation on July 15, 1992. The application for final certification was submitted to the Department on July 28, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.06/pound. The applicant estimated an annual coolant recovery rate of 40 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,300.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3822.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

The Heating Specialist, Inc.
9300 NE Halsey
Portland, OR 97220

The applicant owns and operates a heating and air conditioning servicing establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,997.98
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 21, 1992. The facility was placed into operation on July 1, 1992. The application for final certification was submitted to the Department on July 28, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This reduction is accomplished by capturing and/or

recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$2.00/pound. The applicant estimated an annual coolant recovery rate of 500 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceed facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2997.98 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3823.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Marion Ag Service, Inc.
7776 ST. Paul Hwy., NE
St. Paul, OR 97137

The applicant owns and operates a fertilizer sales business in St. Paul, Oregon. Applicant does its own vehicle maintenance.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,000.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on April 22, 1992. The facility was placed into operation on April 24, 1992. The application for final certification was submitted to the Department on August 3, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by

capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.13/pound. The applicant estimated an annual coolant recovery rate of 20 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in its own vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,000 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3827.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Knez Building Supply
Recycling Division
8185 SW Hunziker Road
Tigard, OR 97223

The applicant owns and operates a sheetrock recycling facility in Clackamas, Oregon.

Application was made for tax credit for a solid waste recycling facility.

2. Description of Facility

Claimed Investment Cost: \$156,281.58

The claimed equipment is utilized to process scrap and used sheetrock into paper and gypsum fractions.

The claimed facility includes:

o John Deere Loader 544B	\$20,000.00
o Sheetrock processing machine	\$98,318.80
o Vibrating conveyor	\$21,464.40
o Electric panel	\$ 6,271.50
o Wall around recycling area	\$ 8,344.30
o Bulk storage bags	\$ 1,882.58

An Accountant's Certification was provided.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

The facility was substantially completed on December 19, 1991 and placed into operation December 19, 1991. The application for certification was submitted to the Department on August 3, 1992, within two years of the completion date. The application was determined complete and filed on September 18, 1992.

4. Evaluation of Application

- a. The facility is eligible because the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling. This reduction is accomplished by the use of a material recovery process.

Prior to constructing the facility, wallboard was disposed of in area landfills. An estimated 100,000 tons of wallboard are disposed of each year in the metropolitan area. This facility manufactures paper which is used in a composting plant for odor control, gypsum chips for dairy farm animal bedding and gypsum powder for use in mushroom farming. The applicant estimates 3,000 tons of material will be recycled annually. Capacity is roughly 27,000 tons per year.

- b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

- 1) This factor is applicable because the entire purpose of the facility is to process waste wallboard delivered from residential and commercial construction activities. Once enough material is processed, recovered products are transported to markets: paper goes to a composting facility, chips go to dairy farms and powder is sold to mushroom farms where it replaces virgin gypsum powder.

The percent allocable determined by using this factor would be 100%.

- 2) The estimated annual percent return on the investment in the facility.

The applicant states that for the first 5 years of operation, there will be a negative cash flow. This results because the facility's operating and maintenance expenses exceed estimated annual income from the sale of the recycled materials. The applicant is able to absorb the cost in anticipation of future profit as tipping fees increase along with solid waste tipping fee increases and markets for recovered products improve. The facility also provides a convenience for building material customers.

Using Table 1 of OAR 340-60-030, for a life of 10 years, the percent return on investment is zero. As a result, the percent allocable would be 100%.

- (3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant states no other alternative method was identified as being successful in handling this material with recovery of usable end products.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings from the facility. The average annual costs of maintaining and operating the facility is \$337,691.00. The average annual income from the facility is approximately \$286,574.00 and has been included in the ROI calculation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$156,281.58 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-3828.

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Certified Automotive
2900 22nd Street SE
Salem, OR 97302

The applicant owns and operates an automobile repair establishment in Salem, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$4,680.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 15, 1992. The facility was placed into operation on July 17, 1992. The application for final certification was submitted to the Department on August 3, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.95/pound. The applicant estimated an annual coolant recovery rate of 75 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 85%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 85%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$4,680.00 with 85% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3829.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Denny Green Radiator & Automotive, Inc.
1910 Fifth Street
Tillamook, OR 97141

The applicant owns and operates an automotive repair establishment in Tillamook, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$2,995.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 1, 1991. The facility was placed into operation on May 1, 1991. The application for final certification was submitted to the Department on August 5, 1991, within two years of substantial completion of the facility. The application was found to be complete on November 5, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to

comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.50/pound. The applicant estimated an annual coolant recovery rate of 150 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine

- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,995.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3830.

BKF
(503) 229-5365
November 5, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square, 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 50 E Burnside, Gresham, OR 97030, facility no. 4907.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of three fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost \$ 88,703
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on January 15, 1991 and placed into operation January 15, 1991. The application for certification was submitted to the Department on August 5, 1992, within two years of the completion date. The application was determined complete and filed on September 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of four bare steel underground storage tanks that were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and ball float valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. Cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$88,703) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$23,482	40%(1)	\$ 9,382
Spill & Overfill Prevention:			
Spill containment basins	3,053	100	3,053
Ball float valves	280	100	280
Leak Detection:			
Line leak detectors	3,445	100	3,445
Turbine leak detectors	2,881	100	2,881
Monitoring wells	516	100	516
Labor & materials (includes Stage I vapor recovery equipment			
	<u>55,046</u>	<u>100</u>	<u>55,046</u>
Total	\$88,703	84%	\$74,603

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$23,482 and the bare steel system is \$14,100, the resulting portion of the eligible tank and piping cost allocable to pollution control is 40%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.

- d. The portion of the facility cost that is properly allocable to pollution control is 84%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$88,703 with 84% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3831.

Mary Lou Perry:ew
(503) 229-5731
October 16, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square, 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 8715 Canyon Rd., Portland, OR 97225, facility no. 727.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of three fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost \$ 84,718
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on August 15, 1990 and placed into operation August 15, 1990. The application for certification was submitted to the Department on August 5, 1992, within two years of the completion date. The application was determined complete and filed on September 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of three bare steel underground storage tanks and one fiberglass waste oil tank installed in 1988. The three tanks were removed in 1990.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and ball float valves.
- 3) For leak detection - Monitoring wells, line leak detectors and turbine leak detectors.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. Cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$84,718) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks piping	\$21,625	34%(1)	\$ 7,290
Spill & Overfill Prevention:			
Spill containment basins	1,517	100	1,517
Ball float valves	392	100	392
Leak Detection:			
Line leak detectors	3,485	100	3,485
Turbine leak detectors	2,881	100	2,881
Monitoring wells	582	100	582
Labor & materials (includes Stage I vapor recovery equipment			
	<u>54,236</u>	<u>100</u>	<u>54,236</u>
Total	\$84,718	83%	\$70,383

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$21,625 and the bare steel system is \$7,290, the resulting portion of the eligible tank and piping cost allocable to pollution control is 34%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.

- d. The portion of the facility cost that is properly allocable to pollution control is 83%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$84,718 with 83% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3833.

Mary Lou Perry:ew
(503) 229-5731
October 16, 1992

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and tank monitoring system.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$98,436) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$ 26,363	32%(1)	\$ 11,563
Spill & Overfill Prevention:			
Spill containment basins	4,193	100	4,193
Float vent valves	457	100	457
Leak Detection:			
Line leak detectors	3,105	100	3,105
Turbine leak detectors	2,881	100	2,881
Tank Monitoring system	631	90 (2)	568
Labor & materials	<u>60,806</u>	<u>100</u>	<u>60,806</u>
Total	\$ 98,436	85%	\$ 83,573

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$26,363 and the bare steel system is \$14,800, the resulting portion of the eligible tank and piping cost allocable to pollution control is 32%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 85%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$98,436 with 85% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3834.

Mary Lou Perry:ew
(503) 229-5731
November 5, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square, 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 138 Hutchins, Sutherlin, OR 97479, facility no. 770.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost \$ 95,342
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on October 31, 1990 and placed into operation October 31, 1990. The application for certification was submitted to the Department on August 5, 1992, within two years of the completion date. The application was determined complete and filed on September 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of four bare steel underground storage tanks that were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and ball float valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. Cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$95,342) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$20,231	42%(1)	\$ 8,551
Spill & Overfill Prevention:			
Spill containment basins	2,153	100	2,153
Ball float valves	477	100	477
Overfill alarm			
Leak Detection:			
Line leak detectors	2,900	100	2,900
Turbine leak detectors	3,300	100	3,300
Monitoring wells	647	100	647
Labor & materials (includes Stage I vapor recovery equipment			
	<u>65,634</u>	<u>100</u>	<u>65,634</u>
Total	\$95,342	88%	\$83,662

(1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$20,231 and the bare steel system is \$8,551, the resulting portion of the eligible tank and piping cost allocable to pollution control is 42%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.

- d. The portion of the facility cost that is properly allocable to pollution control is 88%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$95,342 with 88% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3835.

Mary Lou Perry:ew
(503) 229-5731
October 16, 1992

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of four bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$74,265) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Fiberglass tanks & piping	\$ 24,390	30%(1)	\$ 10,480
Spill & Overfill Prevention:			
Spill containment basins	2,025	100	2,025
Float vent valves	460	100	460
Leak Detection:			
Line leak detectors	3,030	100	3,030
Turbine leak detectors	3,351	100	3,351
Monitoring wells	603	100	603
Labor & materials	<u>40,406</u>	<u>100</u>	<u>40,406</u>
Total	\$ 74,265	81%	\$ 60,355

(1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$24,390 and the bare steel system is \$13,910, the resulting portion of the eligible tank and piping cost allocable to pollution control is 30%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 81%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$74,265 with 81% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3837.

Mary Lou Perry:ew
(503) 229-5731
November 2, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square, 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 14801 SE Webster Rd., Milwaukie, OR 97222, facility no. 688.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, ball float valves, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost \$ 87,725
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on September 1, 1990 and placed into operation September 1, 1990. The application for certification was submitted to the Department on August 5, 1992, within two years of the completion date. The application was determined complete and filed on September 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel underground storage tanks that were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and ball float valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. Cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$87,725) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$23,412	45%(1)	\$10,642
Spill & Overfill Prevention:			
Spill containment basins	10,631	100	10,631
Ball float valves	460	100	460
Leak Detection:			
Line leak detectors	3,030	100	3,030
Turbine leak detectors	2,881	100	2,881
Monitoring wells	647	100	647
Labor & materials (includes Stage I vapor recovery equipment			
	<u>46,664</u>	<u>100</u>	<u>46,664</u>
Total	\$87,725	85%	\$74,955

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$23,412 and the bare steel system is \$10,642, the resulting portion of the eligible tank and piping cost allocable to pollution control is 45%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.

- d. The portion of the facility cost that is properly allocable to pollution control is 85%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$87,725 with 85% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3838.

Mary Lou Perry:ew
(503) 229-5731
October 16, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Gil's Truck Repair, Inc
16769 SE Blossom Ave.
Milwaukee, OR 97207

The applicant owns and operates an automobile and truck maintenance and repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,145.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 1, 1992. The facility was placed into operation on June 1, 1992. The application for final certification was submitted to the Department on August 10, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by

capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.33/pound. The applicant estimated an annual coolant recovery rate of 40 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,145.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3839.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Atlas Refrigeration, Inc.
20012 SE Stark Street PO Box 16518
Portland, OR 97216-0518

The applicant owns and operates a commercial refrigeration installation sales and service business in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility consists of three machines that remove and clean commercial refrigeration coolant. The machines are self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$5,325.40
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on February 24, 1992. The facility was placed into operation on February 24, 1992. The application for final certification was submitted to the Department on August 13, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 21, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This

reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.56/pound. The applicant estimated an annual coolant

recovery rate of 600 pounds total for all three units.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in the same refrigerator it was removed from. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a recycling center where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility

properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$5,325.40 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3840.

BKF
(503) 229-5365
October 22, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Westermam Heat & Cool
175 King Street
Oregon City, OR 97045

The applicant owns and operates a heating and air conditioning service establishment in Oregon City, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$1623.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 10, 1992. The facility was placed into operation on June 10, 1992. The application for final certification was submitted to the Department on August 14, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This

reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.82/pound. The applicant estimated an annual coolant recovery rate of 100 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceed facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$1623.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3841.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Harvey & Price Co.
2015 Nugget Way
Eugene, OR 97403

The applicant owns and operates a heating and air conditioning service establishment in Eugene, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$1,762
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 21, 1992. The facility was placed into operation on July 27, 1992. The application for final certification was submitted to the Department on August 21, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This reduction is accomplished by capturing and/or recycling air

contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.60/pound. The applicant estimated an annual coolant recovery rate of 360 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$1,762.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3842.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Blooms Automania
25275 Vaughn Road
Veneta, OR 97487

The applicant owns and operates a automobile repair in Veneta, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$5,484.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 30, 1992. The facility was placed into operation on July 30, 1992. The application for final certification was submitted to the Department on August 24, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 24, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.00/pound. The applicant estimated an annual coolant recovery rate of 360 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

The applicant indicated on the application that the cost for an automobile air conditioning coolant recharge station was included in the claimed facility costs. Recharge stations do not have a principal purpose of pollution control as defined in OAR 340-16-025. This is because recharge stations are not required by ORS 468A.635. The expense of \$2,389.00 is not allocable to pollution control.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 57%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 57%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$5,484.00 with 57% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3845.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Cascade Farm Machinery Co., Inc.
812 McClaine Street, PO Box 356
Silverton, OR 97381

The applicant owns and operates a farm machinery service establishment in Silverton, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be ten years.

Claimed Facility Cost: \$3,000.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on December 5, 1991. The facility was placed into operation on March 1, 1992. The application for final certification was submitted to the Department on August 27, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.50/pound. The applicant estimated an annual coolant recovery rate of 150 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 77%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 77%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,000.00 with 77% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3847.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Professional Drivers & Dispatch
1410 NW Hoyt
Portland, OR 97209

The applicant owns and operates a automotive towing and truck repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$4,195.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 30, 1992. The facility was placed into operation on July 30, 1992. The application for final certification was submitted to the Department on September 1, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.50/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

The applicant indicated on the application that the cost for an automobile air conditioner coolant recharge unit was included with the claimed facility costs. Recharge units do not have a principal purpose of pollution control as defined in OAR 340-16-025. This is because recharge units are not required by ORS 468A.635. The expense of \$1,485 for the recharge unit is not allocable to pollution

control.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 65%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 65%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$4,195 with 65% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3848.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Brakes Plus
307 Laurel Street
Florence, OR 97439

The applicant owns and operates an automobile repair establishment in Florence, Oregon.

Application was made for tax credit for an air pollution control facility which is leased by the applicant. Applicant has provided authorization from the lessor to receive tax credit certification.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,295.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on August 3, 1992. The facility was placed into operation on August 4, 1992. The application for final certification was submitted to the Department on September 2, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air

pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$6.17/pound. The applicant estimated an annual coolant recovery rate of 50 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,295.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3849.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Don Rasmussen Co.
1710 SW Morrison
Portland, OR 97205

The applicant owns and operates an used automobile sales and service establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be ten years.

Claimed Facility Cost: \$2,995.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 30, 1992. The facility was placed into operation on July 17, 1992. The application for final certification was submitted to the Department on September 2, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.27/pound. The applicant estimated an annual coolant recovery rate of 104 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 77%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 77%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,995.00 with 77% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3850.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Terry Shellman
2043 12th Street
Hood River, OR 97031

The applicant owns and operates an automotive repair establishment in Hood River, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$3,185.50
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 13, 1992. The facility was placed into operation on May 13, 1992. The application for final certification was submitted to the Department on September 3, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.50/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 78%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 78%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3185.50 with 78% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3852.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Western Stations Co.
PO Box 5969
Portland, OR 97228-5969

The applicant owns and operates a retail gasoline outlet at 12885 SW Pacific Hwy., Tigard, OR 97223, facility no. 6176.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of epoxy lining in three tanks, sumps and Stage II vapor recovery system.

Claimed facility cost \$ 101,717
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on April 24, 1992 and placed into operation April 24, 1992. The application for certification was submitted to the Department on September 8, 1992, within two years of the completion date. The application was determined complete and filed on October 13, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of one fiberglass tank, three steel tanks, fiberglass piping and spill and overflow prevention and leak detection equipment.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - epoxy lining in three steel tanks.
- 2) For spill and overflow prevention - Sumps.

The applicant also installed Stage II vapor recovery piping as required by OAR 340-22-400 through 403.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$101,717) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the method chosen to be the most effective and economical. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Epoxy tank lining	\$ 33,446	100%	\$ 33,446
Spill & Overfill Prevention:			
Sumps	5,482	100	5,482
Stage II vapor recovery	23,381	100	23,381
Labor & materials	<u>39,408</u>	<u>100</u>	<u>39,408</u>
Total	\$101,717	100%	\$101,717

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.

- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$101,717 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3853.

Barbara J. Anderson:ew
(503) 229-5870
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Pendleton Grain Growers, Inc.
PO Box 1248
Pendleton, OR 97801
Attn: Dick Caplinger

The applicant owns and operates an agricultural Cooperative at Feedville Rd., Hermiston, OR 97838, facility no. 6153.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of a tank monitor system, overflow alarm and spill containment basins.

Claimed facility cost \$ 16,882
(Documentation of cost was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on April 3, 1991 and placed into operation April 3, 1991. The application for certification was submitted to the Department on September 8, 1992, within two years of the completion date. The application was determined complete and filed on October 13, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks and piping with no corrosion protection and no spill and overflow prevention or leak detection equipment.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For spill and overflow prevention - Spill containment basins and an overflow alarm.
- 2) For leak detection - Tank monitor system.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$16,882) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Spill & Overfill Prevention:			
Spill containment basins	\$ 1,399	100%	\$ 1,399
Overfill alarm	110	100	110
Leak Detection:			
Tank monitor	7,452	90 (1)	6,707
Labor & materials	<u>7,921</u>	<u>100</u>	<u>7,921</u>
Total	\$16,882	96%	\$16,137

- (1) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 96%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$16,882 with 96% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3854.

Barbara J. Anderson:ew
(503) 229-5870
October 13, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

J & R Automotive Services, Inc.
3640 Mainline Drive NE
Salem, OR 97303

The applicant owns and operates an automotive repair establishment in Salem, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,200.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 14, 1992. The facility was placed into operation on July 14, 1992. The application for final certification was submitted to the Department on September 8, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.00/pound. The applicant estimated an annual coolant recovery rate of 150 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 78%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 78%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,200 with 78% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3855.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Bewley Mechanical Systems Inc
7721 SW Cirrus Drive
Beaverton, OR 97005

The applicant owns and operates a commercial and residential air conditioning service establishment in Beaverton, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,601.36
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 11, 1992. The facility was placed into operation on May 11, 1992. The application for final certification was submitted to the Department on September 8, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency to reduce air pollution. This reduction is

accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of recycled coolant at \$0.25/pound. The applicant estimated an annual coolant recovery rate of

720 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the sales price of recycled coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this air conditioning and

refrigerant coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to refrigeration and air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 81%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 81%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,601.36 with 81% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3856.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Prewitt's Quality Body & Paint
238 Market Street
Klamath Falls, OR 97601

The applicant owns and operates an autobody repairing and painting establishment in Klamath Falls, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,300.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 11, 1992. The facility was placed into operation on June 25, 1992. The application for final certification was submitted to the Department on September 11, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 16, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by

capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$6.00/pound. The applicant estimated an annual coolant recovery rate of 48 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling

equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,300.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3857.

BKF
(503) 229-5365
November 16, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Erickson Automotive
101 Foothills Road
Lake Oswego, OR 97304

The applicant owns and operates an automotive repair establishment in Lake Oswego, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be four years.

Claimed Facility Cost: \$3,338.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 19, 1992. The facility was placed into operation on May 22, 1992. The application for final certification was submitted to the Department on September 8, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.00/pound. The applicant estimated an annual coolant recovery rate of 90 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,338.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3858.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Meier & Frank
621 SW Fifth Avenue
Portland, OR 97204

The applicant owns and operates a retail sales establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be ten years.

Claimed Facility Cost: \$3,348.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 8, 1992. The facility was placed into operation on June 15, 1992. The application for final certification was submitted to the Department on September 17, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This reduction is accomplished by capturing and/or

recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$3.90/pound. The applicant estimated an annual coolant recovery rate of 400 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to

pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,348.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3860.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Crown Auto Craft
131 E Fifth Street
Prineville, OR 97754

The applicant owns and operates an auto body repair and painting establishment in Prineville, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$3,300.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on August 11, 1992. The facility was placed into operation on August 11, 1992. The application for final certification was submitted to the Department on September 22, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$6.00/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,300.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3861.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Central Auto Services, Inc.
195 Santiam Highway
Lebanon, OR 97355

The applicant owns and operates a automobile repair establishment in Lebanon, Oregon.

Application was made for tax credit for an air pollution control facility which is leased by the applicant. The lessor has authorized the applicant to receive the pollution control facility tax credit.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,600.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on August 13, 1991. The facility was placed into operation on August 26, 1991. The application for final certification was submitted to the Department on September 23, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 7, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air

pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.60/pound. The applicant estimated an annual coolant recovery rate of 300 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling

equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 81%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 81%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,600.00 with 81% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3862.

BKF
(503) 229-5365
November 7, 1992

State of Oregon
Department of Environmental Quality

RECLAIMED PLASTIC TAX CREDIT
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Scott T. Robertson
4376 Snow Brush Court
Lake Oswego, OR 97035

The applicant owns and operates a plastic product manufacturing facility at Tualatin, Oregon.

Application was made for Reclaimed Plastic Tax Credit.

2. Description of Equipment, Machinery or Personal Property

Claimed Investment Cost: \$15,454.00
(Accountant's Certification was provided.)

The claimed equipment is a 3,000 lb. LPG forklift truck, Yale Model #GLC030CE, Serial #523324, which will be used for unloading and transporting reprocessed and reground, reclaimed plastic and transporting and loading reclaimed plastic products.

3. Procedural Requirements

The investment is governed by ORS 468.925 through 468.965, and by OAR Chapter 340, Division 17.

The investment met all statutory deadlines in that:

- a. The request for preliminary certification was filed September 28, 1992. The 30-day prior notice requirement was waived on September 29, 1992.
- b. The request for preliminary certification was approved on October 13, 1992, before the application for final certification was made.
- c. The investment was made on September 30, 1992, prior to June 30, 1995.

- d. The request for final certification was submitted on October 21, 1992 and was filed complete on October 22, 1992.

4. Evaluation of Application

- a. The investment is eligible because the equipment is necessary to transport a reclaimed plastic product.
- b. Allocable Cost Findings

In determining the portion of the investment costs properly allocable to reclaiming and recycling plastic material, the following factors from ORS 468.960 have been considered and analyzed as indicated:

- 1) The extent to which the claimed collection, transportation, processing or manufacturing process is used to convert reclaimed plastic into a salable or usable commodity.

This factor is applicable because the entire purpose of this forklift is to transport reclaimed plastic and reclaimed plastic product.

- 2) The alternative methods, equipment and costs for achieving the same objective.

The applicant indicated that they knew of no alternative method which could be utilized to transport this product.

- 3) Any other factors which are relevant in establishing the portion of the actual cost of the investment properly allocable to the collection, transportation or processing of reclaimed plastic or to the manufacture of a reclaimed plastic product.

There are no other factors to consider in establishing the actual cost of the investment properly allocable to reclaiming and recycling plastic material.

The actual cost of the investment properly allocable to transport of reclaimed plastic materials as determined by using these factors is 100%.

5. Summation

- a. The investment was made in accordance with all regulatory deadlines.
- b. The investment is eligible for final tax credit certification in that the equipment is necessary to manufacture a reclaimed plastic product.
- c. The qualifying business complies with DEQ statutes and rules.
- d. The portion of the investment cost that is properly allocable to reclaiming and recycling plastic is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Reclaimed Plastic Tax Credit Certificate bearing the cost of \$15,454.00 with 100% allocated to reclaiming plastic material, be issued for the investment claimed in Tax Credit Application No. TC-3863.

WRB:b
RECY\RPT\YB12002T
(503) 229-5934
October 22, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Portland General Electric
Pelton Plant
121 S.W. Salmon Street, 1WTC-10
Portland, OR. 97204

The applicant owns and operates an electric utility with power generating plants located throughout Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The facility is an oil spill containment system at the Pelton Hydroelectric Plant. The facility consists of a steel containment basin and a 4-inch oil stop valve.

Claimed Facility Cost: \$32,434.05

Accountant's Certification was provided.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

The facility was substantially completed and placed into operation on October 28, 1991. The application for certification was submitted to the Department on September 25, 1992, within two years of the completion date.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution. The requirement is to comply with 40 CFR Part 112, Oil Pollution Prevention.

The prevention is accomplished by the containment of industrial waste as defined in ORS 468.700.

In accordance with Federal law, electric utilities must provide oil spill containment on their sites if oil-filled equipment is utilized.

The Pelton Hydroelectric Plant is located at the Pelton Dam on the Deschutes River. With three oil-filled transformers on the plant site, oil could easily leak or spill in harmful quantities directly into the river. The secondary containment basin has been constructed with steel and sealed to retain spilled oil. The basin has an outfall pipe that discharges into a concrete catch basin in which an oil stop valve has been located and connected to the end of the pipe. In the event of an oil spill, the valve will close, and the oil would be held within the containment basin to allow for proper cleanup. Further, freeze protection has been provided for the oil stop valve with installation of an immersion heater.

- b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity. The spilled oil collected by the facility is disposed of at a State-approved landfill.

- 2) The estimated annual percent return on the investment in the facility.

The applicant indicates that there is no income or savings from the facility, so there is no return on investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant states that relocating the transformers to another location at the plant was considered. Since the transformers would require secondary containment at their new location, the cost for this alternative was estimated at \$42,500.00. The applicant also considered the replacement of the existing transformers with "dry" transformers that would not require secondary containment. The cost to replace the transformers has been estimated at \$70,650.00.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of installing the facility.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.

- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution and accomplishes this purpose by the containment of industrial waste as defined in ORS 468.700.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$32,434.05 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-3865.

Pamela Fink: crw
(503) 229-6776
November 2, 1992

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of four bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$92,930) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Fiberglass tanks & piping	\$ 25,093	41%(1)	\$ 10,408
Spill & Overfill Prevention:			
Spill containment basins	6,879	100	6,879
Float vent valves	708	100	708
Leak Detection:			
Line leak detectors	2,643	100	2,643
Turbine leak detectors	2,881	100	2,881
Monitoring wells	131	100	131
Labor & materials	<u>54,595</u>	<u>100</u>	<u>54,595</u>
Total	\$ 92,930	84%	\$ 78,245

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$25,093 and the bare steel system is \$14,685, the resulting portion of the eligible tank and piping cost allocable to pollution control is 41%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 84%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$92,930 with 84% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3867.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 3323 NE Killingsworth, Portland, OR 97211, facility no. 700.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves and Stage I vapor recovery equipment.

Claimed facility cost \$ 114,241
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on March 4, 1991 and placed into operation March 4, 1991. The application for certification was submitted to the Department on September 28, 1992, within two years of the completion date. The application was determined complete and filed on October 27, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup was completed February 6, 1992.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$114,241) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$ 25,230	54%(1)	\$ 13,535
Spill & Overfill Prevention:			
Spill containment basins	4,965	100	4,965
Float vent valves	716	100	716
Leak Detection:			
Line leak detectors	1,668	100	1,668
Turbine leak detectors	2,881	100	2,881
Monitoring wells	516	100	516
Labor & materials	<u>78,265</u>	<u>100</u>	<u>78,265</u>
Total	\$114,241	90%	\$102,546

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$25,230 and the bare steel system is \$11,695, the resulting portion of the eligible tank and piping cost allocable to pollution control is 54%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 90%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$114,241 with 90% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3868.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks (which were removed) and one fiberglass waste oil tank, installed in 1989, with no spill and overflow prevention or leak detection equipment.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. One cleanup action was undertaken in 1989 and completed March 22, 1990. Another began in 1991 and was completed February 6, 1992.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$67,337) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Fiberglass tanks & piping	\$ 26,816	46%(1)	\$ 12,276
Spill & Overfill Prevention:			
Spill containment basins	3,570	100	3,570
Float vent valves	677	100	677
Leak Detection:			
Line leak detectors	1,668	100	1,668
Turbine leak detectors	2,881	100	2,881
Monitoring wells	131	100	131
Labor & materials	<u>31,594</u>	<u>100</u>	<u>31,594</u>
Total	\$ 67,337	78%	\$ 52,797

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$26,816 and the bare steel system is \$14,540, the resulting portion of the eligible tank and piping cost allocable to pollution control is 46%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 78%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$67,337 with 78% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3869.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 14440 SE Division, Portland, OR 97236, facility no. 714.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, Stage I vapor recovery equipment and automatic tank gauges.

Claimed facility cost \$ 98,691
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on May 24, 1991 and placed into operation May 24, 1991. The application for certification was submitted to the Department on September 28, 1992, within two years of the completion date. The application was determined complete and filed on October 27, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of six bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and automatic tank gauges.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$98,691) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$ 29,312	59%(1)	\$ 17,272
Spill & Overfill Prevention:			
Spill containment basins	5,166	100	5,166
Float vent valves	708	100	708
Leak Detection:			
Automatic Tank Gauges	9,515	90 (2)	8,564
Line leak detectors	1,668	100	1,668
Turbine leak detectors	2,881	100	2,881
Labor & materials	<u>49,441</u>	<u>100</u>	<u>49,441</u>
Total	\$ 98,691	87%	\$ 85,700

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$29,312 and the bare steel system is \$12,040, the resulting portion of the eligible tank and piping cost allocable to pollution control is 59%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 87%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$98,691 with 87% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3870.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 896 Molalla Avenue, Oregon City, OR 97045, facility no. 805.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells, Stage I vapor recovery equipment and automatic tank gauges.

Claimed facility cost \$ 102,239
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 22, 1991 and placed into operation July 22, 1991. The application for certification was submitted to the Department on September 28, 1992, within two years of the completion date. The application was determined complete and filed on October 27, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors, monitoring wells and automatic tank gauges.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$102,239) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
Fiberglass tanks & piping	\$ 26,095	52%(1)	\$ 13,655
Spill & Overfill Prevention:			
Spill containment basins	3,453	100	3,453
Float vent valves	1,209	100	1,209
Leak Detection:			
Automatic tank gauges	13,517	90 (2)	12,165
Line leak detectors	1,668	100	1,668
Turbine leak detectors	2,881	100	2,881
Monitoring wells	775	100	775
Labor & materials	<u>52,641</u>	<u>100</u>	<u>52,641</u>
Total	\$102,239	87%	\$ 88,447

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$26,095 and the bare steel system is \$12,440, the resulting portion of the eligible tank and piping cost allocable to pollution control is 52%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 87%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$102,239 with 87% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3871.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

BP Oil Company
200 Public Square 24-H
Cleveland, OH 44114-2375

The applicant owns and operates an automobile service station at 5520 NE Martin Luther King Blvd., Portland, OR 97211, facility no. 722.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of fiberglass underground storage tanks, double wall fiberglass piping, spill containment basins, line leak detection, float vent valves, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost \$ 89,966
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on April 18, 1991 and placed into operation April 18, 1991. The application for certification was submitted to the Department on September 28, 1992, within two years of the completion date. The application was determined complete and filed on October 27, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five bare steel tanks which were removed.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass underground storage tanks and piping.
- 2) For spill and overflow prevention - Spill containment basins and float vent valves.
- 3) For leak detection - Line leak detectors, turbine leak detectors and monitoring wells.

The applicant also installed Stage I vapor recovery equipment.

The applicant reported that soil testing was performed at the time of tank removal and contamination was found. The cleanup is ongoing.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$89,966) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant indicated that no alternative methods were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Fiberglass tanks & piping	\$ 27,447	54%(1)	\$ 14,827
Spill & Overfill Prevention:			
Spill containment basins	3,808	100	3,808
Float vent valves	708	100	708
Leak Detection:			
Line leak detectors	2,251	100	2,251
Turbine leak detectors	2,881	100	2,881
Monitoring wells	131	100	131
Labor & materials	<u>52,740</u>	<u>100</u>	<u>52,740</u>
Total	\$ 89,966	86%	\$ 77,346

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$27,447 and the bare steel system is \$12,620, the resulting portion of the eligible tank and piping cost allocable to pollution control is 54%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 86%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$89,966 with 86% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3872.

Mary Lou Perry:ew
(503) 229-5731
October 30, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Cedar Mill Texaco
12805 NW Cornell Road
Portland, OR 97229

The applicant owns and operates a gasoline service and repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$3,185.50
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 6, 1992. The facility was placed into operation on May 6, 1992. The application for final certification was submitted to the Department on September 30, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.50/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 78%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 78%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,185.50 with 78% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3873.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

G & R Auto Wreckers, Inc.
4825 Ridge Drive NE
Salem, OR 97303

The applicant owns and operates a wrecked automobile recycling establishment in Independence, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,400.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 26, 1991. The facility was placed into operation on June 26, 1991. The application for final certification was submitted to the Department on October 2, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of recycled coolant at \$1.50/pound. The applicant estimated an annual coolant recovery rate of 225 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customers vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to customers. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,400.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3875.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

G & R Auto Wreckers, Inc.
4825 Ridge Drive NE
Salem, OR 97303

The applicant owns and operates an automobile recycling establishment in Salem, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$2,714.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 26, 1991. The facility was placed into operation on June 26, 1991. The application for final certification was submitted to the Department on October 2, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of recycled coolant at \$1.50/pound. The applicant estimated an annual coolant recovery rate of 120 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in its own vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to customers. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,714.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3876.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

The Master Wrench Inc.
9803 SW Barbur Blvd.
Portland, OR 97219

The applicant owns and operates an automotive repair establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,400.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 22, 1992. The facility was placed into operation on June 22, 1992. The application for final certification was submitted to the Department on October 5, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$6.00/pound. The applicant estimated an annual coolant recovery rate of 150 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,400.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3879.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Quality Volvo Service
1635 SE Enterprise Circle
Hillsboro, OR 97123

The applicant owns and operates an automotive repair establishment in Hillsboro, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$4150.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on September 8, 1992. The facility was placed into operation on September 8, 1992. The application for final certification was submitted to the Department on October 8, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.75/pound. The applicant estimated an annual coolant recovery rate of 60 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 83%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 83%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$4,150.00 with 83% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3881.

BKF
(503) 229-5365
November 8, 1992

STATE OF OREGON
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Far West Fibers, Inc.
 John Drew
 10750 S.W. Denney Road
 Beaverton, OR 97005

The applicant owns and operates a waste paper buy-back center and processing plant. Application was made for tax credit for a solid waste recycling facility.

2. Description of Facility

The facility is the combined capital improvements in five individual capital projects at the waste paper buy-back and processing plant. These projects were submitted as a single pollution control facility application at the Department's recommendation.

- a. Expanded commercial collectors' transfer station
 Claimed Project Cost: \$38,038 consisting of:

Permits	\$1,604	
Contractor costs and overhead	\$5,016	
Subcontractors		
Excavation /site prep/const.	\$15,556	
Fencing	\$ 5,849	
Paving	<u>\$10,013</u>	
 Total		 \$38,038

- b. New Hyster forklift
 Claimed project cost: \$23,482

- c. New magazine storage area.
 Claimed project cost: \$4,315.00 consisting of:

Materials	\$2,119	
Contractor	\$1,821	
Subcontractors	<u>\$ 375</u>	
 Total		 \$4,315

- d. New Metal Tote Bins for storage
 Claimed project cost: \$12,000.00 consisting of:

40 72"x48" metal bins \$300 each	\$12,000
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- e. New mixed waste paper drop box
 Claimed project cost: \$ 3,585

Claimed facility cost: \$81,420

(Accountant's certification and invoices were provided.)

3. **Procedural Requirements**

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The Facility met all statutory deadlines in that:

- a. Construction of the facility was begun in February 1991 and substantially completed by June 1, 1992.
- b. The facility was placed into operation in June 1, 1992.
- c. The application for tax credit was submitted to the Department October 12, 1992, within two years of substantial completion of the facility.
- d. The application was found to be technically complete and was filed on October 14, 1992.

4. **Evaluation of Application**

- a. The facility is eligible because the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

This factor is applicable because 100% of the material processed by the facility is recovered for recycling and is sold or transferred as a commodity.

The percent allocable by using this factor would be 100%

- 2) The estimated annual percent return on the investment in the facility.

The "facility" is made up of five separate pieces of equipment or small capital improvement projects. There is no direct income stream from any of these individual pieces of equipment. Two of these projects are solely "community service" and generate no income. There is clearly no return on investment from these two projects. The other three are improvements related to the general plant operation. The applicant does not treat these new facilities as separate cost centers. Therefore, the applicant is unable to document costs or expenses related to these individual projects and can not provide a project or total facility return on investment.

Based on these considerations, there is no return on investment for this facility and the percent allocable to pollution control is 100%.

3) The alternative methods, equipment, and costs for achieving the same pollution control objective.

The applicant considered other alternatives and chose this equipment because it was the lowest priced or no other alternative was available.

4) Any related savings or decrease in costs which occur or may occur as a result of the installation of the facility.

There were no savings or decreases in cost. These projects were all carried out to deal with new local government requirements or an increase in the volume of recyclable material available.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water, or noise pollution or solid or hazardous waste, or top recycle of properly dispose of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- c. The facility complies with DEQ statutes and permit conditions.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon the findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$81,420.00 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Application No. T-3883.

WRB:b
RECY\RPT\YB11979R
(503)229-5934
October 14, 1992
cc: Claudia Jones, MSD, DEQ
John Fink, ECD, DEQ

STATE OF OREGON
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Far West Fibers, Inc.
John Drew
10750 S.W. Denney Road
Beaverton, OR 97005

The applicant owns and operates a waste paper buy-back center and processing plant. Application was made for tax credit for a solid waste recycling facility.

2. Description of Facility

The facility is a Krause rubber belt conveyor, Serial No. 91DRACONV00330 and site work associated with installation. The conveyor is 6 feet wide and 57 feet long, with a steel frame, sides and pit covers, CIII Promal chain, and a 20 HP hydrostatic drive. This conveyor system is used to feed waste paper into a HRB baler.

The facility cost consists of:

Concrete and steel work	\$ 4,508.00
Conveyor and installation	65,115.00
Electrical connections	2,271.00
Site surface modification and repair	<u>1,169.00</u>
Total	73,063.00
Less: scrap value recovered	<u>328.00</u>
Claimed Facility Cost	\$72,735.00

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The Facility met all statutory deadlines in that:

- a. Construction of the facility was begun on February 11, 1992, and substantially completed by April 12, 1992.
- b. The facility was placed into operation on April 12, 1992.
- c. The application for tax credit was submitted to the Department October 12, 1992, within two years of substantial completion of the facility.
- d. The application was found to be technically complete and was filed on October 14, 1992.

4. Evaluation of Application

- a. The facility is eligible because the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

This factor is applicable because 100% of the material processed by the facility is recovered for recycling and is sold as a commodity.

The percent allocable by using this factor would be 100%

- 2) The estimated annual percent return on the investment in the facility.

The "facility", a rubber belt conveyor, is a replacement for a steel belt conveyor which had deteriorated beyond the point of repair and was technologically obsolete. The new conveyor is part of a conveyor/baler system which processes the same volume of recyclable material as the old system. There is no direct income stream from this individual piece of equipment. The applicant indicates that replacement of the conveyor may result in some cost savings in reduced downtime and maintenance expense, however, the applicant does not treat the conveyor system as a separate cost center. Therefore, the applicant is unable to document the costs of maintaining the replaced facility and determine whether this represents a savings in excess of the cost of maintaining the claimed facility.

Based on these considerations, there is no return on investment for this facility and the percent allocable to pollution control is 100%.

- 3) The alternative methods, equipment, and costs for achieving the same pollution control objective.

The applicant considered other equipment and chose this equipment because it was considered to be the best equipment, at the lowest price, with the quickest delivery and installation.

- 4) Any related savings or decrease in costs which occur or may occur as a result of the installation of the facility.

There was general lost time and repair cost savings associated with replacement of an old conveyor. These costs are reflected in the full plant operating costs. The major reason the facility was installed was to deal with an increase in the volume of recyclable material available.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water, or noise pollution or solid or hazardous waste, or top recycle or properly dispose of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- c. The facility complies with DEQ statutes and permit conditions.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon the findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$72,735.00 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Application No. T-3884.

WRB:b
RECY\RPT\YB11978R
(503)229-5934
October 14, 1992
cc: Claudia Jones, MSD, DEQ
John Fink, ECD, DEQ

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Virgil Welch Chevron
509 SE Seventh Street
Grants Pass, OR 97526

The applicant owns and operates a gasoline sales and service station in Grants Pass, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$2,205.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on August 10, 1992. The facility was placed into operation on August 10, 1992. The application for final certification was submitted to the Department on October 14, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.20/pound. The applicant estimated an annual coolant recovery rate of 30 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,205.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3886.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Quality Repairs, Inc.
DBA Quality Auto Body
3945 SW 170th Ave.
Aloha, OR 97007

The applicant owns and operates an Auto body repair establishment in Aloha, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be ten years.

Claimed Facility Cost: \$3,185.50
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 6, 1992. The facility was placed into operation on July 6, 1992. The application for final certification was submitted to the Department on October 14, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by

capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.00/pound. The applicant estimated an annual coolant recovery rate of 120 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling

equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 78%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 78%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,185.50 with 78% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3887.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Larry Henderson's Chevron
704 NW Sixth
Grants Pass, OR 97526

The applicant owns and operates a service station in Grants Pass, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$2,395.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on January 15, 1992. The facility was placed into operation on January 15, 1992. The application for final certification was submitted to the Department on October 14, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 20, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$4.70/pound. The applicant estimated an annual coolant recovery rate of 30 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,395.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3888.

BKF
(503) 229-5365
October 22, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Western Stations Co.
PO Box 5969
Portland, OR 97228

The applicant owns and operates a retail service station at Front & State Streets, Hood River, OR, facility no. 5434.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage II vapor recovery piping.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the new installation of two corrosion protected storage tanks (1 STI-P3 and 1 composite), double wall fiberglass piping to four tanks, spill containment basins for four tanks, expansion of tank monitor system with overflow alarm, monitoring wells, sumps, Stage II vapor recovery piping, automatic shutoff valves and an oil/water separator.

Claimed facility cost \$ 86,326 *
(Accountant's certification was provided)

Percent allocable to pollution control 92%

* The Department concludes that the eligible facility cost for the project is \$69,570. This represents a net difference of \$16,756 from the applicant's claimed cost of \$86,326 due to a determination by the Department that the cost of labor to install new tanks and piping (-\$24,173) is not eligible and the total cost of tanks and piping (rather than a percentage) should be included (+\$7,417) pursuant to the definition of a pollution control facility in ORS 468.155.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on June 28, 1992 and placed into operation June 30, 1992. The application for certification was submitted to the Department on October 15, 1992, within two years of the completion date. The application was determined complete and filed on October 28, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control equipment, the facility consisted of two STI-P3 tanks and fiberglass piping with spill and overflow prevention and leak detection equipment.

For business reasons, the applicant added two new corrosion protected tanks.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - A composite tank and an STI-P3 tank and double wall fiberglass piping for existing and new tanks.
- 2) For spill and overflow prevention - Spill containment basins, sumps, automatic shutoff valves and overflow alarm on all four tanks.
- 3) For leak detection - Tank monitoring and monitoring wells.

The applicant also installed Stage II vapor recovery piping and an oil/water separator as required by OAR 340-22-400 through 403.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the method chosen to be the most economical and effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

The applicant estimated that 92% of the claimed facility cost is allocable to pollution control. The applicant arrived at this estimate by subtracting the cost of bare steel tanks and piping from the project cost.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	<u>Eligible Facility Cost</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Corrosion Protection:			
STI-P3 & Composite tanks and fiberglass piping	\$20,421	64%(1)	\$13,069
Spill & Overfill Prevention:			
Spill containment basins	804	100	804
Automatic shutoff valves	1,293	100	1,293
Sumps	4,366	100	4,366
Leak Detection:			
Tank monitor add-on	2,670	90 (2)	2,403
Monitoring wells	250	100	250
Stage II vapor recovery	2,379	100	2,379
Oil/water separator	637	100	637
Labor & materials	<u>36,750</u>	<u>100</u>	<u>36,750</u>
Total	\$69,570	89%	\$61,951

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$20,421 and the bare steel system is \$7,417, the resulting portion of the eligible tank and piping cost allocable to pollution control is 64%.
- (2) The applicant's cost for a tank monitor is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 89%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$69,570 with 89% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3889.

Barbara J. Anderson:ew
(503) 229-5870
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

American Heating, Inc.
1339 SE Gideon Street
Portland, OR 97202

The applicant owns and operates an air conditioning and refrigeration service establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be four years.

Claimed Facility Cost: \$3,350.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on May 19, 1992. The facility was placed into operation on July 1, 1992. The application for final certification was submitted to the Department on October 16, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is to comply with Section 608 of the

1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.54/pound. The applicant estimated an annual coolant recovery rate of 1000 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the

Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this air conditioning and refrigerant coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has

the capability to return (recharge) coolant to refrigeration and air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,350.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3890.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Foster Auto Parts, Inc.
10355 SE Foster Road
Portland, OR 97266

The applicant owns and operates a automobile salvage and parts sales establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$2,398
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on October 29, 1990. The facility was placed into operation on October 29, 1990. The application for final certification was submitted to the Department on October 19, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 22, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of coolant at \$2.50/pound. The applicant estimated an annual coolant recovery rate of 200 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,398 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3891.

BKF
(503) 229-5365
October 22, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

U-Pull-It, Ltd.
6241 SE 111th Avenue
Portland, OR 97266

The applicant owns and operates a motor vehicle salvage and parts sales establishment in Portland, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$1,430.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on March 20, 1991. The facility was placed into operation on March 20, 1991. The application for final certification was submitted to the Department on October 19, 1992, within two years of substantial completion of the facility. The application was found to be complete on October 19, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income yielded to the applicant from the sale of recycled coolant at \$2.50/pound. The applicant estimated an annual coolant recovery rate of 50 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$1,430.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3894.

BKF
(503) 229-5365
October 22, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

U Pull It Tigard, Inc.
19135 SW Pacific Hwy.
Sherwood, OR 97140

The applicant owns and operates a vehicle recycling establishment in Sherwood, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be three years.

Claimed Facility Cost: \$1,863.40
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on August 20, 1992. The facility was placed into operation on August 20, 1992. The application for final certification was submitted to the Department on October 19, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of recycled coolant at \$2.50/pound. The applicant estimated an annual coolant recovery rate of 100 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in its own vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to customers. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$1,863.40 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3895.

BKF
(503) 229-5365
November 4, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Western Stations Co.
PO Box 5969
Portland, OR 97228

The applicant owns and operates a retail gasoline outlet at 12479 SE 82nd, Portland, OR 97222, facility no. 6237.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of a Stage II vapor recovery system and spill containment basins, sumps and vapor leak detection system related to retrofitting the facility for Stage II.

Claimed facility cost \$ 93,128 *
(Accountant's certification was provided)

Percent allocable to pollution control 99.3%

* The Department concludes that the eligible facility cost for the project is \$76,158. This represents a net difference of \$16,970 from the applicant's claimed cost of \$93,128 due to a determination by the Department that the cost of the project should reflect the total cost of fiberglass piping rather than the cost reduced by the cost of bare steel piping (\$655) and that the like-for-like replacement cost of fiberglass piping previously claimed (TC-3226) should be deducted (-\$17,625) pursuant to the definition of a pollution control facility in ORS 468.155.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 24, 1992 and placed into operation July 31, 1992. The application for certification was submitted to the Department on October 21, 1992, within two years of the completion date. The application was determined complete and filed on October 27, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of five tanks and piping with corrosion protection, spill and overflow prevention and leak detection equipment.

To respond to Air Quality regulations, under OAR 340-22-400 through 403 and Underground Storage Tank requirements established 12-22-88, the applicant installed a Stage II vapor recovery system and:

- 1) For corrosion protection - Fiberglass doublewall piping related to the installation of Stage II vapor recovery.
- 2) For spill and overflow prevention - Spill containment basins and sumps related to the installation of Stage II vapor recovery.
- 3) For leak detection - A vapor leak detection system related to changes in the pumping system necessitated by the installation of Stage II vapor recovery.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the method chosen to be the most economical and effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

The applicant estimated that 99.3% of the claimed facility cost of \$93,783 is allocable to pollution control. The applicant arrived at this estimate by subtracting the cost of bare steel piping.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Doublewall fiberglass pipe	\$12,612	95%(1)	\$11,981
Spill & Overfill Prevention:			
Spill containment basins	402	100	402
Sumps	7,710	100	7,710
Breakaways	156	100	156
Leak Detection:			
Vapor leak detection system	1,952	100	1,952
Stage II vapor recovery piping			
	2,393	100	2,393
Labor & materials	68,558	100	68,558
Like-for-like replacement	<u>(17,625)</u>	<u>100</u>	<u>(17,625)</u>
Total	\$76,158	99%	\$75,527

(1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$12,612 and the bare steel system is \$655, the resulting portion of the eligible tank and piping cost allocable to pollution control is 95%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.

- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$76,158 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3896.

Barbara J. Anderson:ew
(503) 229-5870
November 9, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Comfort Control, Inc.
947 Rogue River Hwy., PO Box 676
Grants Pass, OR 97526

The applicant owns and operates an air conditioning service establishment in Grants Pass, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,521.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on April 1, 1992. The facility was placed into operation on April 1, 1992. The application for final certification was submitted to the Department on October 23, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency to reduce air pollution. This reduction is accomplished by capturing and/or recycling air

contaminants, as defined in ORS 468.275. The requirement is to comply with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$1.80/pound. The applicant estimated an annual coolant recovery rate of 576 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and/or reuse coolant. The applicant may use the recycled coolant in customer equipment. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to an industrial coolant purification center. In this case the savings to the applicant are tied to the sales price of recovered coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this air conditioning and refrigerant coolant recovery and recycling equipment makes an insignificant contribution

to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to refrigeration and air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 80%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with Department standards and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 80%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,521.00 with 80% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3897.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Coastal Refrigeration
425 NE Eighth Street
Newport, OR 97365

The applicant owns and operates a refrigeration and air conditioning equipment servicing establishment in Newport, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes air conditioner or commercial refrigerant coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$1,846.56
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on April 6, 1992. The facility was placed into operation on April 9, 1992. The application for final certification was submitted to the Department on October 26, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 1, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Environmental Protection Agency (EPA) to reduce air pollution. This

reduction is accomplished by capturing and/or recycling air contaminants, as defined in ORS 468.275. The requirement is in accordance with Section 608 of the 1990 Clean Air Act Amendments. Section 608 prohibits the venting of a Class I or Class II ozone depleting substance in the course of maintaining, servicing, repairing, or disposing of an appliance or industrial process refrigeration.

The EPA has specified standards equipment manufactured before January 1, 1993 would have to meet to be grandfathered under the EPA's planned regulations. These standards require air conditioner or refrigeration coolant recovery equipment be capable of achieving a vacuum able to sustain 4 or 25 inches of Mercury. The vacuum requirements depend on the static pressure of coolant in the system being drained. The claimed facility meets these standards.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery machine serves two purposes. It prevents the release of spent refrigerant to the environment, thereby meeting EPA regulations requiring capture of this air contaminant. Second, it provides a means to recover waste coolant for reuse.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the income to applicant from the sale of recovered coolant at \$0.25/pound. The applicant estimated an annual coolant recovery rate of

2,200 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine
- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover coolant. The applicant could sell the coolant to an industrial coolant purification center. The income to the applicant is tied to the sales price of recovered coolant.

For this applicant increases in business operations and maintenance costs are greater than facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the control air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the EPA to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$1,846.56 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3899.

BKF
(503) 229-5365
November 1, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Don Giles Gas & Oil
496 Campbell St.
Baker City, OR 97814

The applicant owns and operates a retail and cardlock station at 496 Campbell St., Baker City, OR 97814, facility no. 1146.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I and Stage II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are the installation of two fiberglass tanks and piping, spill containment basins, line leak detectors, overfill alarm, monitoring wells, sumps, automatic shutoff valves, Stage I vapor recovery and hook up to an existing tank monitor system at an adjacent facility.

Claimed facility cost \$ 70,560
(Accountant's certification was provided)

Percent allocable to pollution control 100%

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on January 1, 1992 and placed into operation on January 1, 1992. The application for certification was submitted to the Department on October 26, 1992, within two years of the completion date. The application was determined complete and filed on November 4, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases into soil or water. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

Prior to the installation of pollution control, the facility consisted of six tanks and piping (3 - petroleum, 1 - waste oil and 2 - hydraulic fluid), three of which were fiberglass, three with no corrosion protection and four with spill and overfill prevention and leak detection equipment.

The entire UST system was removed by Unocal prior to selling the station to the applicant.

To respond to requirements established 12-22-88, the applicant installed:

- 1) For corrosion protection - Fiberglass tanks and piping.
- 2) For spill and overfill prevention - Spill containment basins, sumps, automatic shutoff valves and an overfill alarm.
- 3) For leak detection - Line leak detectors, monitoring wells and hook up to a tank monitoring system.

The applicant also installed Stage I vapor recovery equipment.

Based on information currently available, the applicant is in compliance with all applicable DEQ regulations in that these tanks are permitted and fee payments are current.

The Department concludes that all of the costs claimed by the applicant (\$70,560) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the method chosen to be the most economical. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table.

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection: Fiberglass tanks & piping	\$ 14,437	36% (1)	\$ 5,197
Spill & Overfill Prevention:			
Spill containment basins	400	100	400
Sumps	1,753	100	1,753
Leak Detection:			
Monitoring wells	283	100	283
Automatic shutoff devices	1,074	100	1,074
Stage I vapor recovery	200	100	200
Labor & materials	<u>52,413</u>	<u>100</u>	<u>52,413</u>
Total	\$ 70,560	87%	\$ 61,320

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$14,437 and the bare steel system is \$9,276, the resulting portion of the eligible tank and piping cost allocable to pollution control is 36%.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil and water. This is accomplished by preventing releases in soil or water. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 87%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$70,560 with 87% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3900.

Barbara Anderson:ew
(503) 229-5870
November 12, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Cascade Chevron
7600 Crater Lake Hwy.
White City, OR 97503

The applicant owns and operates an automobile service and repair establishment in White City, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$4,048.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on July 1, 1992. The facility was placed into operation on July 1, 1992. The application for final certification was submitted to the Department on October 27, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$7.00/pound. The applicant estimated an annual coolant recovery rate of 100 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 83%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 83%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$4,048.00 with 83% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3901.

BKF
(503) 229-5365
November 8, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Sheldon's Texaco & Muffler Shop
701 Garibaldi Ave, PO Box 807
Garibaldi, OR 97118

The applicant owns and operates an automobile service and repair establishment in Garibaldi, Oregon.

Application was made for tax credit for an air pollution control facility which is owned by the applicant.

2. Description of Facility

Facility is a machine which removes and cleans auto air conditioner coolant. The machine is self contained and includes pumps, tubing, valves and filters which rid the spent coolant of oil, excess air, water, acids and contaminant particles.

The applicant has identified the useful life of the equipment to be five years.

Claimed Facility Cost: \$3,400.00
(Costs have been documented)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

Installation of the facility was substantially completed on June 26, 1992. The facility was placed into operation on June 30, 1992. The application for final certification was submitted to the Department on November 2, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 8, 1992.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution. This reduction is accomplished by capturing and/or recycling air contaminants, as

defined in ORS 468.275. The requirement is to comply with ORS 468.612-621 and OAR 340-22-410 to 415.

Eligible equipment must be certified by Underwriters Laboratory (UL) as meeting the requirements and specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, or other requirements and specifications determined by the Department as being equivalent. The facility meets these requirements.

b. Eligible Cost Findings

In determining the percent of the facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The recovery and recycling machine serves two purposes. It prevents the release of spent auto A/C coolant to the environment, thereby meeting Department regulations requiring capture of this air contaminant. Second, it provides a means to recover and clean waste coolant for reuse as an auto A/C coolant.

- 2) The estimated annual percent return on the investment in the facility.

The percent return on investment from facility use was calculated using coolant cost and retrieval rate data from the applicant and generic cost of facility operations estimated by the Department.

Specifically, the applicant estimated the cost to applicant of virgin coolant at \$5.33/pound. The applicant estimated an annual coolant recovery rate of 45 pounds.

In estimating the operating costs for use of the recovery and recycling machine, the Department developed a standardized methodology which considers the following factors:

- o Electricity consumption of machine

- o Additional labor to operate machine
- o Machine maintenance costs
- o Depreciation of machine

Based on these considerations, the applicant estimated the return on investment to be less than zero, in that machine operating costs exceeded income from the use of the machine.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant has identified no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are savings from the facility to recover and reuse coolant. The applicant may use the recycled coolant in customer vehicles. In this case the savings are tied to the displaced cost of virgin coolant. Alternately, the applicant could sell the coolant to a second shop where the coolant is used. In this case the savings to the applicant are tied to the sales price of recycled coolant.

However, for this applicant increases in business operations and maintenance costs exceeded facility savings. These cost estimates are discussed in 2) above.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

A distinct portion of this automobile air conditioning coolant recovery and recycling equipment makes an insignificant contribution to the principal purpose of the claimed facility. This coolant recovery equipment has the capability to return (recharge) coolant to automobile air conditioning systems. Recharge capabilities in coolant recovery and recycling equipment is not required by state or federal

law. The additional expense incurred in the purchase of equipment with recharge capabilities is not allocable to pollution control. The Department estimates the additional expense incurred is \$700.00.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 79%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department, to reduce air pollution.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 79%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$3,400.00 with 79% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3905.

BKF
(503) 229-5365
November 8, 1992

STATE OF OREGON
Department of Environmental Quality
TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Clear Pine Moulding, Inc.
Robert L. Donnelly
PO Box 309
Prineville, OR 97754

The applicant owns and operates a wood products manufacturing plant in Prineville, Oregon, which converts shop lumber into moulding parts and engineered parts for the door and window industry.

2. Description of Facility

The facility is a multi-stage wood waste processing machine which incorporates both size reduction and metals removal. The Facility consists of a Clark wood crusher (serial no. 2092004), Jeffery hog (serial no. 10831), two drum magnetic separators (serial nos. 13271 & 13272) and a series of conveyor belts. This equipment processes wood manufacturing waste into clean raw material which is sold to a particle board manufacturer. Some parts of this facility are rebuilt rather than new equipment.

Claimed Facility Cost: \$135,744.00 consisting of:

Processing equipment	\$ 78,878
Site Preparation	1,669
Electrical installation	21,935
Mechanical installation	16,166
Project management	17,096

\$135,744

An applicants Accountant's Certification and an itemized expense report were provided.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The Facility met all statutory deadlines in that:

- a. Construction of the facility was begun on April 15, 1992, and substantially completed by September 30, 1992.
- b. The facility was placed into operation on September 30, 1992.
- c. The application for tax credit was submitted to the Department November 4, 1992 within two years of substantial completion of the facility.
- d. The application was found to be technically complete and was filed on November 6, 1992.

4. Evaluation of Application

- a. The facility is eligible because the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

This factor is applicable because 100% of the material processed by the facility is recovered for recycling and is sold as a commodity.

The percent allocable by using this factor would be 100%.

- 2) The estimated annual percent return on the investment in the facility.

The average annual cash flow for the facility is \$18,428. This is derived from taking projected income and savings less product freight costs and operating expenses. The estimated useful life of the facility is seven years. Based on the average annual return on investment using Table 1 of OAR 340-16-030, the percent allocable for this facility is 100%.

- 3) The alternative methods, equipment, and costs for achieving the same pollution control objective.

This facility was custom designed for this application based on the volume and cost relating to the wood waste generated from the wood moulding manufacturing process.

- 4) Any related savings or decrease in costs which occur or may occur as a result of the installation of the facility.

All saving and costs were incorporated into the return on investment calculations.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water, or noise pollution or solid or hazardous waste, or to recycle or properly dispose of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to reduce a substantial quantity of solid waste through recycling.
- c. The facility complies with DEQ statutes and permit conditions.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon the findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$135,744 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Application No. T-3907.

WRB:b
RECY\RPT\YB12025R
(503)229-5934
November 5, 1992

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Fujitsu Microelectronics, Inc.
Gresham Manufacturing
21015 SE Stark Street
Gresham, OR 97030

The applicant owns and operates a semiconductor integrated circuit manufacturing plant in Gresham, Oregon.

Application was made for tax credit for a noise pollution control facility.

2. Description of Facility

The noise abatement at Fujitsu Microelectronics, Inc.'s, (FMI), Gresham plant achieved the Department's standard of 48 dBA at adjacent noise sensitive properties. This standard was met by noise reduction of the cooling towers, standby power generators, HF treatment area, scrubber exhaust system, and other noise sources.

Claimed Facility Cost: \$2,721,215

The following expenditures were confirmed through the Department's technical review.

Cooling Tower noise abatement:

Sound wall materials & installation;	\$344,104
Cooling tower modifications labor and materials;	\$169,586

Scrubber exhaust noise abatement:

Silencer materials & installation;	\$157,638
Sound wall materials & installation;	\$182,470
Scrubber system modifications;	\$234,316
Roof structural modifications;	\$19,725

Standby generator building:

Silencers materials & installation;	\$59,032
Acoustical insulation materials & installation;	\$126,167
Structure materials & construction;	\$173,624
Electrical & control equipment materials & installation;	\$126,928

Boiler noise abatement:	
Silencers materials & installation;	\$61,529
Structural modifications;	\$27,992
Boiler modifications;	\$2,830
HF treatment area noise abatement:	
Sound wall materials & installation;	\$76,361
Additional noise abatement:	\$18,262
Install & test noise monitor:	\$19,958
Acoustical consultant fees:	\$60,428
Contractor's labor & expenses	\$223,314
Less inelible facility costs:	\$636,951
Total eligible facility costs:	\$2,084,264

The applicant estimated the useful life of the facility to be twenty years.

Accountant's Certification was provided.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Construction of the facility was substantially completed on September 13, 1989 and placed into operation on September 13, 1989. The application for final certification was submitted to the Department on March 20, 1992. On April 26, 1991 the Environmental Quality Commission approved a one year extension for filing this application. The application was found to be complete on October 13, 1992.

Noise abatement began with the construction of a temporary sound wall around the cooling towers on August 18, 1988. As each noise abatement measure was completed that portion of the facility was placed into operation. The September 13, 1989 date for substantial completion of the facility was arrived at because that is the date compliance testing was completed.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce noise pollution. This is in accordance with OAR 340-35-35. On August 10, 1988 the Department requested the general contractor of FMI, CRSS, to submit a noise compliance plan and schedule. On November 3, 1989 after the completion of FMI's compliance plan the Department found FMI's Gresham Manufacturing Division to be operating in compliance with DEQ noise control regulations.

The noise emitted by the cooling towers was reduced and a sound wall was placed around the cooling towers to absorb noise. The noise generated by the cooling towers was reduced by slowing the operational speed of the cooling towers. To accomplish this, the internal gearing of the existing cooling towers was replaced. Due to the decreased cooling capacity which resulted, two additional cooling towers were installed. A sound absorbing wall was erected on the south and east sides of the cooling towers. The wall is 30 feet high and 215 feet long. The applicant installed a concrete foundation for the sound wall. The frame of the wall is composed of structural steel. The sound absorptive ability of the wall is achieved by acoustical panels on the interior of the walls. The acoustical panels are perforated flat metal surfaces with sound absorbing insulation on the interior.

The side of the cooling tower and scrubber exhaust sound wall facing SE Stark Street is composed of HH Robertson Formawall 1000H siding. This is the siding used for the exterior of rest of the plant. The cost of these panels is \$140,277. The combined area that these panels cover is 12,750 feet. These panels provide noise abatement but the primary reason for the selection of this product was aesthetic. Fujitsu Manufacturing is located in a non-industrial area. There is residential property immediately adjacent on the east and commercial traffic on the south. Fujitsu Manufacturing has reasonable cause to construct their semiconductor manufacturing plant so it is not aesthetically objectionable to the community. The sound wall was installed due to a requirement of the Department.

The exterior panels provide noise attenuation and allow the sound walls to meet the previously existing aesthetic standards.

The noise emitted by the scrubber exhaust fans was abated through the use of silencers and a reflective sound wall. The noise generated by the scrubber exhaust fans was reduced with sound absorbing silencers. The silencers are IAC conic-flow type CL and United McGill Model DHT. The silencers are cylindrical and inserted into the scrubber exhaust ducting after the fan. The sound absorbing qualities of the silencers is achieved by a bullet shaped central piece and interior walls. These surfaces are lined with a sound absorbing surface similar to the cooling tower acoustical panels. The addition of the silencers to the scrubber exhaust system required the system to be partially disassembled and refabricated. Sections of the system had to be moved. Mechanical testing and adjustments of the system was required to rebalance the air flow to accommodate the silencers. The scrubber exhaust sound wall surrounds the exhaust system on three sides. It serves as a reflective surface which directs noise to the undeveloped north portion of the plant site. The wall is 20 feet tall and 315 feet long. The wall required structural steel framework to serve as the frame for the wall and to reinforce the roof for the weight of the wall.

The noise emitted by the standby generators was reduced and an acoustical containment structure was built to house the standby generators to absorb noise. Each of the generators' exhaust was fitted with two HAPCO mufflers in series, to reduce the noise emitted. Since the generators are inside a structure, air intake is required for cooling. Fans pull in cooling air and vent air through ducting and require sound traps to reduce operational noise of the generators emitted from the building. The sound traps, IAC duct silencers, are a series of baffles with sound absorbing surfaces similar to the acoustical panels of the cooling tower sound walls. The structure itself is composed of solid concrete blocks. The structure has four inch IAC acoustical panels over 3-1/2 inch fiberglass insulation bolted to the south exterior of the building. The interior of the building has two inch IS/300 Manville vinyl coated sound absorbing batt covering the walls. Placement of the generators in the building required

temperature controls and an air flow damping system. The wiring and control panel of the existing generator was moved. Electrical wiring and lighting to bring the building to code was also installed.

Noise abatement of the three boilers was accomplished by placing two silencers on each stack. There is one HAPCO absorptive and reactive silencer on each boiler exhaust stack. The absorptive silencers are similar in function to the exhaust scrubber silencers. The reactive silencers divert a portion of the sound and cause the diverted sound waves to be 180 degrees out of phase with the original sound. The combined effect is that much of the sound waves cancel each other out. The increased weight of the boiler stacks required additional steel support.

Noise abatement in the HF treatment area was accomplished by absorbing sound with a sound wall on the east side of the HF treatment area. The sound wall consists of a concrete foundation, structural steel framework, acoustical panels, and a wooden exterior.

The structural modifications and equipment additions done to the plant required painting, roof waterproofing and general finish work be performed. Noise abatement of the condenser pump was accomplished by insulating the exterior with sound absorbing material. The raw water treatment area was redesigned to move the noise emitting valves and mechanical functions to the interior of the plant. The applicant installed a noise monitoring system adjacent to the residential properties to the east. The general contractor charged a rate of twelve percent for labor and expenses. This is a reasonable rate by industry standards.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste

products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application there is no income or savings from the facility, so there is no return on the investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The noise abatement performed by the applicant was in accordance with a compliance schedule agreed to by the Department. The applicant submitted no alternatives.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

- a) \$636,951 of the claimed facility costs are not allocable to pollution control. The applicant's representative concurs with this amount. These costs are unrelated to noise abatement and were mistakenly included by the applicant's accountant. The eligible facility cost has been reduced by this amount.

- b) The Environmental Quality Commission has directed that tax credit applications at or above \$250,000.00 go through an additional Departmental accounting review, to determine if costs were properly allocated. This review was performed under contract with the Department by the accounting firm of Symonds, Evans & Larson.

The cost allocation review of this application has identified no issues to be resolved and confirms the cost allocation as agreed upon by the Department and applicant.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to reduce noise pollution.
- c. The facility complies with DEQ statutes and rules.
- d. An independent accounting firm under contract with the Department has concluded that no further review procedures be performed on TC-3419 (see attachment).
- e. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$2,084,264 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3419.

BKF:
(503) 229-5365
9/7/92

SYMONDS, EVANS & LARSON
CERTIFIED PUBLIC ACCOUNTANTS

Environmental Quality Commission
811 S.W. Sixth Avenue
Portland, Oregon 97204

At your request, we have performed certain agreed-upon procedures with respect to Fujitsu Microelectronics, Inc.'s (the Company's) Pollution Control Tax Credit Application No. 3419 (the Application) filed with the State of Oregon, Department of Environmental Quality (DEQ) for the Noise Pollution Control Facility (the Facility) at the Gresham, Oregon manufacturing plant. The Application has a claimed Facility cost of \$2,721,215, with \$2,084,264 being allocable to pollution control. Our procedures, findings and conclusion are as follows:

Procedures:

1. We read the Application, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits – Sections 468.150 through 468.190 (the Statutes), and the Oregon Administrative Rules on Pollution Control Tax Credits – Sections 340-16-005 through 340-16-050 (OAR's).
2. We reviewed certain documents which support the Application.
3. We discussed the Application, the Statutes and OAR's with certain DEQ personnel, including John Fink and Brian Fields.
4. We discussed certain components of the Application with Doug Briggs of CRS Sirrinc Engineers, Inc. (CRSS).
5. We toured the Facility with Mr. Briggs.
6. We reviewed the detailed workpapers prepared by Mr. Fields which supported the costs allocable to pollution control.
7. We requested that Mr. Briggs confirm the following:
 - a) There were no internal costs of the Company (or affiliates of the Company) that were included in the Application.

SYMONDS, EVANS & LARSON
CERTIFIED PUBLIC ACCOUNTANTS

- b) The 12% allocation of CRSS costs for labor and expenses is reasonable and does not include any significant costs that would not be properly allocable to the Facility.
- 8. We requested that a representative of Van Gulik/Oliver, Inc. (a subcontractor of CRSS) confirm that the Facility was designed to "meet" the DEQ noise limits and was not designed to significantly exceed the DEQ noise limits.

Findings:

- 1. through 6.

No matters came to our attention that caused us to believe that the Application should be adjusted.

- 7. Mr. Briggs confirmed in writing that such assertions were true and correct.
- 8. Joe Van Gulik of Van Gulik/Oliver, Inc. confirmed in writing that such assertion was true and correct.

Conclusion:

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified items should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements of the Company in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole.

This report is solely for the use of the State of Oregon Environmental Quality Commission and Department of Environmental Quality in evaluating the Company's Pollution Control Tax Credit Application with respect to its Noise Pollution Control Facility at the Gresham, Oregon manufacturing plant, and should not be used for any other purpose.

Symonds, Evans & Larson

November 9, 1992

STATE OF OREGON
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Hillsboro Landfill, Inc.
Gary Clapshaw
3205 S.E. Minter Bridge Road
Hillsboro, Oregon 97123

The applicant owns and operates a solid waste landfill in Hillsboro, Oregon. Application was made for tax credit for a solid waste pollution control facility. The Department has combined two related applications T-3786 and T-3787 into this staff report.

2. Description of Facility

The facility is two ground water monitoring wells, a landfill liner system and a leachate collection system.

The monitoring wells, MW-6 and MW-7, are constructed of 4-inch diameter flush-threaded Schedule 40 PVC casing with machine-slotted, 0.010-inch slot size, diversified prepacked screen with 20 x 40 Silica filter sand pack. The wells are constructed on the flood containment dike with flush-mounted locking steel casing to avoid damage by traffic. Well MW-6 is 48 feet and well MW-7 is 50 feet.

The leachate collection system consists of leachate collection pipe and pumps associated with the landfill liner, sampling and flow meter vaults, flow and pH meters, leachate transfer pipe, material and pond.

The landfill liner, from bottom to top, consists of three feet of engineered compacted clay of low permeability, 60-mil thick layer of HDPE flexible membrane, woven geotextile fabric used for reinforcement, leachate collection pipes, and a drain layer consisting of crushed rock.

Claimed Facility Cost: \$1,131,824 consisting of:

Two ground water monitoring wells (wells)	\$ 8,600
Sampling and flow meter vaults (leachate) (wells)	3,790
Flow and pH meters (leachate)(wells)	5,841
Leachate collection pipe, materials and Pond	13,472
Installation charges and connection fees (leachate)	28,774
Labor and equipment expenses (leachate)	3,520
Equipment and construction costs (liner)	247,187
Liner, gravel and rock and supplies (liner)	296,940
Shop expenses and Equipment leasing (liner)	12,879
Engineering fees (liner)	95,186
Direct labor costs (liner)	415,635
Less: Nonallowable costs	(331,965)
Total Eligible Facility Cost	\$799,859

An applicants Accountant's Certification was provided. A cost allocation review of this application by an independent contractor has identified \$331,965 in nonallowable costs claimed by the applicant. The eligible facility cost has been reduced for these nonallowable costs.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR chapter 340, Division 16.

The Facility met statutory deadlines in that construction of the facility was begun in July 1990, and substantially completed by November 1, 1991 and placed into operation on November 1, 1991. The application was submitted to the Department April 27, 1992, within two years of substantial completion of the facility. The application was found to be technically complete on September 25, 1992. The Department's cost allocation review by an independent contractor was completed on November 11, 1992.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department (DEQ) and the federal Environmental Protection Agency (EPA), to prevent ground water pollution. The requirement is to comply with OAR 340-61, 40 CFR 258.40, and DEQ Solid Waste Permit number 112.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.
The facility does not recover or convert waste products into a salable or usable commodity.
- 2) The estimated annual percent return on the investment in the facility.
There is no return on investment for this facility because the applicant claims there is no income derived from the monitoring wells, liner, or leachate collection system.
- 3) The alternative methods, equipment, and costs for achieving the same pollution control objective.
There are no alternatives. The liner and leachate collection system are specified requirements of DEQ Solid Waste Permit number 112.
- 4) Any related savings or decrease in costs which occur or may occur as a result of the installation of the facility.
There are no savings realized from the installation of the facility.
- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water, or noise pollution or solid or hazardous waste, or to recycling or properly disposing of used oil.
 - a) The Environmental Quality Commission has directed that tax credit applications at or above \$250,000 go through an additional accounting review to determine if costs were properly allocated. This review was performed under contract by the accounting firm of Symonds, Evans & Larson. Other than the adjustment for nonallowable facility costs, the cost allocation review of this application has identified no issues to be resolved.

- b) There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department and federal Environmental Protection Agency to prevent ground water pollution.
- c. The facility complies with DEQ statutes and permit conditions.
- d. An independent accounting firm under contract with the Department has concluded that no further procedures be performed on T-3786 and T-3787, other than the adjustment for nonallowable costs noted in this report.
- e. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon the findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$799,859 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Applications No. T-3786 and T-3787.

WRB:b
RECY\RPT\YB11907
(503)229-5934
September 22, 1992

SYMONDS, EVANS & LARSON
CERTIFIED PUBLIC ACCOUNTANTS

Environmental Quality Commission
811 S.W. Sixth Avenue
Portland, Oregon 97204

At your request, we have performed certain agreed-upon procedures with respect to Hillsboro Landfill, Inc.'s (the Company's) Pollution Control Tax Credit Applications T-3786 and T-3787 (the Applications) filed with the State of Oregon, Department of Environmental Quality (DEQ) for the Company's landfill in Hillsboro, Oregon (the Facility). The aggregate claimed Facility costs of the Applications totaled \$1,131,824. Application T-3786 had a claimed Facility cost of \$1,067,827 and Application T-3787 had a claimed Facility cost of \$63,997. Our procedures, findings and conclusion are as follows:

Procedures:

1. We read the Applications, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits – Sections 468.150 through 468.190 (the Statutes), and the Oregon Administrative Rules on Pollution Control Tax Credits – Sections 340-16-005 through 340-16-050 (OAR's).
2. We reviewed certain documents which support the Applications.
3. We discussed the Applications, the Statutes and OAR's with certain DEQ personnel, including John Fink, William Bree and Bruce Dessellier.
4. We discussed the Applications with Russell Wilkinson, a Certified Public Accountant who performs contract services for the Company.
5. We discussed certain aspects of the Applications with Mike Sandberg of the Company.
6. We requested that Gary Clapshaw, the owner of the Company, confirm the following:
 - a) For the quarter ended September 30, 1990, 19% of Mr. Clapshaw's available time was directly related to Cell IIB of the Facility.
 - b) For the quarter ended December 31, 1990, 86% of Mr. Clapshaw's available time was directly related to Cell IIB of the Facility.

SYMONDS, EVANS & LARSON

CERTIFIED PUBLIC ACCOUNTANTS

- c) Approximately 13.6% and 24.5% of Westside Contractors and Consultants, Inc.'s (Westside's) indirect expenses for 1990 and 1991, respectively, were related to Cell IIB of the Facility.
 - d) During 1991, \$45,183 of Westside's labor costs directly related to the removal of "preload" soil from Cell IIB of the Facility.
 - e) During 1991, none of Mr. Clapshaw's wages were allocated to Cell IIB of the Facility.
 - f) Gross wages for Elton Beard (which were charged to Cell IIB of the Facility) in 1991 were reasonable, based on the type of work performed and his expertise.
7. We requested that Mr. Wilkinson confirm that all costs related to the excavation of the Company's landfill were excluded from the Applications.

Findings:

1. through 5.

No matters came to our attention that caused us to believe that the Applications should be adjusted, except for \$331,965 of nonallowable costs in Application T-3786 that had been billed to the Company by Westside. According to Mr. Wilkinson, both Westside and the Company are owned 100% by Mr. Clapshaw. Some of Westside's billings to the Company (which were included in the claimed Facility cost) had been marked up from 1.5 to 2.5 times actual cost. According to Mr. Wilkinson, this was to make the billings equivalent to what an unrelated third party contractor would have charged for such services. Since both companies are owned by Mr. Clapshaw, and as a result of Section 468.170 2) of the Oregon Revised Statutes, which states that "the actual cost or portion of the actual cost certified shall not exceed the taxpayer's own cash investment in the facility or portion of the facility", such marked up billings from Westside are not deemed to be allowable costs for pollution control tax credit purposes. As a result, the allowable costs for Application T-3786 should be reduced to \$735,862.

In addition, we make no comment regarding the applicability of Section 468.190 1) b) of the Oregon Revised Statutes and Oregon Administrative Rule 340-16-030 which relate to return on investment which we understand has been separately addressed by the DEQ.

6. Mr. Clapshaw confirmed in writing that such assertions were true and correct.
7. Mr. Wilkinson confirmed in writing that all costs related to the excavation of the Company's landfill were excluded from the Applications.

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Medford Corporation
Medford Plywood
1901 N. Pacific Highway
PO Box 550
Medford, OR 97501

The applicant owns and operates a plywood manufacturing mill in Medford, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The claimed facility controls the emissions of hydrocarbons from the plywood mill's five veneer dryers. The facility consists of a E-Tube electrostatic filter and associated support equipment.

Claimed Facility Cost: \$710,389.00

Facility costs were attributed to the following categories:

E-Tube materials
& installation: \$301,000.00

Ducting & support
equipment, materials,
mechanical installation,
& engineering services: \$240,370.00

Support equipment
electrical materials
& labor: \$153,863.00

In house labor: \$15,157.00

Accountant's Certification was provided.

The claimed facility replaced a previously certified pollution control facility. On February 24, 1984 certificate No. 1737 was issued for \$348,889.00. The facility included three Burley model B-5 scrubbers,

associated support equipment and dryer section end seal systems for the plywood plant's veneer dryers. In accordance with OAR 340-16-025(3g) the applicant is eligible for the difference between the like-for-like replacement costs of the original facility and the claimed facility. The applicant has obtained an independent estimate of \$351,000.00 for the like-for-like replacement costs of the previous facility. The eligible facility cost after adjusting for this replacement cost is \$359,389.

The applicant has notified the Department that Medford Plywood will be shut down in early 1993. All equipment on the plant site will be sold. The applicant is aware the certification as a pollution control facility will be available to use for tax credit purposes only for the 1992 tax year.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Construction of the facility was substantially completed on January 15, 1991 and placed into operation on January 15, 1991. The application for final certification was submitted to the Department on August 26, 1992, within two years of substantial completion of the facility. The application was found to be complete on November 6, 1992.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution. This is in accordance with OAR 340-25-315. The air contaminant Discharge Permit for this source, 15-0048, items 3 and 6 requires the permittee to control emissions from the veneer dryers. The emission reduction is accomplished by the elimination of air contaminants as defined in ORS 468A.005.

The facility, a Geoenergy E-Tube, controls the exhaust from five veneer dryers. Ducting was installed connecting the exhaust of all five dryers to the facility. A water mist is introduced into

the ducting at the exhaust vent of each dryer to cool the exhaust gasses. A fan at the end of the system pulls the exhaust through the ducting connected to each dryer into a common duct trunk and into the inlet plenum of the E-Tube. There is some baffling present at the inlet plenum to facilitate even distribution of the exhaust to all of the tubes. A portion of the exhaust is pulled into each tube past ionizing discs which impart a positive charge to the hydrocarbons. The sides of the tubes have a negative electrostatic charge. The ionized vapors in the exhaust are attracted to the sides of the tube. Immediately above the tubes there is piping which releases water spray into each tube. This water spray rinses the tubes preventing accumulation of the condensed hydrocarbons on the interior tube surfaces. The water rinse carries the hydrocarbons from the tube to the bottom of the E-Tube. The exhaust flows from the tubes through a demister, is pulled through the fan and vented through a seventy five foot stack. Effluent drops from the collection tubes and the demister and is pumped into a clarifying tank. The effluent in the clarifying tank is allowed to settle. The hydrocarbons float to the surface of the tank and are skimmed off the surface with a roller. The collected hydrocarbons are burned in the plywood plant's hog fuel boiler. Water is removed from the bottom of the clarifying tank and is reused in the E-Tube.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application there is no income or savings from the facility, so there is no return on the

investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered using an Electrified Filter Bed. The applicant determined maintenance costs would be less with the E-Tube and for that reason chose it.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There is no savings from the facility. The cost of maintaining and operating the facility is \$47,095.00 annually.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

a) The eligible facility costs has been determined to be \$359,389 after adjusting for like-for-like replacement cost. This is because the claimed facility replaces a previously certified facility as discussed in section two of this report.

b) The Environmental Quality Commission has directed that tax credit applications at or above \$250,000.00 go through an additional Departmental accounting review, to determine if costs were properly allocated. This review was performed under contract with the Department by the accounting firm of Coopers & Lybrand.

The cost allocation review of this application has identified no issues to be resolved and confirms the cost allocation as submitted in the application.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Department to control air pollution.
- c. The facility complies with DEQ statutes, rules, and permit conditions.
- d. An independent accounting firm under contract with the Department has concluded that no further review procedures be performed on TC-3846 (see attachment).
- e. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$359,389.00 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-3846.

BKF:
3846.EQC
(503) 229-5365
October 8, 1992

**Environmental Quality Commission
811 S.W. Sixth Avenue
Portland, Oregon 97204**

At your request, we have performed the following agreed-upon procedures with respect to the Medford Corporation (the Company) Pollution Control Tax Credit Application No. 3846 (the Application) filed with the State of Oregon, Department of Environmental Quality (DEQ), for equipment related to pollution control.

1. We read the Application, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits (Statutes)- Sections 468.150 through 468.190, and the Oregon Administrative Rules (OAR's) on Pollution Control Tax Credits- Sections 340-16-005 through 340-16-050.
2. We discussed the Application, Statutes and OAR's with Mr. Brian Fields and Mr. John Fink of the DEQ and read the Tax Relief Application Review Report.
3. We discussed with Mr. Brian Fields the DEQ person responsible for preparation of DEQ's Tax Relief Application Review Report, the various components of the Application.
4. We reviewed an itemized listing of claimed facility costs totaling \$710,389.45 and also reviewed the unqualified audit report, issued by Arthur Andersen & Co., on the claimed facility costs. Based on our review of the itemized listing, all claimed facility costs, except for \$15,157 of in-house labor, appeared to be contracted with vendors not associated with the Company. We confirmed with Mr. Brett Deforest of the Company that all in-house labor costs were direct labor costs accumulated through the Company's time card system for the project.
5. The Company had previously received a pollution control credit on the facility of \$348,889 (Certificate No. 1737), dated February 24, 1984. We reviewed the like for like replacement costs applicable under OAR 340-16-025 (3g) to the Application and performed the following procedures:
 - a. We obtained a copy of a letter from AKI Dryer Manufacturers, dated November 6, 1992, to Mr. Brett Deforest of the Company indicating that the replacement costs applicable to the Certificate No. 1737 were \$381,000. This letter stipulated a replacement cost, included in the \$381,000, of \$225,000 for three 10' 0" Burley Scrubbers.

- b. We reviewed the original tax credit application (for Certificate 1737) which indicated that the three Burley Scrubbers originally put in place were 7' 6" in diameter. We called Mr. Brett Deforest of the Company to confirm the diameter of the original scrubbers. We were informed by Mr. Deforest that he had the original scrubbers measured and that they were 7' 6".
- c. We obtained over the phone a verbal quotation from AKI Dryer Manufacturers that the replacement cost of three 7' 6" Burley Scrubbers is \$195,000.

Accordingly, the like for like replacement costs relating to Certificate No. 1737 are \$351,000 which agrees with the amount on the Tax Relief Application Review Report.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention, that caused us to believe that the amount of eligible costs should be adjusted. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole.

This report is solely for the use of the State of Oregon Environmental Quality Commission and State of Oregon Department of Environmental Quality in evaluation the Company's Pollution Control Tax Credit Application, and should not be used for any other purpose.

Coopers : Lybrand

Portland, Oregon
November 17, 1992

Environmental Quality Commission

- Rule Adoption Item
- Action Item
- Information Item

Agenda Item C
December 10, 1992 Meeting

Title:

Rule Adoption of Solid Waste Disposal Fee for the Orphan Site Account

Summary:

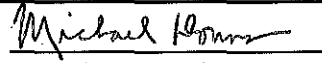
In 1989 the Oregon legislature established the Orphan Site Account (OSA) to pay for cleanup of sites where the responsible parties (RPs) unknown, are unable, or unwilling to pay for cleanup, or where the RP is a local government. There are three funding sources for the OSA. These fees are petroleum loading, hazardous substance possession and the subject of the proposed rules: solid waste disposal.


The fee of \$.13/ton, scheduled to take effect January 1, 1993 is to be paid by landfill owners/operators and other solid waste disposal facilities who have a DEQ solid waste permit. It will raise approximately \$400,000 per year for the cleanup of solid waste disposal facilities.

Department Recommendation:

Adopt rules establishing \$.13 per ton solid waste disposal fee for the Orphan Site Account effective January 1, 1993.


Report Author



Division Administrator


Director

State of Oregon
Department of Environmental Quality

Memorandum

Date: November 24, 1992

To: Environmental Quality Commission
From: Fred Hansen, Director 
Subject: Agenda Item C, December 10, EQC Meeting,
Solid Waste Disposal Fee for the Orphan Site Account

Background

On September 14, 1992, the Director authorized the Environmental Cleanup Division and the Hazardous and Solid Waste Division to proceed to a rulemaking hearing on proposed rules which would implement a \$.13 per-ton solid waste disposal fee increase effective January 1, 1993.

Pursuant to the authorization, hearing notice was published in the Secretary of State's Bulletin on October 1, 1992. Notice was mailed September 14, 1992 to the mailing list of those persons who have asked to be notified of rulemaking actions, and to a mailing list of persons known by the Department to be potentially affected by or interested in the proposed rulemaking action.

Public Hearings were held at the following locations and times:

October 15, 1992, 9 a.m. in Medford
October 15, 1992, 2 p.m. in Pendleton
October 19, 1992, 9 a.m. in Portland

Peter Spindelow, Ed Liggett and Bill Bree, respectively, served as Presiding Officers for these public hearings. Presiding Officer Reports (Attachment C) summarize the oral testimony presented at the hearing. Written comments were received through October 26, 1992 at 5:00 p.m. No written comments were received. Department staff have evaluated the comments received and, based upon that evaluation, there are no modifications recommended to the initial rulemaking proposal.

The following sections summarize the issue this proposed rulemaking action is intended to address, the authority to address the issue, the process for development of the rulemaking proposal including alternatives considered, a summary of the rulemaking proposal presented for public hearing, a summary of the significant public comments and the changes proposed in response to those comments, a summary of how the rule will work and how it is proposed to be implemented, and a recommendation for Commission action.

Memo To: Environmental Quality Commission
Agenda Item C
November 24, 1992 Meeting
Page 2

Issue this Proposed Rulemaking Action is Intended to Address

The proposed rule addresses the requirements of the Legislature to enact a solid waste Orphan Site Account fee. Orphan Site Account legislation was enacted by the Oregon Legislature in 1989 as a means of providing financing for sites requiring environmental cleanup of a release of hazardous substances under ORS 465 in instances where: a) the responsible parties are unknown, unable or unwilling to conduct environmental cleanup activities; or b) the responsible party is a local government. The solid waste disposal fee by statute is to be used exclusively for the environmental cleanup of solid waste disposal facilities. There are two other Orphan Site Account fees (petroleum loading and hazardous substance possession), neither of which require EQC action.

Authority to Address the Issue

ORS 459.236.

Process for Development of the Rulemaking Proposal (including alternatives considered)

ORS 459.236 requires imposition of the solid waste disposal fee following approval by the Legislative Emergency Board of the sale of bonds to provide funds for the Orphan Site Account. The Emergency Board approved an expenditure limitation and plan for the sale of Orphan Site Account bonds (for industrial sites) on November 22, 1991. Bonds were sold in July, 1992, triggering initiation of Orphan Site Account fees, including the proposed solid waste disposal fee.

Language for the rule was developed by DEQ staff based on prior action of the Legislature, specifically the enabling legislation for the Orphan Site Account and the approved budget expenditure limitation. \$400,000 per year must be raised in solid waste disposal fees from facilities accepting domestic solid waste. The rule amendment involves an addition to the solid waste disposal fee schedule.

During 1992 about 3,400,000 tons of solid waste will be received at facilities accepting domestic solid waste, including solid waste generated in other states and transported to Oregon for disposal, based on quarterly and annual reports provided by operators and owners. After taking into consideration estimated population growth and increased recycling rates, DEQ projects that about 3,230,000 tons of solid waste will be received during 1993 (3,230,000 tons of waste received x \$.13/ton equals \$419,900 per year.) DEQ expects a continued small net decline in the total amount of solid waste received at domestic solid waste facilities in 1994, 1995 and subsequent years.

Memo To: Environmental Quality Commission
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Except for smaller volume facilities, most disposal facilities pay solid waste disposal fees on a quarterly schedule. The proposed rule allows facility owners and operators to continue payment consistent with the existing payment schedule.

Summary of Rulemaking Proposal Presented for Public Hearing and Discussion of Significant Issues Involved.

The rulemaking proposal presented for public hearing inserts a line into the existing fee schedule which requires payment of the \$.13/ton Orphan Site Account fee effective January 1, 1993. No controversial issues were identified before or during the public comment period.

Summary of Significant Public Comment and Changes Proposed in Response

During the public hearing, two individuals testified. They noted: 1) the proposed fee increase could be considered a "done deal"; and 2) the Department should not use Orphan Site Account funds in instances where owners and responsible parties can be made to assume responsibility for environmental cleanup.

The Department concurs with both comments. First, by statute, the Orphan Site Account fees all must be implemented at approximately the same time and designed to raise approximately the same amount of revenue. Second, the statute provides that the solid waste disposal fee is to be used exclusively at sites requiring environmental cleanup under ORS 465 in instances where: a) private responsible parties are unknown, unwilling or unable to pay for environmental cleanup; or b) if the solid waste facility is owned or operated by local governments. Orphan Site Account funds may be used in conjunction with local solid waste surcharge or equivalent revenue, as prescribed in ORS 459.311. The Department historically has, and will continue, to use cost recovery and enforcement tools to require responsible parties to pay for environmental cleanup costs. Only in instances where responsible parties meet the preceding criteria, would Orphan Site Account funds be spent. These comments do not require changes to the proposed rule.

Summary of How the Proposed Rule Will Work and How it Will be Implemented

If the proposed rule is enacted, permittees will receive a copy of the revised solid waste disposal fee reporting form, along with an explanation of the change. Permittees with a quarterly reporting schedule will submit the Orphan Site Account fee with the April 30, 1993 and subsequent solid waste disposal reports. Permittees with an annual reporting schedule will submit the increased fee with the July 1, 1993 solid waste disposal reports.

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Recommendation for Commission Action

It is recommended that the Commission adopt rules establishing a \$.13 per-ton solid waste disposal fee for the solid waste Orphan Site Account increase effective January 1, 1993 as presented in Attachment A of the Department Staff Report for Agenda Item C.

Attachments

- A. Rule (Amendments) Proposed for Adoption
- B. Supporting Procedural Documentation:
 - Public Notice
 - Rulemaking Statements (Statement of Need)
 - Fiscal and Economic Impact Statement
 - Land Use Evaluation Statement
- C. Report on Public Hearings by Presiding Officers
- D. Rule Implementation Plan

Approved:

Section:

Mary Wahl

Division:

Michael Brown

Section:

Cal

Division:

Stephanie Hallock

Report Prepared By: Jeff Christensen

Phone: 229-6391

Date Prepared: November 18, 1992

jc:jc
eqcosa.rul
11/18/92

**ATTACHMENT A
OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY
ADMINISTRATIVE RULES
DIVISION 61 - SOLID WASTE MANAGEMENT
October 1992**

Proposed additions to rule are underlined>.
Proposed deletions are in brackets .

PERMIT FEE SCHEDULE

340-61-120

- (1) For purposes of this rule:
- (a) A "new facility" means a facility at a location not previously used or permitted, and does not include an expansion to an existing permitted site.
 - (b) An "off-site industrial facility" means all industrial solid waste disposal sites other than a "captive industrial disposal site."
 - (c) A "captive industrial facility" means an industrial solid waste disposal site where the permittee is the owner and operator of the site and is the generator of all the solid waste received at the site.
- (2) **Application Processing Fee.** An application processing fee shall be submitted with each application for a new facility. The amount of the fee shall depend on the type of facility and the required action as follows:
- (a) A new municipal solid waste landfill facility, incinerator, energy recovery facility, composting facility for mixed solid waste, off-site industrial facility or sludge disposal facility:
 - (A) Designed to receive over 7,500 tons of solid waste per year: \$10,000
 - (B) Designed to receive less than 7,500 tons of solid waste per year: \$5,000
 - (b) A new captive industrial facility: \$1,000
 - (c) A new transfer station or material recovery facility -
 - (A) Receiving over 50,000 tons of solid waste per year: \$500
 - (B) Receiving between 10,000 and 50,000 tons of solid waste per year: \$200
 - (C) Receiving less than 10,000 tons of solid waste per year: \$100

- (d) Letter authorizations (pursuant to OAR 340-61-027): \$500
- (e) Before June 30, 1994: Hazardous substance authorization (Any permit or plan review application which seeks new, renewed, or significant modification in authorization to landfill cleanup materials contaminated by hazardous substances):
 - (A) Authorization to receive 100,000 tons or more of designated cleanup waste per year \$50,000
 - (B) Authorization to receive at least 50,000 but less than 100,000 tons of designated cleanup material per year \$25,000
 - (C) Authorization to receive at least 25,000 but less than 50,000 tons of designated cleanup material per year \$12,500
 - (D) Authorization to receive at least 10,000 but less than 25,000 tons of designated cleanup material per year \$ 5,000
 - (E) Authorization to receive at least 5,000 but less than 10,000 tons of designated cleanup material per year \$ 1,000
 - (F) Authorization to receive at least 1,000 but less than 5,000 tons of designated cleanup material per year \$ 250

(3) Annual Solid Waste Permit Fee. The Commission establishes the following fee schedule including base per-ton rates to be used to determine the annual solid waste permit fee beginning with fiscal year 1993. The per-ton rates are based on the estimated solid waste received at all permitted solid waste disposal sites and on the Department's Legislatively Approved Budget. The Department will review annually the amount of revenue generated by this fee schedule. To determine the annual solid waste permit fee, the Department may use the base per-ton rates, or any lower rates if the rates would generate more revenue than provided in the Department's Legislatively Approved Budget. Any increase in the base rates must be fixed by rule by the Commission. (In any case where a facility fits into more than one category, the permittee shall pay only the highest fee):

- (a) All facilities accepting solid waste except transfer stations and material recovery facilities:
 - (A) \$200; or
 - (B) An annual solid waste permit fee based on the total amount of solid waste received at the facility in the previous calendar year, at the following rate:
 - (i) All municipal landfills, demolition landfills, off-site industrial facilities, sludge disposal facilities, and incinerators: \$.21 per ton.
 - (ii) Captive industrial facilities: \$.21 per ton.

(iii) Energy recovery facilities: \$.13 per ton.

(iv) Composting facilities receiving mixed solid waste: \$.10 per ton.

(C) If a disposal site (other than a municipal solid waste facility) is not required by the Department to monitor and report volumes of solid waste collected, the annual solid waste permit fee may be based on the estimated tonnage received in the previous year.

(b) Transfer stations and material recovery facilities:

(A) Facilities accepting over 50,000 tons of solid waste per year: \$1,000

(B) Facilities accepting between 10,000 and 50,000 tons of solid waste per year: \$500

(C) Facilities accepting less than 10,000 tons of solid waste per year: \$50

(c) Closed Disposal Sites: Each landfill which closes after July 1, 1984: \$150, or the average tonnage of solid waste received in the 3 most active years of site operation multiplied by \$.025 per ton, whichever is greater; but the maximum annual permit fee shall not exceed \$2,500.

(4) Senate Bill 66 (SB 66) annual fee.

(a) A SB 66 annual fee shall be submitted by each solid waste permittee which received solid waste in the previous calendar year, except transfer stations, material recovery facilities and captive industrial facilities. The Commission establishes the SB 66 annual fee as \$.09 per ton for each ton of solid waste received in the subject calendar year.

(b) The \$.09 per-ton rate is based on the estimated solid waste received at all permitted solid waste disposal sites in the previous calendar year and on the Department's Legislatively Approved Budget. The Department will review annually the amount of revenue generated by this rate. To determine the SB 66 annual fee, the Department may use this rate, or any lower rate if the rate would generate more revenue than provided in the Department's Legislatively Approved Budget. Any increase in the rate must be fixed by rule by the Commission.

(c) The Department shall bill the permittee for the amount of this fee together with the annual solid waste permit fee in Section 3 of this rule. This fee is in addition to any other permit fee and per-ton fee which may be assessed by the Department.

(5) Per-ton solid waste disposal fees on domestic solid waste. Each solid waste disposal site that receives domestic solid waste, except transfer stations, shall submit to the Department of Environmental Quality the following fees for each ton of domestic solid waste received at the disposal site:

- (a) A per-ton fee of 50 cents.
- (b) From January 1, 1992, to December 31, 1993, an additional per-ton fee of 35 cents.
- (c) Beginning January 1, 1994 the additional per-ton fee established in subsection (5)(b) of this rule shall be reduced to 31 cents.
- (d) Beginning January 1, 1993, an additional per-ton fee of 13 cents for the Orphan Site Account.

(e)[(d)] Submittal schedule:

- (A) These per-ton fees shall be submitted to the Department quarterly, or on the same schedule as the waste volume reports required in the disposal permit, whichever is less frequent. Quarterly remittals shall be due on the 30th day of the month following the end of the calendar quarter.
- (B) Disposal sites receiving less than 1,000 tons of solid waste per year shall submit the fees annually on July 1, beginning in 1991. If the disposal site is not required by the Department to monitor and report volumes of solid waste collected, the fees shall be accompanied by an estimate of the population served by the disposal site.

(f)[(e)] As used in this rule, the term "domestic solid waste" includes, but is not limited to, residential, commercial and institutional wastes; but the term does not include:

- (A) Sewage sludge or septic tank and cesspool pumpings;
- (B) Building demolition or construction wastes and land clearing debris, if delivered to a disposal site that is limited to those purposes;
- (C) Source separated recyclable material, or material recovered at the disposal site;
- (D) Waste going to an industrial waste facility;
- (E) Waste received at an ash monofill from an energy recovery facility; or
- (F) Domestic solid waste which is not generated within this state.

(g)[(f)] For solid waste delivered to disposal facilities owned or operated by a metropolitan service district, the fees established in this section shall be levied on the district, not on the disposal site.

- (6) Per-ton solid waste disposal fee on solid waste generated out-of-state. Each solid waste disposal site or regional disposal site that receives solid waste generated out-of-state shall submit to the Department a per-ton solid waste disposal fee. The per-ton

solid waste disposal fee shall be the sum of the per-ton fees established for domestic solid waste in subsections (5)(a), (5)(b), (5)(c) and (5)(d)[and (5)(c)] of this rule.

- (a) The per-ton fee solid waste disposal fee shall become effective on the dates specified in section (5) of this rule and shall apply to all solid waste received after July 1, 1991.
 - (b) This per-ton solid waste disposal fee shall apply to each ton of out-of-state solid waste received at the disposal site, but shall not include source separated recyclable materials, or material recovered at the disposal site.
 - (c) Submittal schedule: This per-ton solid waste disposal fee shall be submitted to the Department quarterly, or on the same schedule as the waste volume reports required in the disposal permit, whichever is less frequent. Quarterly remittals shall be due on the 30th day of the month following the end of the calendar quarter.
 - (d) This per-ton solid waste disposal fee on out-of-state solid waste shall be collected at the first disposal facility in Oregon receiving the waste, including but not limited to a solid waste land disposal site, transfer station or incinerator, and remitted directly to the Department on the schedule specified in this rule.
 - (e) If, after final appeal, the surcharge established in section (7) of this rule is held to be valid and the state is able to collect the surcharge, the per-ton fee on solid waste generated out-of-state established in this section shall no longer apply, and the person responsible for payment of the surcharge may deduct from the amount due any fees paid to the Department on solid waste generated out-of-state under section (6) of this rule.
- (7) Surcharge on disposal of solid waste generated out-of-state. Each solid waste disposal site or regional solid waste disposal site that receives solid waste generated out-of-state shall submit to the Department of Environmental Quality a per-ton surcharge of \$2.25. This surcharge shall apply to each ton of out-of-state solid waste received at the disposal site.
- (a) This per-ton surcharge shall apply to all solid waste received after January 1, 1991.
 - (b) Submittal schedule: This per-ton surcharge shall be submitted to the Department quarterly, or on the same schedule as the waste volume reports required in the disposal permit, whichever is less frequent. Quarterly remittals shall be due on the 30th day of the month following the end of the calendar quarter.
 - (c) This surcharge shall be in addition to any other fee charged for disposal of solid waste at the site.

- (d) This surcharge on out-of-state solid waste shall be collected at the first disposal facility in Oregon receiving the waste, including but not limited to a solid waste land disposal site, transfer station or incinerator, and remitted directly to the Department on the schedule specified in this rule.

Stat. Auth.: ORS Ch. 459.045(1) & (3), 459.235(2), 459.297, 459.298, 459.420 & 468.065
Hist.: DEQ 3-1984, f. & ef. 3-7-84; DEQ 12-1988, f. & cert. ef. 6-14-88; DEQ 14-1990, f. & cert. ef. 3-22-90; DEQ 45-1990, f. & cert. ef. 12-26-90; DEQ 12-1991(Temp), f. & cert. ef. 8-2-91; DEQ 28-1991, f. & cert. ef. 12-18-91; DEQ 8-1992, f. & cert. ef. 4-30-92

[ED. NOTE: The text of Temporary Rules is not printed in the Oregon Administrative Rules Compilation. Copies may be obtained from the Secretary of State.]

NOTICE OF PROPOSED RULEMAKING HEARING

AGENCY: Department of Environmental Quality, Hazardous and Solid Waste Division and Environmental Cleanup Division

The above named agency gives notice of hearing.

HEARING TO BE HELD:

DATE:	TIME:	LOCATION:
October 15	9 a.m.	Jackson County Courthouse, 10 South Oakdale, Medford
October 15	2 p.m.	Blue Mountain Community College, 2411 NW Carden, Room M130, Morrow Hall, Pendleton
October 19	9 a.m.	DEQ Conference Room 3A, 811 SW Sixth Avenue, Portland

Hearings Officer: Presiding Officer for the Medford hearing will be Angela Schrock. Presiding Officer for the Pendleton hearing will be Ed Liggett. Presiding Officer for the Portland hearing will be Bill Bree.

Pursuant to the Statutory Authority of ORS 459.236 and Senate Bill 1223, 1991 Legislature, the following action is proposed:

ADOPT: Not applicable.
AMEND: OAR 340-61-120(5)
REPEAL: Not applicable.

Prior Notice Given; Hearing Requested by Interested persons

No Prior Notice Given

SUMMARY: The Department of Environmental Quality proposes to implement a \$.13 per-ton solid waste tipping fee increase effective January 1, 1993. This fee increase is required by prior action of the Oregon Legislature. Fee revenue will be used to finance environmental cleanup under the Orphan Site Account (see ORS 465.380) of releases of hazardous substances at solid waste disposal sites.

Attachment B
Page 2

Interested persons may comment on the proposed rules orally or in writing at the hearing. Written comments received by 5 p.m., October 26, 1992 will also be considered. Written comments should be sent to and copies of the proposed rulemaking may be obtained from:

AGENCY: Department of Environmental Quality
ADDRESS: Hazardous and Solid Waste Division
811 S. W. 6th Avenue
Portland, Oregon 97204

ATTN: Deanna Mueller-Crispin

PHONE: 229-5808 or Toll Free 1-800-452-4011

Jelley J Christensen 9/9/92
Signature Date

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Orphan Site Account
Solid Waste Disposal Fee

Rulemaking Statements

Pursuant to ORS 183.335(7), this statement provides information about the Environmental Quality Commission's intended action to adopt a rule.

1. Legal Authority

ORS 459.236

2. Need for the Rule

The proposed amendments address the requirements of the Legislature to enact a solid waste Orphan Site Account fee. Orphan Site Account legislation was enacted by the Oregon Legislature in 1989 as a means of providing financing for sites requiring environmental cleanup of a release of hazardous substances under ORS 465 in instances where: a) the responsible parties are unknown, unable or unwilling to conduct environmental cleanup activities; or b) the responsible party is a local government. ORS 459.236 requires imposition of the solid waste disposal fee following approval by the Legislative Emergency Board of the sale of bonds to provide funds for the Orphan Site Account. Senate Bill 1223, Section 45, enacted in 1991 further provides that:

"Following an expenditure limitation increase for the use of proceeds from a bond sale, the fee imposed under ORS 453.402(2)(c), the fee imposed under ORS 459.236 and the fee imposed under ORS 465.101 to 465.131 shall all be assessed whether the bonds are issued for removal or remedial action at a solid waste disposal site or at another site for which the Department of Environmental Quality determines the responsible parties are unknown, unwilling or unable to undertake all required removal or remedial action."

In other words, three Orphan Site Account fees (solid waste disposal, hazardous substance possession and petroleum loading) are to be initiated at the same time, raising equal amounts of revenue. Consistent with an approved expenditure limitation for Orphan Site Account activities, Orphan Site Account bonds were sold by the Department of Environmental

Quality in July of 1992. The solid waste disposal fee by statute is to be used exclusively for the environmental cleanup of solid waste disposal facilities.

3. Principal Documents Relied Upon in this Rulemaking

- 1) ORS 459.236
- 2) 1991 Senate Bill 1223, Section 45
- 3) Oregon Administrative Rules, Chapter 340, Division 61.
- 4) Solid Waste Fee Report for the Orphan Site Account, letter to the Oregon Legislature, Emergency Board, November 11, 1991.

The preceding documents are available for inspection at DEQ Headquarters. They may also be obtained by contacting Deanna Mueller-Crispin, Hazardous and Solid Waste Division at (503) 229-5808, or toll-free within Oregon, 1-800-452-4011.

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Solid Waste Disposal Fee for the
Orphan Site Account

Fiscal and Economic Impact Statement

I. Introduction

Proposed Actions:

A \$.13 per-ton disposal fee is proposed effective January 1, 1993 for solid waste received at domestic solid waste disposal facilities. The fee increase is required by prior action of the Oregon Legislature. The proposed rule amendments also specify procedures for collecting the disposal fee.

The purpose of the proposed solid waste disposal fee is to provide financing for investigation and cleanup of domestic solid waste disposal "orphan sites". Orphan sites are characterized by a release of hazardous substances into the environment and an established need for environmental cleanup to protect public health and the environment. If owned or operated by a local government, solid waste disposal orphan sites are eligible for financial assistance in amounts specified by ORS 459.236 and ORS 459.311. If the disposal site is privately-owned and operated, Orphan Site Account financing is to be used only if responsible parties are unknown, unwilling or unable to complete required cleanup activities.

Under the proposed rules, the Orphan Site Account solid waste disposal fee collection and payment procedures are identical to existing requirements for solid waste disposal fee collection and payment procedures. Specifically, most disposal facilities currently pay solid waste disposal fees on a quarterly basis. The proposed rule allows facility owners and operators to continue payment consistent with the existing payment schedule.

Overall Economic Impacts:

DEQ estimates the proposed \$.13 per-ton fee increase for Orphan Site Account activities will generate about \$400,000 a year. The solid waste disposal fee is one of three statutorily-established fees to be used to finance the Orphan Site Account. The statute requires that all three fees be initiated at the same time and that they be designed to raise the same amount of revenue. Each of the three fees--solid waste disposal, hazardous substance possession, and petroleum load--will raise approximately \$400,000 per year.

The statute allows solid waste disposal facility owners and operators and garbage haulers to pass the cost of the disposal fee through to their customers. As such, the major impact of the fee will fall on solid waste generators and ratepayers (see "General Public").

DEQ expects that most solid waste disposal facility owners and operators and garbage haulers will raise rates to cover the fee increases. Some administrative expense will be incurred in gaining approval to raise rates, and implementing any resulting new fee structure. Expenses incurred by a landfill operator might range from a few hundred dollars if filing is relatively simple, to as much as \$5,000, including legal costs if the fee increase requires adopting an ordinance.

II. General Public

The general public will be affected by increased rates for disposal of solid waste because solid waste disposal facility owners and operators and garbage haulers are allowed to pass through the effect of the fee increase to their ratepayers. It is anticipated that the increased per-ton fee increases would go into effect on January 1, 1993.

DEQ assumes that the typical household with a one can per week collection service generates about a ton of garbage a year, which would result in a monthly garbage fee increase of about \$.01 per month. Current fees for garbage service vary widely by vendor and geographic area. Per-ton monthly rates for one-can service range from about \$5.50 to \$17.

III. Out-of-State Impact

The general public outside of Oregon who send their solid waste to Oregon for disposal may also be affected. The proposed per ton fee for out-of-state waste disposed in Oregon is the same as the fee for domestic solid waste generated and disposed in Oregon.

IV. Small Business

Small businesses would be affected in the same way as the general public. However, the impact on businesses will be proportionately greater than for residential garbage customers because as a general rule commercial and other large volume generators of solid waste pay less per unit measure for garbage services. DEQ estimates the rate increase to businesses will still be relatively insignificant (less than 1% additional costs for garbage service).

V. Large Business

Large businesses would also be affected in the same way as the general public and small businesses, except that waste going to an industrial waste facility is exempt from the disposal fee on domestic solid waste.

VI. Local Governments

Local governments would be affected in the same way as the general public and as small or large businesses which own or operate landfills or garbage hauling companies. As previously noted, the solid waste Orphan Site Account may be used to provide financial assistance for completing environmental cleanup at local government owned or operated solid waste disposal facilities.

VII. Other State Agencies

As generators of solid waste, other state agencies would be affected by modestly increased collection service rates in the same way as the general public.

Attachment B
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State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Solid Waste Disposal Fee for the
Orphan Site Account

Land Use Evaluation Statement

1. Explain the purpose of the proposed rules.

A \$.13 per-ton disposal fee is proposed effective January 1, 1993 for solid waste received at domestic solid waste disposal facilities. Enactment of the fee is required by prior action of the Oregon Legislature. The proposed rule amendments also specify procedures for collecting the disposal fee.

The purpose of the proposed solid waste disposal fee is to provide financing for investigation and cleanup of domestic solid waste disposal "orphan sites". Orphan sites are characterized by a release of hazardous substances into the environment and an established need for environmental cleanup to protect public health and the environment. If owned or operated by a local government, solid waste disposal orphan sites are eligible for financial assistance in amounts specified by ORS 459.236 and ORS 459.311. If the disposal site is privately-owned and operated, Orphan Site Account financing is to be used only if responsible parties are unknown, unwilling or unable to complete required cleanup activities.

2. Do the proposed rules affect existing rules, programs or activities that are considered land use programs in the DEQ State Agency Coordination (SAC) Program?

Yes ___ No X

a. If yes, identify existing program/rule/activity:

b. If yes, do the existing statewide goal compliance and local plan compatibility procedures adequately cover the proposed rules?

Yes ___ No ___ (if no, explain):

c. If no, apply the following criteria to the proposed rules.

DEQ programs or rules that relate to statewide land use goals are considered land use programs if they are:

1. Specifically referenced in the statewide planning goals; or
2. Reasonably expected to have significant effects on
 - a. resources, objectives or areas identified in the statewide planning goals, or
 - b. present or future land uses identified in acknowledged comprehensive plans.

In applying criterion 2. above, two guidelines should be applied to assess land use significance:

- The land use responsibilities of a program/rule/action that involves more than one agency, are considered the responsibilities of the agency with primary authority.
- A determination of land use significance must consider the Department's mandate to protect public health and safety and the environment.

In the space below, state if the proposed rules are considered programs affecting land use. State the criteria and reasons for the determination.

The proposed rules are not considered to be programs affecting land use. DEQ does not expect the rules to have significant effects on resources, objectives or areas identified in the statewide planning goals, or present or future land uses identified in acknowledged comprehensive plans.

3. If the proposed rules have been determined a land use program under 2. above, but are not subject to existing land use compliance and compatibility procedures, explain the new procedures the Department will use to ensure compliance and compatibility.

Not applicable.

Division

Intergovernmental Coord.

Date

State of Oregon
Department of Environmental Quality

Memorandum

Date: October 30, 1992

To: Environmental Quality Commission
From: Jeff Christensen for Bill Bree, Hearings Officer
Subject: Report on the Public Hearing held in Portland, Oregon on October 19, 1992 on the "Solid Waste Disposal Fee for the Orphan Site Account Rule."

Number of Persons Participating:
(signup sheets available upon request)

- 9 People attended the hearing
- 1 People gave oral testimony
- 0 People submitted written testimony

Hearing Summary: Hearings Officer, Bill Bree, opened the meeting. Max Brittingham offered the only oral testimony concerning the solid waste disposal fee rule, commenting that based on the prior Legislative action it appeared to him that the fee increase was "already a done deal."

State of Oregon
Department of Environmental Quality

DEPT. OF ENVIRONMENTAL QUALITY
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ENVIRONMENTAL QUALITY DIVISION
Date: October 16, 1992

Memorandum

To: Jeff Christensen, ECD

From: Angela Schrock, for Peter Spendelow HSW, Hearings Officer

Subject: Public Hearing: Proposed Adoption of Rule Amendment to Implement \$.13 per ton solid waste disposal fee increase effective January 1, 1993 for the Orphan Site Account.

On October 15, 1992, a public hearing was held with regard to the implementation of a \$.13 per-ton solid waste disposal fee increase required by ORS 459.236. The hearing was held in conjunction with a hearing regarding proposed amendments to SB66. The hearings were held at the Jackson County Courthouse, 100 South Oakdale, Medford, Oregon in the Auditorium. The hearing began at 9:00 am and ended at approximately 9:30 am. An informal discussion lasting approximately half an hour took place after the formal hearings proceedings.

Three DEQ headquarters staff were present to conduct the hearings. Three members of the public attended, all present for the SB66 portion of the hearings. One person gave a brief testimony regarding the solid waste disposal fee increase.

A Summary of testimony follows:

Sue Densmore, representing Rogue Disposal, of Medford said her company, which manages South Stage Landfill and Dry Creek Landfill, were happy the issue of cleaning up old landfills was addressed and they were content to pay the additional fee. They were concerned with the wording "unable or unwilling" and would like DEQ to encourage owners and responsible parties to come forward and do their civic duty by taking responsibility for the cleanups.

None of the informal discussion focused on the Orphan Site Account.

State of Oregon
Department of Environmental Quality

Memorandum

Date: October 30, 1992

To: Environmental Quality Commission

From: Ed Liggett, ^{EAJ}Hearings Officer

Subject: Report on the Public Hearing held in Pendleton, Oregon on October 15, 1992 on the "Solid Waste Disposal Fee for the Orphan Site Account Rule."

Number of Persons Participating:
(signup sheets available upon request)

- 2 People attended the hearing
- 0 People gave oral testimony
- 0 People submitted written testimony

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Hearing Summary: Hearings Officer, Ed Liggett, opened the meeting. Although none of the persons attending the hearing wished to testify, he asked DEQ staff member Jeff Christensen to provide a background report on the purpose and anticipated impacts of the proposed rule. This presentation was followed by a question and answer session. Public attendees included a local reporter and an employee of the Bureau of Land Management.

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Solid Waste Disposal Fee for the Orphan Site Account

Rule Implementation Plan

Summary of the Proposed Rule

The Department proposes to implement a \$.13 per-ton solid waste tipping fee increase for the solid waste Orphan Site Account. The proposed fee, if enacted, will be paid to the Department by owners and operators of domestic solid waste disposal facilities. The statute allows solid waste disposal facility owners and operators and garbage haulers to pass the cost of the disposal fee through to their customers. As such, the major impact of the fee will fall on solid waste generators and ratepayers.

Proposed Effective Date of the Rule

January 1, 1993

Proposal for Notification of Affected Persons

Prior notice in the form of a "Chance to Comment" and other public notice has been provided to facility permittees, among others. Assuming the fee proposal is enacted, the Department will formally notify permittees. This notification will be accompanied by a copy of the revised reporting form and an explanation of the fee increase.

Proposed Implementing Actions

The Department routinely reviews report submittals from solid waste disposal permittees. This review will include verification for payment of the Orphan Site Account fee and followup when needed.

Most solid waste disposal facility owners and operators and garbage haulers will elect to raise rates to cover the fee increases. In many cases, these fee increases require local government approval by local ordinance or by amendment to franchise agreements.

Proposed Training/Assistance Actions

No special training is planned. At the time formal notification is provided, permittees will be advised of the name of a staff member whom they may contact if they have questions.

Environmental Quality Commission

- Rule Adoption Item
 Action Item
 Information Item

Agenda Item E
December 11, 1992 Meeting

Title:

Solid Waste Reduction and Recycling Rules

Summary:

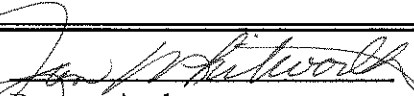
The purpose of these proposed rules is to incorporate new recycling and waste reduction program requirements passed by the 1991 Oregon Legislature. The rules focus on the following primary areas.

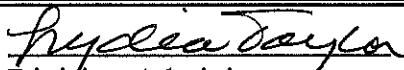
- * New, more specific recycling collection program requirements for local governments.
- * Establish comprehensive reporting requirements for counties and the private recycling industry.
- * Delete previous requirements which are now inconsistent with the new requirements.
- * Expand the requirement for Waste Reduction Programs to include private industry in addition to local governments. This requirement applies to generators of solid waste who wish to dispose of at least 75,000 tons of waste per year in Oregon.

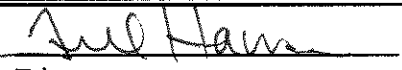
The legislation that prompted the need for this rulemaking is very detailed and prescriptive. Therefore the rules do not reflect development of significant new policy, but provide clarification in procedures and content.

Department Recommendation:

Adopt rules.


Report Author


Division Administrator



Director

November 24, 1992

State of Oregon
Department of Environmental Quality

Memorandum

Date: November 24, 1992

To: Environmental Quality Commission
From: Fred Hansen, Director 
Subject: Agenda Item E, December 11, 1992, EQC Meeting

Proposed Amendments to Solid Waste Reduction and Recycling Rules

Background

On September 2, 1992, the Director authorized the Hazardous and Solid Waste Division to proceed to a rulemaking hearing on proposed rules which would incorporate changes made by 1991 laws to the recycling program and to waste reduction program and recycling certification requirements. These changes are being made by adopting new divisions 90 and 91 in OAR Chapter 340, renumbering portions of Divisions 60 and 61 into these new divisions, and deleting portions of Division 60 entirely.

Pursuant to the authorization, hearing notice was published in the Secretary of State's Bulletin on October 1, 1992. Notice was mailed to the mailing list of those persons who have asked to be notified of rulemaking actions, and to a mailing list of persons known by the Department to be potentially affected by or interested in the proposed rulemaking action on September 14, 1992.

Public Hearings were held October 15 and 19, 1992 in Pendleton, Medford and Portland with Peter Spendelow, William Bree and Ed Liggett serving as Presiding Officers. The Presiding Officers' Reports are in Attachment C.

Written comment was received through 5:00 p.m. PDT, October 22, 1992. Written comments received are indexed in Attachment D.

Department staff have summarized and evaluated the comments received (Attachment E). Based upon that evaluation, modifications to the initial rulemaking proposal are being recommended by the Department. These modifications are summarized in Attachment E.

The following sections summarize the issue that this proposed rulemaking action is intended to address, the authority to address the issue, the process for development of the rulemaking proposal including alternatives considered, a summary of the rulemaking proposal presented for public hearing, a summary of the significant public comments and the changes proposed in response to those comments, a summary of how the rule will

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work and how it is proposed to be implemented, and a recommendation for Commission action.

Issue this Proposed Rulemaking Action is Intended to Address

The 1991 Legislature passed landmark legislation for recycling programs in Oregon. For the first time, Oregon now has recycling requirements that not only address the collection of recyclables but also deal with the development of markets for utilizing the materials that are collected. The amendments to Oregon Administrative Rules (OAR) being proposed here focus on collection requirements and information and data collection. The purpose of these proposed rules is to incorporate changes from new statutory requirements passed in 1991. These changes relate to providing the opportunity to recycle and revisions to the waste reduction program and recycling certification requirements for in-state and out-of-state waste that is disposed in Oregon.

The 1991 legislation is very detailed and prescriptive. Therefore the rules being proposed are incorporating requirements specifically described in statute. Additional clarification and procedures are necessary in only a few areas. The areas requiring additional clarification relate primarily to reporting, confidential information and the deletion of old requirements that are no longer consistent with the new legislative requirements.

Authority to Address the Issue

These rules are adopted pursuant to the authority of Oregon Revised Statutes (ORS) 459A.025 and 459.045 and 468.020. The rules relate to the requirements of ORS 459.015, 459.055, 459.250, 459.305, 468.862 and ORS Chapter 459A.

Process for Development of the Rulemaking Proposal (including alternatives considered)

The Department worked closely with the Solid Waste Advisory Committee to draft these rules. The committee has a broad base of representation including local government, environmental, collection service, recyclers, land disposal operations, retailers, technical consultants and citizens. The Department also formed an extended workgroup to seek additional advice regarding the reporting requirements in these rules. The reporting requirements impact a wide range of people involved in recycling in Oregon, and it is

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important that the rules reflect a workable and comprehensive reporting system. Input from the reporting workgroup helped accomplish that objective.

The legislation which prompted the need for these proposed rules was the result of extensive negotiations and compromise and was passed with the understanding that minimal additional clarification would be needed in the rules. As a result, very few issues needed to be addressed in the rule development process.

Summary of Rulemaking Proposal Presented for Public Hearing and Discussion of Significant Issues Involved.

The 1991 Oregon Legislature unanimously passed Senate Bill 66 setting forth new, more specific requirements for recycling programs and clarifying roles and responsibilities for implementing those programs. The key elements of Senate Bill 66 are:

Establish 50 percent statewide recovery goal for the year 2000.

Define local government collection program requirements, including residential, commercial, and multi-family.

Establish 1995 recovery rates for wastesheds ranging from 7 percent to 45 percent.

Establish comprehensive reporting requirements for counties, disposal facilities and the private sector in order to determine recovery rates and collect statewide material recovery information.

Require a statewide integrated solid waste management plan.

Establish an independent Market Development Council.

Establish minimum content for using recycled material in the manufacture of glass, plastics, directories and newsprint.

Establish procurement requirements for state and local government to improve the demand for materials containing recycled content.

The most significant issue identified during the development of these rules related to confidentiality of information reported to the Department. It was also determined by staff in consultation with the SWAC that several other areas of the rules needed some additional clarification. These related to multi-family residential collection programs for recyclables, reporting procedures, definition of industrial waste, and recycling certification and waste reduction program approvals for solid waste generators other than cities and counties.

SUMMARY OF KEY AMENDMENTS

1. New Requirements for "Opportunity to Recycle".

In addition to the existing requirements for providing the opportunity to recycle, the new law requires that cities and counties select from a menu of additional recycling program elements and implement those requirements. Program choices related to once a week residential collection, regular commercial collection, multi-family collection, weight-based collection rates, expanded promotion and education, residential yard debris collection, and provision of collection containers to residential customers have been added to the basic requirements of disposal site collection centers, promotion and education and once a month residential on-route collection. These program choices are now included in the proposed rule.

The 1991 legislation also established percentage recovery rates for each watershed to achieve by 1995. These recovery rates have been included as part of the opportunity to recycle requirements.

2. Reporting Requirements and Procedures

Historically, the regulations required watersheds to report annually on how they provided the opportunity to recycle and limited data on residential curbside collection programs. The 1991 legislation expanded the reporting requirements to include residential and commercial recycling data on types and weights of materials collected and processed for recycling. This information is to be reported by private industry, such as buy-back centers and other private recycling operations as well as by the cities and counties for their collection programs. Disposal facilities are also required to report disposal data broken down by watershed of origin. The new reporting requirements will allow the state to have an improved data base from which to evaluate trends in waste management statewide and are necessary to evaluate the recovery rates for each watershed.

The proposed rules define specifically what information shall be reported, by whom, and what procedures will be followed to do the reporting.

3. Confidentiality of Information

Legislation has provided that certain information required to be reported by the private sector shall be treated as confidential. These rule amendments outline procedures for maintaining confidentiality of the information.

During the drafting of the rules, an issue was raised regarding the ability of the Department to hold confidential information related to the disposition of materials collected on route by collection service providers. It was determined that, in cases where the collection service provider's sole business is to collect materials on route from residential and commercial accounts or providing depot collection for the purpose of servicing a local jurisdiction in order to meet the opportunity to recycle requirements, the information they report related to the on route collection is public information. If a collection service provider also conducts business as a private recycler in other than local on route collection service, then the information they report related to the disposition of the materials they collect can be treated as confidential. The proposed rules reflect this clarification.

4. Minimum Content Reporting

Requiring manufacturers to utilize set amounts of recycled material in the manufacture of new products is one method of developing markets for recyclable materials. This is commonly referred to as "minimum content" requirements. As mentioned earlier, the 1991 legislation establishes minimum content requirements for glass, newsprint, and plastics. In order to determine if these requirements are being implemented, it is necessary to require certain information to be reported to the Department about the amounts of recycled material used in the manufacture of products.

The proposed rules describe the procedure for reporting the statutorily required minimum content information for newsprint, glass and directories.

It should be noted that the 1991 legislation also places an option for minimum content requirements on the manufacturing of rigid plastic containers. These requirements do not take effect until 1995. Due to the complex and controversial nature of the requirements for rigid plastic containers, the Department has decided that more time is needed to develop the rules relating to plastics. Therefore the

rules proposed here do not include the requirements related to rigid plastic containers.

5. Yard Debris Requirements

The existing rules contain extensive requirements for development of yard debris recycling plans, detailed methods for implementing yard debris programs, and education and promotion requirements for yard debris, where yard debris is designated as a principal recyclable material. In an effort to simplify the regulations, yet achieve the same or improved results, the proposed rules delete these requirements, but retain the alternative method options for yard debris programs. Under the alternative method options the local government would still need to have changes to their program approved by the Department and would need to report annually on the status of implementation of the alternative program.

Deletion of the existing requirements is proposed because the new wasteshed recovery rates will help ensure the implementation of successful yard debris programs. The revisions to the opportunity to recycle requirements now provide an option for a yard debris program. The minimum opportunity to recycle requirements and the alternative methods option for all principal recyclable materials, including yard debris, take the place of the existing special requirements related to yard debris.

6. Waste Reduction Programs and Recycling Certifications

Under existing regulation, all local governments who send more than 75,000 tons of solid waste per year to a landfill must have a Waste Reduction Program approved by the Department. All local governments sending more than 1,000 tons of solid waste per year to a disposal site must have a Recycling Certification from the Department. The 1991 law expanded these requirements to apply to any person disposing of solid waste, not just local governments. The proposed rule amendments make this change and describe the standards that local governments and persons must meet in order to satisfy these requirements.

7. Definitions

In addition to minor revisions to existing definitions that reflect changes in statute, a definition is also being proposed for "industrial solid waste". Since this term is used in the proposed rules, specifically in the reporting and recovery rate

rules, the SWAC recommended that the rules should define this term. The definition being proposed is based on the definition in Code of Federal Regulations Title 40 Part 258.

8. Used Oil Recycling Signs

A housekeeping amendment is proposed to move the requirements for providing used oil recycling signs at the retail sellers of oil from the solid waste permitting rules in OAR Chapter 340 Division 61 to the solid waste reduction rules now being proposed in OAR Chapter 340 Division 90. This rule is also being amended to propose that the Department no longer will be required to provide used oil recycling signs to retail establishments.

9. Fair Market Value

It should be noted that the rules do not propose any amendments to the rule regarding fair market value exemptions. The Department is aware that some issues exist related to exchanging material for fair market value in order to receive an exemption. The statute is not clear about what the term "exchange" means in this situation. Because this ambiguity could potentially have far reaching policy implications on the recycling collection programs in the state, it is the Department's judgement that this issue should be dealt with through the legislative process if those parties potentially impacted desire to see a change in the current statutory requirement.

Summary of Significant Public Comment and Changes Proposed in Response

The major issue of concern raised during the public comment period relates to the confidentiality of information. Legislation provides that certain information required to be reported by the private sector shall be treated as confidential. However legislation did not specifically provide for confidentiality of certain information reported by collection service providers regarding the disposition of materials collected on route from commercial and residential generators. The collection service providers for on route collection felt there was an inequity between the confidentiality of information submitted by the private recyclers and the lack of confidentiality for information submitted related to the marketing of materials collected on route.

Department staff consulted with the assistant attorney general regarding a possible way to address this inequity. Legally the Department may hold confidential, information related to the marketing of materials collected on route if the information is submitted to

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the Department voluntarily and the collection service provider requests that the Department maintain it as confidential. The proposed rule language in OAR 340-90-120 (2) has been revised to reflect this.

Attachment E also describes other minor revisions made to the proposed rules as a result of public comment.

Summary of How the Proposed Rule Will Work and How it Will be Implemented

The proposed revisions to the recycling rules are a result of new statutory requirements. The majority of these statutory requirements went into effect on July 1, 1992. Local governments in Oregon have been planning how they will implement the new recycling collection programs for the past year. The Department has been working with local governments individually and through presentations at workshops to help local governments, in conjunction with their collection service providers, to select from the menu of program options those options best suited for their communities and how to implement them in their community.

In addition to the recycling collection program requirements the other principal area of impact in these rules is the new reporting requirements and reporting system being established for counties and the private recycling industry. The reporting requirements go into effect in January, 1993. The Department has worked closely with a technical workgroup to design the reporting forms and develop clear definitions regarding exactly what type of data will be reported. A pilot reporting exercise was also conducted in Lane County which included at least one constituent from each type of reporting group. The pilot is being used to evaluate the reporting forms and procedures and make any modifications necessary to the process.

One of the significant requirements in the statute and in the proposed rules is the establishment of individual recovery rates for each watershed in the state. The watersheds are required to achieve their recovery rate by 1995. After the Department receives the data reports and the status reports from the counties in January, 1993, and each year thereafter, staff will evaluate how each county is doing in implementing their selected program requirements and working toward achievement of their 1995 recovery rate. Based on these annual evaluations, the Department will be able to target communities needing further assistance to improve their recycling programs and meet their recovery rates by 1995.

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Recommendation for Commission Action

It is recommended that the Commission adopt the rule amendments regarding solid waste recycling requirements and solid waste reduction program and recycling certification as presented in Attachment A.

Attachments

- A. Rule (Amendments) Proposed for Adoption
- B. Supporting Procedural Documentation:
 - Public Notice
 - Rulemaking Statements (Statement of Need)
 - Fiscal and Economic Impact Statement
 - Land Use Evaluation Statement
- C. Presiding Officers' Reports on Public Hearing
- D. Index of Written Comments Received
- E. Department Evaluation of Public Comment and Changes Made to Original Rule Proposal
- F. Rule Implementation Plan

Reference Documents (available upon request)

- G. Written Comments Received
- H. Rules as Proposed for Public Hearing

Approved:

Section: E. Patricia Vener

Division: Stephanie Hallock

Report Prepared By: Jan Whitworth

Phone: 229-6434

Date Prepared: November 9, 1992

JW:b
EQC\YB12036
November 10, 1992

OREGON ADMINISTRATIVE RULES
DIVISION 90
RECYCLING AND WASTE REDUCTION

- 340-90-005 Purpose
- 340-90-010 Definitions
- 340-90-015 Scope and Applicability
- 340-90-020 Opportunity to Recycle
- 340-90-030 General Requirements
- 340-90-040 Local Government Recycling Program Elements
- 340-90-050 Wasteshed Designation and Recovery Rates
- 340-90-060 Determination of Recovery Rates
- 340-90-070 Principal Recyclable Material
- 340-90-080 Alternative Methods for Providing Opportunity to Recycle
- 340-90-090 Collection of Recyclable Materials
- 340-90-100 Reporting Requirements
- 340-90-110 Minimum Content Reporting Requirements
- 340-90-120 Confidential Information
- 340-90-130 Fair Market Value Exemption
- 340-90-140 Recyclable Material
- 340-90-150 Due Consideration
- 340-90-180 Used Oil Signs
- 340-90-190 Charging for Yard Debris Collection

OREGON ADMINISTRATIVE RULES
DIVISION 90
Recycling and Waste Reduction

340-90-005 Purpose

The purpose of these rules is to ~~{prescribe requirements, imitations and procedures for planning, development and operation of waste reduction and recycling programs and for providing the opportunity to recycle.}~~ establish the minimum requirements for providing the opportunity to recycle. These rules describe the standards for local recycling programs, assure measurable recovery rates, and establish standards for used oil recycling signs. The rules are adopted pursuant to the authority of ORS 459.045, ORS 459A.025 and ORS 468.020. These rules relate to the requirements of ORS 459.015, 459.250, 468.862 and ORS 459A.

340-90-010 Definitions

~~{As used in these rules unless otherwise specified:}~~ The definitions in this rule apply to OAR Chapter 340, Divisions 90 and 91. As used in these Divisions 90 and 91 unless otherwise specified:

- (1) "Affected person" means a person or entity involved in the solid waste collection service process including but not limited to a recycling collection service, disposal site permittee or owner, city, county and metropolitan service district. For the purposes of these rules "Affected person" also means a person involved in operation of a place to which persons not residing on or occupying the property may deliver source separated recyclable material.
- (2) "Area of the state" means any city or county or combination or portion thereof or other geographical area of the state as may be designated by the Commission.
- (3) "Collection franchise" means a franchise, certificate, contract or license issued by a city or county authorizing a person to provide collection service.
- (4) "Collection service" means a service that provides for collection of solid waste or recyclable material or both. "Collection service" of recyclable materials does not include a place to which persons not residing on or occupying the property may deliver source separated recyclable material.
- (5) "Collector" means the person who provides collection service.

- (6) "Commercial" means stores, offices, including manufacturing and industry offices, restaurants, warehouses, schools, colleges, universities, hospitals, and other nonmanufacturing entities, but does not include manufacturing activities. Business, manufacturing or processing activities in residential dwellings are also not included.
- (7) "Commission" means the Environmental Quality Commission.
- (8) "Compost" means the controlled biological decomposition of organic material or the product resulting from a process. Composting for the purposes of soil remediation is not included.
- (9) "Consumer of newsprint" means a person who uses newsprint in a commercial or government printing or publishing operation.
- (10) "Department" means the Department of Environmental Quality.
- (11) "Depot" means a place for receiving source separated recyclable material.
- (12) "Director" means the Director of the Department of Environmental Quality.
- (13) "Disposal site" means land and facilities used for the disposal, handling or transfer of or resource recovery from solid wastes, including but not limited to dumps, landfills, sludge lagoons, sludge treatment facilities, disposal sites for septic tank pumping or cesspool cleaning service, transfer stations, resource recovery facilities, incinerators for solid waste delivered by the public or by a solid waste collection service, composting plants and land and facilities previously used for solid waste disposal at a land disposal site; but the term does not include a facility subject to the permit requirements of ORS ~~{468.740}~~ **468B.050**; a landfill site which is used by the owner or person in control of the premises to dispose of soil, rock, concrete or other similar nondecomposable material, unless the site is used by the public either directly or through a solid waste collection service; or a site ~~{licensed pursuant to ORS 481.345}~~ operated by a wrecker issued a certificate under ORS 822.110.
- (14) "Energy recovery" means recovery in which all or a part of the solid waste materials are processed to utilize the heat content, or other forms of energy, of or from the material.
- (15) "Generator" means a person who last uses a material and makes it available for disposal or recycling.

- (16) "Glass container manufacturer" means a person that manufactures commercial containers whose principal component part consists of virgin glass, recycled glass or post-consumer glass, or any combination thereof, for sale in Oregon, or if manufactured in Oregon for export to other states or countries, including but not limited to all commercial manufacturing operations that produce beverage containers, food or drink packaging material made primarily of glass, or any combination of both of these items.
- (17) "Industrial waste" means solid waste generated by manufacturing or industrial processes that is not a hazardous waste regulated under ORS Chapters 465 and 466. Such waste may include, but is not limited to, waste resulting from the following processes: electric power generation; fertilizer/agricultural chemicals; food and related products/by-products; inorganic chemicals; iron and steel manufacturing; leather and leather products; nonferrous metals manufacturing/foundries; organic chemicals; plastics and resins manufacturing; pulp and paper industry; rubber and miscellaneous plastic products; stone, glass, clay and concrete products; textile manufacturing; transportation equipment; water treatment; and timber products manufacturing. This term does not include construction/demolition waste; or municipal solid waste from manufacturing or industrial facilities such as office or "lunch room" waste, or packaging material for products delivered to the generator.
- (18) "Land disposal site" means a disposal site in which the method of disposing of solid waste is by landfill, dump, pit, pond or lagoon.
- (19) "Local government unit" means the territory of a political subdivision that regulates either solid waste collection, disposal, or both, including but not limited to incorporated cities, municipalities, townships, counties, parishes, regional associations of cities and counties, Indian reservations, and metropolitan service districts, but not including sewer districts, fire districts, or other political subdivisions that do not regulate solid waste. If a county regulates solid waste collection within unincorporated areas of the county but not within one or more incorporated cities or municipalities, then the county local government unit shall be considered as only those areas where the county directly regulates solid waste collection.
- (20) "Material Recovery" means any process of obtaining from solid waste, by presegregation or otherwise, materials which still have useful physical or chemical properties

after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose.

- (21) "Metropolitan service district" means a district organized under ORS Chapter 268 and exercising solid waste authority granted to such district under ORS chapters 268 ~~and~~ , 459~~[-.]~~ , and 459A.
- (22) "Multi-family" means dwellings of five or more units.
- (23) "Newsprint" means paper meeting the specifications for Standard Newsprint Paper and Roto Newsprint Paper as set forth in the current edition of the Harmonized Tariff Schedule of the United States for such products.
- (24) "On-route collection" means pick up of source separated recyclable material from the generator at the place of generation.
- (25) "On-site collection" has the same meaning as on-route collection.
- (26) "Opportunity to recycle" means those activities described in OAR ~~[340-60-020.]~~ 340-90-020, 030, 040, and 050.
- (27) "Permit" means a document issued by the Department, bearing the signature of the Director or the Director's authorized representative which by its conditions may authorize the permittee to construct, install, modify or operate a disposal site in accordance with specified limitations.
- (28) "Person" means the state or a public or private corporation, local government unit, public agency, individual, partnership, association, firm, trust, estate or any other legal entity.
- (29) "Post-consumer waste" means a finished material which would normally be disposed of as solid waste, having completed its life cycle as a consumer item. Post-consumer waste does not include manufacturing waste.
- (30) "Principal recyclable material" means material which is a recyclable material at some place where the opportunity to recycle is required in a wasteshed and is identified by the Commission in OAR ~~[340-60-030]~~ 340-90-070.
- (31) "Recyclable material" means any material or group of materials that can be collected and sold for recycling at a net cost equal to or less than the cost of collection and disposal of the same material.

- (32) "Recycled-content newsprint" means newsprint that includes post-consumer waste paper.
- (33) "Recycling" means any process by which solid waste materials are transformed into new products in such a manner that the original products may lose their identity.
- (34) "Recycling setout" means any amount of source-separated recyclable material set out at or near a residential dwelling for collection by the recycling collection service provider.
- (35) "Residential" means single family dwellings and multi-family dwellings having four or less units.
- (36) "Resource recovery" means the process of obtaining useful material or energy resources from solid waste and includes ~~{:}~~ energy recovery, material recovery, recycling and reuse.
- (37) "Reuse" means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.
- (38) "Solid waste collection service" or "service" means the collection, transportation or disposal of or resource recovery from solid wastes but does not include that part of a business licensed under ORS 481.345.
- (39) "Solid waste" means all putrescible and nonputrescible wastes, including but not limited to garbage, rubbish, refuse, ashes, waste paper and cardboard; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction wastes; discarded or abandoned vehicles or parts thereof; discarded home and industrial appliances; manure, vegetable or animal solid and semisolid wastes, dead animals, infectious waste as defined in ORS 459.387 and other wastes; but the term does not include:
- (a) Hazardous wastes as defined in ORS ~~{459.410}~~ 466.005;
 - (b) Materials used for fertilizer or for other productive purposes or which are salvageable as such materials are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals.
- (40) "Solid waste management" means prevention or reduction of solid waste; management of the storage, collection, transportation, treatment, utilization, processing and final disposal of solid waste; or resource recovery from

solid waste; and facilities necessary or convenient to such activities.

- (41) "Source separate" means that the person who last uses recyclable material separates the recyclable material from solid waste.
- (42) "Urbanized area" means, for jurisdictions within the State of Oregon, the territory within the urban growth boundary of each city of 4,000 or more population, or within the urban growth boundary established by a metropolitan service district. For jurisdictions outside the State of Oregon, "urbanized area" means a geographic area with substantially the same character, with respect to minimum population density and commercial and industrial density, as urbanized areas within the State of Oregon.
- (43) "Waste" means useless or discarded materials.
- (44) "~~Wasteshed" [means an area of the State of Oregon having a common solid waste disposal system or designated by the Commission as an appropriate area of the state within which to develop a common recycling program. Outside of the State of Oregon, "wasteshed" means the local government units that have jointly submitted an initial recycling report required by OAR 340-60-095 (1) for certification.]~~ means the areas of the state of Oregon as defined in ORS 459A.010 and OAR 340-90-050.
- (45) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. Includes grass clippings, leaves, hedge trimmings and similar vegetative waste, but does not include stumps or similar bulky wood materials.

340-90-015 Scope and Applicability

- (1) OAR Chapter 340 Division 90 describes the requirements for waste reduction and recycling programs for residential and commercial solid waste but does not include industrial waste. Division 90 also includes the requirements for oil recycling signs at retail establishments.
- (2) The requirements in OAR Chapter 340 Division 90 apply to cities, counties and metropolitan service districts generally and where specified to landfill owners/operators, solid waste collection services, and other persons.

(3) OAR Chapter 340, Division 90 is adopted pursuant to the authorities in ORS 459 and ORS 459A and should be used in conjunction with these laws of the state of Oregon.

340-90-020 Opportunity to Recycle

~~{As used in these rules the opportunity to recycle means at least:~~

- ~~(1) (a) A place for receiving source separated recyclable material located either at a disposal site or at another location more convenient to the population being served and, if a city has a population of 4,000 or more, on-route collection at least once a month of source separated recyclable material from collection service customers within the city's urban growth boundary or, where applicable, within the urban growth boundary established by a metropolitan service district; or~~
- ~~(b) An alternative method approved by the Department which complies with OAR 340-60-035.~~
- ~~(2) The "opportunity to recycle" defined in section (1) of this rule also includes a public education and promotion program that:~~
- ~~(a) Gives notice to each person of the opportunity to recycle; and~~
- ~~(b) Encourages source separation of recyclable material.]~~

The Opportunity to Recycle as set forth in ORS 499A.005 and 459A.010, includes at a minimum the requirements as described in OAR 340-90-030, 040, and 050. The appropriate city, county, or metropolitan service district, may request approval of an alternative method for meeting the requirements of the Opportunity to Recycle in accordance with the provisions of OAR 340-90-080.

340-90-030 General Requirements

- (1) The city, county, or metropolitan service district responsible for solid waste management shall insure that a place for collecting source separated recyclable materials is located at each permitted disposal site or located at an alternative location in the jurisdiction that is more convenient to the population being served.
- (2) Each city with a population of 4,000 or more or, where applicable within the urban growth boundary established by a metropolitan service district, shall provide on-

route collection service for source separated recyclable materials at least once a month for all collection service customers within the city limits and the county shall provide that service to the collection service customers within the urban growth boundary but outside of the city limits.

- (3) **The city or county responsible for solid waste management** shall carry out a public education and promotion program that meets the following minimum requirements.

- (a) An initial written or more effective notice or combination of both that is reasonably designed to reach each residential and commercial generator of recyclable materials, and that clearly explains why people should recycle, the recycling opportunities available to the recipient, the materials that can be recycled and the proper preparation of those materials for recycling. The notice shall include the following specific information:
- (A) Reasons why people should recycle; and
 - (B) Name, address and telephone number of the person providing on-route collection where applicable; and
 - (C) Listing of depots for recyclable materials at all disposal sites serving the area and any alternatively approved more convenient locations, including the materials accepted and hours of operation; or
 - (D) Instead of paragraphs (B) and (C) a telephone number to call for information about depot locations and collection service as appropriate.
- (b) A written reminder, a more effective notice or combination of both about the on-route recycling collection program that is reasonably designed to reach all solid waste collection service customers every six (6) months.
- (c) Written information to be distributed to disposal site users at all disposal sites or alternatively more convenient locations with attendants and where it is otherwise practical. The written information shall include the following:
- (A) Reasons why people should recycle; and
 - (B) List of materials that can be recycled; and

- (C) Instruction for the proper preparation of recyclable materials.
- (d) At sites without attendants, a sign indicating availability of recycling at the site or at the more convenient location shall be prominently displayed that indicates materials accepted and hours of operation.
- (e) Identify and establish a procedure for citizen involvement for the development and implementation of an education and promotion program.
- (f) Notification and education materials provided to local media and other groups that maintain regular contact with commercial and residential generators and the public in general, including local newspapers, trade publications, local television and radio stations, community groups, neighborhood associations.
- (g) A person identified as the education and promotion representative for the appropriate jurisdiction to be the official contact to work with the other affected persons in matters relating to education and promotion for recycling.

340-90-040 Local Government Recycling Program Elements

In addition to the minimum requirements in OAR 340-90-030 each city with a population of 4000 or more and any county responsible for the area between the city limits and the urban growth boundary shall implement additional recycling program requirements selected from section (3) of this rule in accordance with the following requirements:

- (1) Each city with a population of at least 4,000 but not more than 10,000 that is not within a metropolitan service district and any county responsible for the area between the city limits and the urban growth boundary of such city shall implement one of the following by July 1, 1992, except where otherwise indicated:**
 - (a) Implement OAR 340-90-040(3)(a), (b), and (c); or**
 - (b) Select and implement at least three program elements listed in OAR 340-90-040(3); or**
 - (c) Implement an alternative method that is approved by the Department in accordance with the requirements of OAR 340-90-080.**

(2) Each city with a population of more than 10,000 or that is within a metropolitan service district and any county responsible for the area within a metropolitan service district or the area between the city limits and the urban growth boundary of such city shall implement one of the following by July 1, 1992, except where otherwise indicated:

(a) Implement OAR 340-90-040(3)(a), (b), (c) and one additional element in OAR 340-90-040(3); or

(b) Select and implement at least five program elements listed in OAR 340-90-040(3); or

(c) Implement an alternative method that is approved by the Department in accordance with the requirements of OAR 340-90-080.

(3) Program elements.

(a) Deliver to each residential collection service customer at least one durable recycling container not later than January 1, 1993. For purposes of this program element a durable container shall be a rigid box or bucket with a volume of at least twelve (12) gallons made of material that holds up under all weather conditions for at least five (5) years, and is easily handled by the resident and the collector.

(b) Provide on-route collection at least once each week of source separated recyclable materials, excluding yard debris, to residential collection service customers provided on the same day that solid waste is collected from each customer.

(c) Provide a recycling education and promotion program that is expanded from the minimum requirements described in OAR 340-90-030(3). The expanded program shall include at a minimum the following elements:

(A) All new residential and commercial collection service customers shall each receive a packet of educational materials that contain information listing the materials collected, the schedule for collection, proper method of preparing materials for collection and an explanation of the reasons why source separation of materials for recycling should be done.

(B) Existing residential and commercial collection service customers shall be provided information identified in OAR 340-90-030(3)(c)(A) at least quarterly through a written or more effective notice or combination of both.

(C) At least annually information regarding the benefits of recycling and the type and amount of materials recycled during the past year shall be provided directly to the collection service customer in written form and shall include additional information including the procedure for preparing materials for collection.

(D) Targeting of at least one community or media event per year to promote recycling.

(E) Utilizing a variety of materials and media formats to disseminate the information in the expanded program in order to reach the maximum number of collection service customers and residential and commercial generators of solid waste.

(d) Establish and implement a recycling collection program through local ordinance, contract or other means enforceable by the appropriate city or county which requires the collector and the landlord for each multi-family dwelling complex having five or more units to provide the collection service and the appropriate convenient location and equipment for collection of source separated recyclables. The collection program shall meet the following requirements:

(A) Collect at least four principal recyclable materials or the number of materials required to be collected under the residential on-route collection program, whichever is less.

(B) Provide educational and promotional information directed toward the residents of multi-family dwelling units periodically as necessary to be effective in reaching new residents and reminding existing residents of the opportunity to recycle including the types of materials to be recycled and the method for properly preparing those materials.

(e) Establish and implement an effective residential yard debris program for the collection and composting of residential yard debris. The program shall include the following elements:

- (A) Promotion of home composting of yard debris through written material or some other effective media form that is directed at the residential generator of yard debris; and either
- (B) At least monthly on-route collection of yard debris from residences for production of compost or other marketable products; or
- (C) System of residential yard debris collection depots, for the production of compost or other marketable products, located such that there is at least one conveniently located depot for every 25,000 population and open to the public at least once a week.
- (f) Taking into account material generation rates, establish and implement regular, on-site collection of source separated principal recyclable materials from commercial entities that employ ten (10) or more persons and that occupy one thousand (1000) square feet or more in a single location. This program element does not apply to manufacturing, business or processing activities in residential dwellings.
- (g) Establish depots for recycling collection of all principal recyclable materials listed in OAR 340-90-070, and where feasible, additional materials. This program shall provide at least one (1) recycling depot in addition to the depot(s), if any, required by OAR 90-030(1) and shall result in at least one (1) conveniently located depot for every 25,000 population. The expanded program shall include promotion and education that maximizes the use of the expanded depot program. The depots shall operate as follows:
- (A) Have regular and convenient hours for residential generators of solid waste; and
- (B) Open on the weekend days; and
- (C) Established in location(s) such that it is convenient for residential generators of solid waste to use the depot(s).
- (h) Establish collection rates for residential solid waste from single family residences and single residential units in complexes of less than five units, that encourages source reduction of waste, reuse and recycling. The rates at a minimum, shall include the following elements:

- (A) At least one rate for a container that is twenty-one (21) gallons or less in size and costs less than larger containers; and
- (B) Rates shall be based on the average weight, as determined in paragraph (E), of solid waste disposed per container for various sizes of containers; and
- (C) Rates, as calculated on a per pound disposed basis shall not decrease per pound with the increasing size of the container or the number of containers; and
- (D) Rates per container service shall be established such that each additional container beyond the first container for each residential unit shall have a fee charged that is at least the same fee and no less than the first container; and
- (E) Rates, calculated on a per pound disposed basis, shall be established by the city or county through development of their own per pound average weights for various container sizes by sampling and calculating the average weights for a cross section of containers within their residential service area.
- (4) Effective January 1, 1996, in addition to the requirements in sections (1) and (2) of this rule, each city with a population of 4,000 or more and any county responsible for the area within a metropolitan service district or the area between the city limits and the urban growth boundary of such city in any wasteshed that is required to meet a 25 percent, 30 percent, 40 percent or 45 percent recovery rate in OAR 340-90-050 shall provide the opportunity to recycle rigid plastic containers if the conditions set forth in subsection (5) below are met.
- (5) The opportunity to recycle rigid plastic containers is required within a wasteshed when the Recycling Markets Development Council determines that a stable market price for rigid plastic containers, that equals or exceeds 75 percent of the necessary and reasonable collection costs for those containers, exists for such wasteshed.
- (6) If a wasteshed fails to achieve the recovery rate set forth in OAR 340-90-050, any city with a population of 4,000 or more, or a county responsible for the area between the city limits and the urban growth boundary of such city shall implement, not later than July 1, 1996,

two additional program elements selected from section (3) of this rule.

340-90-050 Wasteshed Designation and Recovery Rates

The purpose of this rule is to define the wastesheds as designated in ORS 459A.010, and state the recovery rate that each wasteshed shall achieve by calendar year 1995.

~~{(1) The following designated wastesheds within the state of Oregon:}~~

~~(1){(a)} Baker wasteshed is all of the area within Baker County; recovery rate of 15 percent.~~

~~(2){(b)} Benton{and Linn} wasteshed is all of the area within Benton County excluding the {area within} City of Albany; recovery rate of 30 percent.~~

~~{(A) The city of Gates,~~

~~{(B) The city of Idanha,~~

~~{(C) The city of Mill City;}~~

~~(c) Clackamas wasteshed is all of the area within Clackamas County and all of the area within the cities of Lake Oswego, Wilsonville, and Rivergrove excluding the area within:~~

~~{(A) The city of Portland;~~

~~{(B) The city of Tualatin;~~

~~{(C) The City of West Linn.}~~

~~(3){(d)} Clatsop wasteshed is all of the area within Clatsop County; recovery rate of 25 percent.~~

~~(4){(e)} Columbia wasteshed is all of the area within Columbia County; recovery rate of 25 percent.~~

~~(5){(f)} Coos wasteshed is all of the area within Coos County; recovery rate of 15 percent.~~

~~(6){(g)} Crook wasteshed is all of the area within Crook County; recovery rate of 15 percent.~~

~~(7){(h)} Curry wasteshed is all of the area within Curry County; recovery rate of 15 percent.~~

~~(8){(i)} Deschutes wasteshed is all of the area within Deschutes County; recovery rate of 25 percent.~~

- (9) ~~f(j)~~ Douglas wasteshed is all of the area within Douglas County; recovery rate of 25 percent.
- (10) ~~f(k)~~ Gilliam wasteshed is all of the area within Gilliam County; recovery rate of 7 percent.
- (11) ~~f(l)~~ Grant wasteshed is all of the area within Grant County; recovery rate of 7 percent.
- (12) ~~f(m)~~ Harney wasteshed is all of the area within Harney County; recovery rate of 7 percent.
- (13) ~~f(n)~~ Hood River wasteshed is all of the area within Hood River County; recovery rate of 25 percent.
- (14) ~~f(o)~~ Jackson wasteshed is all of the area within Jackson County; recovery rate of 25 percent.
- (15) ~~f(p)~~ Jefferson wasteshed is all of the area within Jefferson County; recovery rate of 7 percent.
- (16) ~~f(q)~~ Josephine wasteshed is all of the area within Josephine County; recovery rate of 25 percent.
- (17) ~~f(r)~~ Klamath wasteshed is all of the area within Klamath County; recovery rate of 15 percent.
- (18) ~~f(s)~~ Lake wasteshed is all of ether area within Lake County; recovery rate of 7 percent.
- (19) ~~f(t)~~ Lane wasteshed is all of the area within Lane County; recovery rate of 30 percent.
- (20) ~~f(u)~~ Lincoln wasteshed is all of the area within Lincoln County; recovery rate of 15 percent.
- (21) Linn wasteshed is all of the area within Linn County, including the Cities of Albany and Mill City, and excluding the area within:
- (a) The city of Gates;
 - (b) The city of Idanha;
- Recovery rate of 30 percent.
- (22) ~~f(v)~~ Malheur wasteshed is all of the area within Malheur County; recovery rate of 15 percent.
- (23) ~~f(w)~~ Marion wasteshed is all of the area within Marion County and all of the area within the cities of Gates, Idanha, ~~{Mill City}~~ and the ~~{urban growth boundary of the}~~ city of Salem excluding the area within West Salem and Mill City; recovery rate of 25 percent until the solid waste disposed of

generated from within the wasteshed exceeds 180,000 tons; Any solid waste disposed of by the wasteshed in excess of 180,000 tons shall achieve a recovery rate of 30 percent.

(24)~~{(x)}~~ Milton-Freewater wasteshed is all the area within the urban growth boundary of the city of Milton-Freewater; recovery rate of 15 percent.

(25)~~{(y)}~~ Morrow wasteshed is all of the area within Marrow County; recovery rate of 7 percent.

~~{(z)} Multnomah wasteshed is all the area within Multnomah County excluding the area within:~~

~~{(A)} The city of Maywood Park,~~

~~{(B)} The city of Portland and that area within the city of Portland's urban service boundary,~~

~~{(C)} The city of Lake Oswego;}~~

(26)~~{(aa)}~~ Polk wasteshed is all the area within Polk County ~~{excluding}~~including the area within West Salem and excluding all

~~{(A)} The urban growth boundary of the city of Salem,~~

~~{(B)} The city of Willamina;~~

Recovery rate of 30 percent.

~~{(bb)} Portland wasteshed is all of the area within the city of Maywood Park, the city of Portland, and that area within the city of Portland's urban service boundary;}~~

(27)~~{(ee)}~~ Sherman wasteshed is all of the area within Sherman County; recovery rate of 7 percent.

(28)~~{(dd)}~~ Tillamook wasteshed is all of the area within Tillamook County; recovery rate of 15 percent.

(29)~~{(ee)}~~ Umatilla wasteshed is all of the area within Umatilla County excluding the area within: the urban growth boundary of the city of Milton-Freewater; recovery rate of 15 percent.

(30)~~{(ff)}~~ Union wasteshed is all of the area within Union County; recovery rate of 15 percent.

(31)~~{(gg)}~~ Wallowa wasteshed is all of the area within Wallowa County; recovery rate of 7 percent.

~~(32){(hh)}~~ Wasco wasteshed is all of the area in Wasco County; recovery rate of 25 percent.

~~{(ii)}~~ Washington wasteshed is all of the area in Washington County and all of the area in the city of Tualatin excluding the area within:

~~(A) The city of Portland,~~

~~(B) The city of Lake Oswego,~~

~~(C) The city of Wilsonville,~~

~~(D) The city of Rivergrove;}~~

~~{(jj)}~~ West Linn wasteshed is all of the area within the city of West Linn;}

~~(33){(kk)}~~ Wheeler wasteshed is all of the area within Wheeler County; recovery rate of 7 percent.

~~(34){(ll)}~~ Yamhill wasteshed is all of the area within Yamhill County and all of the area within the City of Willamina; recovery rate of 30 percent.

~~(35){(ii)}~~ Clackamas, Multnomah and Washington counties, in aggregate, as a single wasteshed shall achieve a recovery rate of 45 percent. No more than 5 percent of the recovery rate may be by the processing of mixed municipal solid waste compost. If the Metropolitan Service District does not develop and operate a mixed solid waste composting process for a minimum of six months during calendar year 1995, the recovery rate for Clackamas, Multnomah and Washington counties in aggregate shall be 40 percent for calendar year 1995.

~~{(2)}~~ Any affected person may appeal to the Commission for the inclusion of all or part of a city, county, or local government unit in a wasteshed.}

340-90-060 Determination of Recovery Rates

(1) Recovery rates required in OAR 340-90-050 shall be determined by the Department by dividing the total weight of material recovered by the sum of the total weight of the material recovered plus the total weight of municipal solid waste disposed that was generated in each respective wasteshed.

(2) Recovery rates shall include the following:

- (a) All materials collected for recycling, both source separated or sorted from solid waste, including yard debris.
 - (b) Beverage containers collected under the requirements of ORS 459A.700 - 459A.740.
 - (c) Notwithstanding the foregoing, no material shall be counted toward the recovery rate if it is disposed.
- (3) Recovery rates may include the composting or burning for energy recovery the material collected under sections (1) and (2) of this rule when there is not a viable market for recycling that material, provided that the following conditions are met:
- (a) Mixtures of materials that are composted or burned for energy recovery are not comprised of 50 percent or more by weight of materials that could have been recycled if properly source separated; and
 - (b) A place does not exist within a wasteshed that will pay for the material or accept it for free or a place does not exist outside of the wasteshed that will pay a price for the material that, at a minimum, covers the cost of transportation of the material to market; and
 - (c) The appropriate county or metropolitan service district in the report required under OAR 340-90-100 provides data on the weight, type of material and method of material recovery for material to be counted in the recovery rate under this section and written explanation of the basis for determining that a viable market did not exist for the wasteshed, including markets available within and outside of the wasteshed, transportation distances and costs, and market prices for the material if it were to be recycled as source separated material.
- (4) Recovery rates shall not include the following:
- (a) Industrial and manufacturing wastes such as boxboard clippings and metal trim that are recycled before becoming part of a product that has entered the wholesale or retail market, or any preconsumer waste.
 - (b) Metal demolition debris in which arrangements are made to sell or give the material to processors before demolition such that it does not enter the solid waste stream.

- (c) Discarded vehicles or parts of vehicles that do not routinely enter the solid waste stream. Discarded vehicle parts that are received at recycling drop-off facilities operated as part of the general solid waste management system are not excluded from the recovery rate calculation.
- (d) Commercial, industrial and demolition scrap metal, vehicles, major equipment and home or industrial appliances that are handled or processed for use in manufacturing new products and that do not routinely enter the solid waste stream through land disposal facilities, transfer stations, recycling depots or on-route collection programs.
- (e) Material recovered for composting or energy recovery from mixed solid waste, except as provided in section (2)(a) and OAR 340-90-050(35).
- (f) Mixed solid waste burned for energy recovery.
- (5) For the purposes of calculating the recovery rate the following shall not be included in the total solid waste disposed:
 - (a) Sewage sludge or septic tank and cesspool pumpings;
 - (b) Solid waste disposed of at an industrial solid waste disposal site;
 - (c) Industrial waste, ash, inert rock, dirt, plaster, asphalt and similar material if delivered to a municipal solid waste disposal site and if the disposal site operator keeps a record of the weight and wasteshed of origin for such materials delivered and reports the weight and appropriate wasteshed in the reports required to be submitted to the Department under OAR 340-60-039.
 - (d) Solid waste received at an ash monofill from a resource recovery facility; and
 - (e) Any solid waste not generated within the state of Oregon.

340-90-070 Principal Recyclable Material

- (1) The following are identified as the principal recyclable materials in the wastesheds as described in sections (4) through (12) of this rule:
 - (a) Newspaper;
 - (b) Ferrous scrap metal;

- (c) Non-ferrous scrap metal;
 - (d) Used motor oil;
 - (e) Corrugated cardboard and kraft paper;
 - (f) Aluminum;
 - (g) Container glass;
 - (h) Hi-grade office paper;
 - (i) Tin cans;
 - (j) Yard debris
- (2) In addition to the principal recyclable materials listed in section (1) of this rule, other materials may be recyclable material at specific locations where the opportunity to recycle is required.
- (3) The statutory definition of "recyclable material" (ORS 459.005~~{(15)}~~**{(31)}**) determines whether a material is a recyclable material at a specific location where the opportunity to recycle is required.
- (4) In the following wastesheds, Clackamas, Washington and Multnomah counties in aggregate the principal recyclable materials are those listed in subsections 1(a) through (j) of this rule.
- ~~{(a) Clackamas wasteshed;~~
 - ~~{(b) Multnomah wasteshed;~~
 - ~~{(c) Portland wasteshed;~~
 - ~~{(d) Washington wasteshed;~~
 - ~~{(e) West Linn wasteshed.}~~
- (5) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (i) of this rule:
- (a) Benton~~{and Linn}~~ wasteshed;
 - (b) Clatsop wasteshed;
 - (c) Hood River wasteshed;
 - (d) Lane wasteshed;
 - (e) Lincoln wasteshed;

(f) Linn wasteshed;

~~(f)~~(g) Marion wasteshed;

~~(g)~~(h) Polk wasteshed;

~~(h)~~(i) Umatilla wasteshed;

~~(i)~~(j) Union wasteshed;

~~(j)~~(k) Wasco wasteshed;

~~(k)~~(l) Yamhill wasteshed.

(6) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (g) of this rule:

- (a) Baker wasteshed;
- (b) Crook wasteshed;
- (c) Jefferson wasteshed;
- (d) Klamath wasteshed;
- (e) Tillamook wasteshed.

(7) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (h) of this rule:

- (a) Coos wasteshed;
- (b) Deschutes wasteshed;
- (c) Douglas wasteshed;
- (d) Jackson wasteshed;
- (e) Josephine wasteshed.

(8) In the following wasteshed, the principal recyclable materials are those listed in subsections (1)(a) through (f) of this rule:
Malheur wasteshed.

(9) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (g) and (i) of this rule:

- (a) Columbia wasteshed;
- (b) Milton-Freewater wasteshed.

- (10) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (e) of this rule:
- (a) Curry wasteshed;
 - (b) Grant wasteshed;
 - (c) Harney wasteshed;
 - (d) Lake wasteshed.
- (11) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (d) of this rule:
- (a) Morrow wasteshed;
 - (b) Sherman wasteshed;
 - (c) Wallowa wasteshed.
- (12) In the following wastesheds, the principal recyclable materials are those listed in subsections (1)(b) through (d) of this rule:
- (a) Gilliam wasteshed;
 - (b) Wheeler wasteshed.
- (13) (a) The opportunity to recycle shall be provided for each of the principal recyclable materials listed in sections (4) through (12) of this rule and for other materials which meet the statutory definition of recyclable material at specific locations where the opportunity to recycle is required.
- (b) The opportunity to recycle is not required for any material which a recycling report, as required in OAR 340-90-100, and approved by the Department demonstrates does not meet the definition of recyclable material for the specific location where the opportunity to recycle is required.

~~{14} Between the time of the identification of the principal recyclable materials in these rules and the submittal of the recycling reports, the Department will work with affected persons in every wasteshed to assist in identifying materials contained on the principal recyclable material list which do not meet the statutory definition of recyclable material at some locations in the wasteshed where the opportunity to recycle is required.}~~

(14) Each city, county or metropolitan service district in a wasteshed where yard debris is a principal recyclable material shall individually, or jointly through intergovernmental agreement, implement a program that at a minimum meets the requirements of OAR 340-90-030 when the option under OAR 340-90-040(1)(e) is not chosen or request approval of an alternative method of providing the opportunity to recycle under the requirements of OAR 340-90-080.

(15) Any affected person may request the Commission modify the list of principal recyclable material identified by the Commission or may request a variance under ORS ~~{459.185}~~ 459A.055.

(16) The Department will ~~{at least annually}~~ review the principal recyclable material lists as needed, and will submit any proposed changes to the Commission.

340-90-080 Alternative Methods for Providing the Opportunity to Recycle

The purpose of this rule is to describe the necessary procedures and requirements that a city, county, metropolitan service district, or disposal site permittee on behalf of an out-of-state person must follow in order to request approval of an alternative program for meeting the requirements of OAR 340-90-030, and 040(1) and (2).

- (1) ~~{Any affected person in a wasteshed}~~ The city, county or metropolitan service district responsible for solid waste management may propose to apply for and request approval by the Department of an alternative method for providing the opportunity to recycle. Each {submittal} shall include a description of the proposed alternative method and a discussion of the reason for using this method rather than the general method set forth in OAR 340-60-020(1)(a).} request shall be made in writing to the Department on a form provided by the Department. The request for an alternative program must be complete, signed by the appropriate authority for the city, county, metropolitan service district or disposal site permittee for an out-of-state request and address all of the requirements in section (3) of this rule and sections (5) and (6) if applicable.
- (2) The Department will review ~~{these proposals}~~ applications as they are received. Each proposed alternative method will be approved, approved with conditions, or rejected based on consideration of the ~~{following}~~ criteria described in section (3) of this rule.

(3) Each request for approval of an alternative method for providing the opportunity to recycle must include in writing detailed information and data on the following:

(a) A description of the alternative method being proposed and how it is different than the standard method that would be required to be implemented under the opportunity to recycle requirements.

~~{(a)}~~(b) How ~~{T}~~the alternative will increase recycling opportunities at least to the ~~{level anticipated from the general method set forth in OAR 340-60-020 for providing the opportunity to recycle;}~~ recovery rate required under OAR 340-90-050.

~~{(b)}~~(c) The conditions and factors which make the alternative method necessary;

~~{(e)}~~(d) How ~~{T}~~the alternative method is convenient to the ~~{people}~~ commercial and residential generators of solid waste using or receiving the service;

~~{(d)}~~(e) How ~~{T}~~the alternative method is as effective in recovering recyclable materials from solid waste as the ~~{general method set forth in OAR 340-60-020}~~ requirements in OAR 340-90-020, 030, 040, and 050 for providing the opportunity to recycle.

~~{(3)} The affected persons in a watershed may propose as provided in section (1) of this rule an alternative method to providing on-route collection as part of the opportunity to recycle for low density population area within the urban growth boundaries of a city with a population over 4,000 or, where applicable, the urban growth boundaries established by a metropolitan district.}~~

(4) Anytime a city, county, metropolitan service district, or disposal site permittee on behalf of an out-of-state person desires to make changes to the approved alternative method, they shall submit an amended application for approval by the Department following the same requirements in sections (3), (5) and (6) of this rule.

~~(4)~~(5) In addition to any other standards or conditions, an alternative method for providing the opportunity to recycle yard debris, where yard debris is a principal recyclable material as designated in OAR 340-90-070, shall meet the following minimum standards:

(a) The alternative method is available to substantially all yard debris generators in the local jurisdiction,

(b) The alternative method can be demonstrated to result~~[s]~~ in the recycling of yard debris from the solid waste stream,

(c) There is a promotion campaign which is designed to inform all potential users about the availability and use of the method,

~~{(d) The jurisdictions covered by the alternative method are included in a yard debris recycling plan approved by the Department which includes the alternative method, and}~~

~~{(e) Implementation of the alternative method is designed to meet the performance requirements of OAR 340-60-125(5).}~~

(d) The city, county or metropolitan service district shall individually or jointly, through intergovernmental agreement choose from the following yard debris recycling program options as an alternative method:

(A) Provide monthly or more often on-route collection of yard debris during the months of April through October with drop-off depots for noncollection service customers available at least monthly; or

(B) Provide biweekly or more often yard debris collection depot within one mile of yard debris generators, or such that there is at least one conveniently located depot for every 25,000 population; or

(C) Provide monthly or more often yard debris collection, supplemented by a weekly or more often yard debris depot during the months of April through October, both within one mile of the yard debris generators, or such that there is at least one conveniently located depot for every 25,000 population.

(e) If the alternative method is proposed by a metropolitan service district the alternative program request shall include written commitments from the local governments covered by the program to implement the program or a demonstration of the metropolitan service district's authority to implement the program.

(6) In addition to the requirements in section (3) of this rule, when a disposal site permittee is requesting approval of an alternative method for an out-of-state person the following criteria must be met:

(a) For the purposes of satisfying the requirement in section (3)(b) of this rule for a local government unit the alternative method must designate a wasteshed having a common solid waste disposal system or an appropriate area within which to carry out a common recycling program and select and provide justification for an appropriate recovery rate based on similar wasteshed characteristics in Oregon including population, population density, and distance to recycling markets.

(b) For persons other than local government units the request for alternative method approval shall provide information explaining how the alternative method provides the opportunity for the person to reduce the amount of waste that would be disposed and a description of how the alternative method is implemented.

340-90-090 Collection of Recyclable Materials

(1) No city, county or metropolitan service district, or agent thereof, shall be required to collect or receive source separated recyclable material which has not been correctly prepared to reasonable specifications which relate to marketing, transportation, storage, or regulatory agency requirements. The specifications for material preparation shall have been publicized by the appropriate city, county or metropolitan service district as part of the education and promotion program requirements in OAR 340-90-020, 030, and 040.

(2) In addition to the provisions set forth in ORS 459A.075, no person shall dispose of source separated recyclable material which has been collected or received from the generator by any method other than reuse or recycling except for used oil which may be collected and burned for energy recovery.

(3) Commercial and residential recyclable materials which are source separated for collection on-route or on-site but are not correctly prepared according to reasonable specifications as set forth by the city, county or metropolitan service district in accordance with ~~to the requirements in~~ section (1) of this rule shall not be required to be collected and may be left with the generator of the source separated material or may be collected and prepared for recycling by the collector, but shall not be disposed by the collector. The generator of the material shall be provided with written information that explains correct material preparation for the purposes of educating the generator.

(4) Unauthorized materials that are deposited by the generator at a recycling depot are exempt from the prohibition in sections (1), (2), and (3) of this rule and shall be managed in the appropriate manner otherwise required by law.

(5) Collected recyclable material later found to be contaminated with hazardous substances are exempt from the prohibition in sections (1), (2), and (3) of this rule and shall be managed in an appropriate manner otherwise required by law.

340-90-100 Reporting Requirements

The information in this rule is reported in order to determine statewide and local wasteshed recovery rates, to determine compliance with the opportunity to recycle requirements and to provide accurate and comprehensive information on the type and amounts of residential and commercial solid waste generated, disposed and recovered in Oregon.

(1) General Requirements

The information in section (2), (3), (4), and (5) of this rule shall be reported on a form provided by the Department and shall be reported to the Department no later than February 28 of each calendar year for the previous calendar year. The information to be reported under section (6) of this rule is optional.

(2) County Requirements

On behalf of each wasteshed and the cities within each wasteshed the county shall submit the following information annually to the Department. The information required below that relates to collection programs within each city jurisdiction shall be reported by the city to the county so that the county can provide the required information in a timely manner to the Department.

- (a) The materials which are accepted for recycling ~~{recyclable}~~ at each disposal site in the wasteshed; ~~{and within any urbanized area, if there has been a change from the previous year;}~~
- (b) ~~{The manner in which recyclable material is collected or received, if there has been a change from the previous year;}~~ If a recycling depot has been designated in place of a disposal site as a more convenient location for recycling under the opportunity to recycle requirements, the location of that recycling depot and the materials accepted for recycling at that depot;

- (c) Description of all education and promotion activities conducted by or on behalf of each applicable city and the county.
- (d) For each city of 4000 or more population in the wasteshed and for each city located within a metropolitan service district in the wasteshed, the following information:
- (A) A list of materials accepted for recycling in each on-route residential collection program that is offered to all residential collection service customers;
 - (B) A list of materials accepted for recycling in multifamily collection programs;
 - (C) A list of materials accepted for recycling in on-site commercial collection programs.
 - (D) Listing of each program element under OAR 340-90-040(3) that has been chosen and implemented by each city with 4000 population or more in the wasteshed, including appropriate documentation of implementation of collection service rates, multi-family collection programs and commercial collection programs if applicable; or, as applicable, a description of the approved alternative method being implemented and the status of implementation.
- (e) The type and corresponding weight of each material collected for the purpose of recycling during the previous calendar year for the following sources in the wasteshed:
- (A) On-route residential collection;
 - (B) Multi-family residential collection;
 - (C) On-site commercial collection;
 - (D) Collection at disposal site recycling depots or designated more convenient locations under the opportunity to recycle requirements.
 - (E) Collection from alternatively approved methods under OAR 340-90-080 if applicable.
- (f) The information required in section (2)(e) of this rule shall be reported in the following manner:
- (A) The weight of material reported shall exclude recovery of wastes as described in OAR 340-90-060(4).

- (B) The weight of material collected shall be determined either by direct measurement or by determining the weight of material sold or otherwise sent off-site or used on-site for recycling during the calendar year, adjusted by the difference in weight of material held in inventory on the first day and last day of the calendar year.
- (C) Unless the Department and the county have agreed in writing on an alternative reporting method, the weight of material collected shall be reported separately for each collection service provider or other recycler, on forms provided by the Department.
- (D) The type and corresponding weight of material reported shall be broken down by each of the following collection sources:
- (i) On-route residential collection;
 - (ii) On-site commercial collection;
 - (iii) Multi-family residential collection;
 - (iv) Disposal site recycling depots or depots designated as more convenient locations under the opportunity to recycle requirements; and
 - (v) Material collected by an alternative method for providing the opportunity to recycle requirements.
- (E) In cases where a collection service provider is unable to provide exact weight information for the categories identified in section (2)(f)(D) of this rule reasonable estimates allocating the weight of material collected by collection source and by wasteshed may be made.
- (g) Information on participation in on-site residential collection programs shall be provided by a reasonable estimate where exact participation data is not available.
- (h) Information on participation in on-site commercial collection programs and multi-family collection programs shall be provided by a reasonable estimate where exact participation data is not available.

(i) Total weight of all solid waste generated in the wasteshed disposed outside of the state of Oregon. The following waste is excluded from this reporting requirement:

(A) Sewage sludge or septic tank and cesspool pumpings;

(B) Industrial solid Waste disposed at an out of state industrial solid waste disposal site;

(C) Industrial waste, ash, inert rock, dirt, plaster, asphalt and similar material if delivered to an out of state municipal solid waste disposal site and if the disposal site operator keeps a record of the weight and wasteshed of origin of such materials delivered;

(D) Solid waste received at an out of state ash monofill from a resource recovery facility.

(j) A copy of any new city or county collection service franchise, or any amendment to franchise; including rates under the franchise; which relates to recycling.

(k) If a county determines that the conditions in OAR 340-90-060(3) exist and specific materials or mixtures that are composted or burned for energy recovery may be included in the calculation of the recovery rate for the wasteshed, the county shall report the following information:

(A) Weight and type of material composted or burned for energy recovery;

(B) For mixtures of materials, the percent by weight and description of each type of material composted or burned for energy recovery that, if properly source separated, could have been recycled;

(C) Where markets exist for such materials in the wasteshed and outside the wasteshed;

(D) Charge or price paid for each material at each location;

(E) Transportation distances to market at each location and the per mile transportation cost to market by the most economical means of transportation available.

(3) Solid waste disposal facility requirements.

Except as provided in section (4) of this rule, and excluding the material specified in subsection (2)(j) of this rule, each solid waste disposal site that receives solid waste for disposal, except transfer stations, shall report to the Department the weight of solid waste disposed by each wasteshed in the state of Oregon. This information shall be reported by the disposal site permittee on forms provided by the Department and shall be a condition of the solid waste permit. If a disposal site is unable to determine the exact weight of waste disposed for each wasteshed in which it was generated, a reasonable estimate allocating the weight of waste to the appropriate wastesheds may be made.

(4) The Metropolitan Service District on behalf of Multnomah, Clackamas, and Washington counties and the cities therein, shall report the following information:

- (a) Information in section (2) of this rule for all counties in aggregate for said district;
- (b) Weight of solid waste disposed through facilities owned or operated by the Metropolitan Service District, or operated under contract to the Metropolitan Service District, excluding the wastes listed in subsection (2)(i) of this rule; and
- (c) Weight of solid waste sent to out of state facilities.

(5) Privately operated recycling and material recovery facility requirements.

This section applies to buy-back centers, drop off centers, collection service providers who collect or otherwise handle materials other than those required to be reported under section (2) of this rule, and other private recycling operations who collect, otherwise acquire or recycle material that is not included in the reporting requirements of section (2) and (6) of this rule. The privately operated recycling and material recovery facilities shall report to the Department the type and corresponding weight of each category of material recycled, processed, or recovered in a calendar year as follows:

- (a) Weight of each material recovered shall be reported, broken down by wasteshed of origin and by source type as provided on the data form supplied by the Department.
- (b) Weight of materials reported shall exclude recycling of wastes described in OAR 340-90-060(4).

(c) Weight of material collected shall be determined either by direct measurement of the material collected, purchased, or generated; or by determining the weight sold or otherwise sent off-site or used on-site for recycling during the year, adjusted by the difference in weight of material in inventory on the first day and last day of the calendar year.

(d) To avoid double counting of materials, entities reporting under this section shall identify subsequent recyclers and end users that directly receive their material and the weight of material sold or delivered to each directly subsequent recycler or end user. This applies to all materials delivered to subsequent recyclers or end users, including those materials collected and reported to the county under section (2) of this rule.

(e) Private recyclers shall report the final status of each material sold, delivered or utilized. The report shall indicate whether the material was recycled, composted, or burned for energy recovery in order to determine which materials will count toward the recovery rate in OAR 340-90-050.

(f) Total weight of material recovered by each private recycler shall be reported based on actual measurement. In cases where determining the actual weight of material recovered by wasteshed or by collection source is not possible, reasonable estimates allocating the weight of material collected by wasteshed and collection source may be estimated.

(6) Scrap metal industry requirements.

The Department shall survey the scrap metal industry annually. The scrap metal industry may report the following information to the Department on a form provided by the Department in accordance with the requirements of OAR 340-90-100(1).

(a) Weight of post consumer residential scrap metal, including appliances processed for use in manufacturing new products that do not routinely enter the solid waste stream.

(b) Source or wasteshed where the material was generated.

340-90-110 Minimum Content Reporting Requirements

The following information shall be reported to the Department by February 28 of each year for the previous calendar year by the applicable person on a form provided by the Department.

- (1) Each consumer of newsprint in Oregon shall report the following information.
 - (a) Amount of newsprint used in a calendar year in short tons.
 - (b) Amount of recycled-content newsprint, comprised of post-consumer waste paper, used in a calendar year in short tons.
 - (c) Aggregate recycled content of the newsprint used in a calendar year expressed as a percent of the total newsprint used in a calendar year in short tons.
 - (d) For calendar year 1995 and every year thereafter, if a consumer cannot obtain the required amount of recycled content newsprint for the reasons listed in ORS 459A.505, The report shall include an appropriate explanation.
 - (e) For purposes of this section only "post-consumer waste" means a material that would normally be disposed of as a solid waste, having completed its life cycle as a consumer or manufacturing item.
- (2) Beginning on February 28, 1995 for calendar year 1994 and every year thereafter, publishers of directories distributed in Oregon shall provide the following information on a form provided by the Department. For purposes of this rule directories means telephone directories that weigh one pound or more for a local jurisdiction.
 - (a) Total weight in tons of directories distributed in Oregon.
 - (b) Percent by weight of recycled content in the total directories distributed in Oregon.
 - (c) Percent of total weight that consists of post consumer waste.
 - (d) If the requirements in ORS 459A.520 cannot be met, an explanation is required.
 - (e) Description of the locations and cooperative programs implemented with local government for the collection and recycling of old directories when new ones are distributed, including the total

weight of old directories collected for recycling in each local government jurisdiction.

(3) Each manufacturer of glass food, drink and beverage containers sold or distributed in Oregon shall report the following information:

(a) Total tons of new glass food, drink and beverage containers made or sold in Oregon in a calendar year.

(b) The total tons of post consumer recycled glass used in manufacturing the containers made or sold in Oregon in a calendar year.

340-90-120 Confidential Information

This rule describes and clarifies which information submitted to the department under the requirements of OAR 340-90-100 is required to be handled as confidential and the procedures for maintaining confidentiality.

(1) Information collected under OAR 340-90-100(5) and (6) as it relates to customer lists or names and specific weights and types of materials collected or processed shall be maintained as confidential by the Department.

(2) Where a collection service provider voluntarily submits to the Department, pursuant to a survey, information relating specifically to customer lists or specific types and amounts of materials marketed for materials collected on route, that information shall be maintained as confidential by the Department upon request by the collection service provider.

(3) The Department shall designate a Documents Control Officer for purposes of receiving confidential information and for secure storage and management of such information.

(4) Access to information submitted as confidential under OAR 340-90-100(5) and (6) shall be limited to employees and representatives of the Department involved in carrying out the requirements of ORS 459 and ORS 459A.

(5) The Department may use and disclose the information submitted under OAR 340-90-100(5) and (6) in aggregate form.

340-90-130 Fair Market Value Exemption

(1) To qualify for exemption under ~~{459.192}~~ 459A.075 a source separated recyclable material must be:

- (a) Source separated by the generator; and
 - (b) Purchased from or exchanged by the generator for fair market value for recycling or reuse.
- (2) If, as part of the opportunity to recycle, a city or county requires by franchise that residential collection service of recyclable material be provided and identifies a group of two or more materials as the recyclable material for which the residential collection service must be provided, then:
- (a) "Fair market value" of any material within the identified group shall include the provisions of collection service for all the material in the identified group; and
 - (b) "Recyclable material" means the group identified by the city or county.
- (3) Local government may designate classes of residential dwellings to which specific types or levels of collection service is to be provided.

340-90-140 Recyclable Material

The purpose of this rule is to describe the factors that shall be considered in determining if a material meets the definition of recyclable material.

In determining what materials are recyclable materials:

- (1) The cost of collection and sale of a recyclable material shall be calculated by considering the collector's costs from the time the material is source separated and leaves the use of the generator until it is first sold or transferred to the person who recycles it. All costs and savings associated with collection of a recyclable material shall be considered in the calculation.
- (2) Any measurable savings to the collector resulting from making a material available for recycling as opposed to disposal shall be considered the same as income from sale.
- (3) The cost of collection and disposal of material as solid waste shall be calculated by using the total costs of collection and disposal. Costs shall include fees charged, taxes levied or subsidy to collect and to dispose of solid waste. Costs shall also include but are not limited to the costs to comply with applicable statutes, rules, permit conditions and insurance requirements.

- (4) The amount and value of any source separated material that is collected or received as part of a recycling requirement of a permit or a city or county franchise may be used in determining whether remaining material meets the definition of recyclable material.

340-90-150 Due Consideration

- (1) In determining who shall provide the opportunity to recycle, a city or county shall first give due consideration to any person lawfully providing recycling or collection service on June 1, 1983, if the person continues to provide the service until the date the determination is made and the person has not discontinued the service for a period of 90 days or more between June 1, 1983, and the date the city or county makes the determination.
- (2) "Due consideration" includes at a minimum:
- (a) A general notice announcing that the city or county intends to franchise recycling collection service and describing the requirements for the franchise;
 - (b) A timely written notice announcing that the city or county intends to franchise recycling collection service and describing the requirements for the franchise sent to persons entitled by ORS ~~{459.200(6)(c)}~~ **459A.085(6)(c)** to due consideration where such persons are known to the city or county or where such person has filed a timely written request for such notices with the city or county;
 - (c) An opportunity for public comment on the proposed franchise; and
 - (d) Consideration of, and response to, a timely application for a recycling collection franchise from a person entitled to "due consideration" and response.

OAR 340-90-180 Used Oil Recycling Signs

- (1) Retail sellers of more than 500 gallons of lubrication or other oil annually in containers for use off premises shall post and maintain durable and legible signs, [of design and content approved by the Department, at the point of sale or display. the sign shall contain information on the importance of proper collection and disposal of used oil, and the name, location, and hours of a conveniently located use oil recycling depot.]**
- ~~{2} Signs will be provided upon request by the Department.}~~

(2) Retail sellers shall print and provide their own signs. The signs shall contain the following information:

~~{(a) Oil Recycling Logo;}~~

(a) Information on the energy and environmental benefits gained by recycling used motor oil;

(b) Telephone number where people can call to obtain more information on oil recycling depots and other oil recycling opportunities;

(c) Information on how to recycle used oil;

(d) Information on at least one conveniently located used oil recycling depot, or other oil recycling opportunity, i.e., name, location, and hours of operation;

(e) Sign size which shall be no smaller than 11 inches in width and 14 inches in height;

(3) The Department suggests that the following appear on the sign "Conserve Energy-Recycle Used Motor Oil", in at least inch-high letters.

OAR 340-90-190 New Yard Debris Charge Rule

(1) The Commission's purpose in adopting this rule governing when a fee may be charged for yard debris recycling services is to:

(a) ensure that a financial disincentive for recycling is not created for any waste generator; and to

(b) recognize that it may not be equitable to distribute the cost of collection and recycling of yard debris across all waste generators due to the extreme variability in volumes generated.

(2) The purpose as stated in section 1 of this rule is to apply to those recycling programs required under ORS 459A.005 and ORS 459A.010 and ORS 459.250.

(3) As used in this rule, "residential generator" means any generator of recyclable material located in single or multi-family dwellings up to and including 4 units. Each unit is considered one residential generator.

(4) Residential generators of yard debris participating in a regularly scheduled yard debris collection service, where yard debris is a principal recyclable material, may be charged a fee for yard debris recycling. No fee may be charged for the first setout per month of up to a

unit of yard debris. The first unit of yard debris collection is defined as the equivalent of a thirty-two gallon can, or the standard unit of yard debris service provided, whichever is greater.

- (5) Fees for yard debris recycling charged to residential generators of yard debris participating in a regularly scheduled yard debris collection service, where yard debris is a principal recyclable material, shall only be applied to volumes of yard debris in excess of those specified in Section (4) of this rule.
- (6) Persons who have yard debris collection service but do not have solid waste collection service may be charged a fee for yard debris collection, not to exceed the fee charged for the collection of an equivalent amount of solid waste.
- (7) A yard debris recycling fee in addition to the base fee charged for solid waste collection and disposal may be charged to generators of yard debris participating in yard debris collection programs located at depots where yard debris is a principal recyclable material, and to generators using an on-call collection service in an area where the opportunity to recycle is being provided through a depot program or other similar alternative method. This additional fee can be charged at any yard debris recycling depot including those which are not solid waste disposal site depots.
- (8) The total additional yard debris recycling fee charged to any generator of yard debris for collection of yard debris shall be less than the fee that would have been charged for collection of that same volume of yard debris as mixed solid waste.
- (9) Yard debris recycling fees in addition to the base fee charged for solid waste collection and disposal may be charged for the collection of yard debris on-route or at a depot, where yard debris is not a principal recyclable material.
- (10) This rule is effective through June 1, 1993 at which time the Department shall review the rules and make any recommendations for deletion, changes or continuation of the rules to the Commission.

[Rule Adopted by EQC 6/14/91]

OREGON ADMINISTRATIVE RULES

DIVISION 91

WASTE REDUCTION PROGRAM AND RECYCLING CERTIFICATION

- 340-91-010 Purpose for Waste Reduction Programs and Recycling Certification
- 340-91-020 Applicability for Waste Reduction Programs and Recycling Certification
- 340-91-030 Standards for Recycling Certification
- 340-91-040 Decertification, Recertification and Variances
- 340-91-050 Reports Required for Recycling Certification
- 340-91-060 Equivalents for Out-of-State Persons - Recycling Certification
- 340-91-070 Standards for Waste Reduction Programs
- 340-91-080 Submittals, Approvals and Amendments for Waste Reduction Programs
- 340-91-090 Equivalents for Out-of-State Jurisdiction - Waste Reduction Program

340-91-010 ~~Policy~~Purpose for Certification and Waste Reduction Programs and Recycling Certification

- (1) The Commission's purpose in adopting rules ~~{OAR 340-60-90 through 340-60-110}~~OAR 340-91-010 through 340-91-090 for waste reduction programs pursuant to ORS 459.055 and ORS 468.220 and for certifying that a sufficient opportunity to recycle is provided pursuant to ORS 459.305 is to:
 - (a) conserve valuable landfill space by insuring that the persons who generate the garbage going to a disposal site have the opportunity to recycle, and that the amount of recyclable material being disposed is reduced as much as is practical;
 - (b) protect groundwater resources and the environment and preserve public health by reducing the waste going to landfills; and
 - (c) conserve energy and natural resources by promoting the reuse and recycling of materials as a preferred alternative to disposal.
- (2) The purpose as stated in section 1 of this rule is to apply regardless of the state or jurisdiction in which the waste was generated.
- (3) The Department shall not have enforcement authority regarding the requirements of ~~[ORS 459.165 to 459.200]~~ ORS 459A.005 to 459A.085 and 459.250, or rules adopted under these statutory requirements, for out-of-state ~~{local government units}~~ persons other than the ability to certify and decertify the ~~[local government units]~~ persons under ~~{OAR 340-60-100}~~OAR 340-91-040, and the ability to accept or reject waste reduction programs and determine whether or not waste reduction programs are being implemented, thus restricting the disposal of wastes in a ~~[regional]~~ landfill when an adequate opportunity to recycle has not been provided to the generators of the wastes, or where an approved waste reduction program is not being implemented in the area where the waste is generated.
- (4) It is the intent of the Commission that where a local government requests funding, technical or landfill assistance under ORS 459.047 through 459.057 or 468.220, that the local government shall make a good faith effort toward development, implementation and evaluation of waste reduction programs.

[Rule Amended by EQC on 8/10/90]

340-91-020 Applicability for ~~{Certification and}~~ Waste Reduction Programs and Recycling Certification

- (1) **Waste Reduction Programs:** A waste reduction plan program approved by the Department under ~~{OAR 340-60-093}~~ **OAR 340-91-080** shall be required before:
 - (a) Issuance of a permit for a landfill under ORS 459.047 through 459.055 for landfills expected to accept more than 75,000 tons of waste per year from ~~{a local government unit}~~ **any person**;
 - (b) Issuance of Pollution Control Bond Fund monies to local government pursuant to ORS 468.220; or
 - (c) Acceptance of more than 75,000 tons per year of wastes from ~~{a local government unit}~~ **any person** by a landfill established after October 3, 1979 ~~[as a conditional use in an area zoned for exclusive farm use.]~~
- (2) **Recycling Certification:** For ~~[a local government unit]~~ **A[Any] person** not required to implement a waste reduction program under ORS 459.055, or not otherwise exempt under ~~{OAR 340-60-095(5)}~~ **OAR 340-91-030(6)**, certification under ~~{OAR 340-60-095}~~ **OAR 340-90-030** shall be required before waste from ~~{the local government unit}~~ **the person** may be accepted for disposal by a ~~{regional}~~ disposal site.
- (3) **Certification of a local government unit constitutes certification for all persons within that local government unit.**
- (4) **For persons other than local governments in a jurisdiction that have not been certified, a recycling certification is required for domestic and commercial waste.**

340-91-030 Standards for Recycling Certification

- (1) **For purposes of section 340-91-010 to 090, the opportunity to recycle for any person other than a local government unit means that the opportunity to recycle is available locally or that the person has a program in place which provides the opportunity to reduce the waste disposed by the person through reduction, reuse and recycling. The opportunity to recycle for local government units means the requirements of OAR 340-90-020, 030, 040 and 050 have been met, or the disposal site permittee on behalf of the local government unit has requested and received**

approval for an alternative method under OAR 340-90-035.

- ~~(4)~~(2) Except as otherwise provided in section ~~(5)~~(6) of this rule, ~~after July 1, 1988, a regional~~ a ~~regional~~ disposal site may not accept any solid waste generated from ~~any local government unit~~ persons either within or outside the State of Oregon unless the Department has certified that: the recycling programs offered ~~within the local government unit~~ to or by the person provide an opportunity to recycle; and that for a local government unit meets the requirements of ~~ORS 459.165 to 459.200~~ ORS 459A.005 to 459A.085 and 459.250.
- ~~(1)~~(3) A ~~local government unit~~ person shall be considered certified if ~~it has~~ the person has not been decertified under ~~OAR 340-60-100~~ OAR 340-91-040 and if:
- (a) The permittee of the ~~regional~~ disposal site has submitted or caused to be submitted an initial recycling report ~~covering the local government unit, and~~ containing the information required in OAR ~~340-60-105(1)~~340-91-050, and the Department has approved or conditionally approved the report; or
- (b) The Department has approved or conditionally approved an initial recycling report submitted under~~OAR 340-60-045~~ OAR 340-90-100 ~~for the wastesheds or parts of wastesheds that include the entire local government unit.~~
- ~~(2)~~(4) The date of certification shall be considered to be the date that the initial recycling report was first approved, or conditionally approved, by the Department ~~for the wastesheds or areas that include the entire local government unit.~~
- ~~(3)~~(5) For each initial recycling report submitted to fulfill the requirements of section (3) of this rule, the Department ~~must~~ shall respond by 60 days after receipt of a completed initial recycling report ~~or by July 1, 1989, whichever is later~~, by either certifying that the opportunity to recycle is provided or ~~the local government unit or~~ by indicating what deficiencies exist in providing the opportunity to recycle. If the Department does not respond within this time limit, the local government unit shall not be considered to be certified under ~~OAR 340-60-095~~OAR 340-91-030.

~~(5)~~ (6) A ~~regional~~ disposal site may accept wastes for disposal that are generated from a ~~local government unit~~ person outside the State of Oregon without certification required under section ~~(4)~~ (2) of this rule, if:

(a) the ~~local government unit~~ person is implementing a waste reduction program under ORS 459.055 and OAR 340-91-060 that is approved by the Department, ~~and that provides an opportunity to recycle that meets the requirements of ORS 459.165 to 459.200 and 459.250; or~~

~~(b) the wastes were transported to the regional disposal site on or before July 1, 1990; or~~

~~(e)~~ (b) the regional disposal site accepts no more than 1,000 tons per year of wastes generated within any single local government unit. This 1,000 ton per year exemption shall apply separately to each incorporated city or town or similar local government unit, and to the unincorporated area of each county or similar local government unit, but not to other smaller geographic units referred to in section ~~(6)~~ (7) of this rule; or

(c) The disposal site accepts a separate industrial waste from a person other than a local government.

~~(6)~~ (7) For the purposes of ~~OAR 340-60-090 to 110~~ OAR 340-91-100 to 110, the term "local government unit" shall include smaller geographic units such as individual franchise or contract areas if a disposal site requests that the Department certify the recycling programs in the smaller geographic unit. The Department will certify the recycling programs in the smaller geographic unit if it determines that the opportunity to recycle is provided to all residents and businesses within the unit, as provided in section (1) of this rule, and that the boundaries of the unit were not drawn for the purpose of excluding potential recycling opportunities or otherwise reducing recycling requirements.

[Rule Amended by EQC 8/10/90]

340-91-040 Decertification, Recertification, and Variances

(1) Certified persons shall be decertified if the Department finds, through its review of the recycling report submitted under ~~OAR 340-60-045~~ OAR 340-90-100

or ~~{OAR 340-60-105}~~340-91-050, or through other information that becomes known to the Department, that the opportunity to recycle is no longer being provided. Certified local governments shall also be decertified if no annual recycling report required under ~~{OAR 340-60-045}~~OAR 340-90-100 or~~{OAR 340-60-105}~~ OAR 340-91-050 is submitted. The procedure used for the decertification is as follows:

- (a) The Department shall notify the ~~{regional}~~ disposal site that receives the waste and the affected persons who participated in preparing the most recent recycling report of the proposed decertification, based on written findings.
- (b) An affected person may:
 - (A) Request a meeting with the Department to review the Department's findings, which meeting may include all or some of the persons who prepared the report; or
 - (B) Correct the deficiencies that the Department found regarding the opportunity to recycle.
- (c) For ~~{local government units}~~persons that have previously been certified under ~~{OAR 340-60-095}~~ OAR 340-91-030, the Department shall grant a reasonable extension of time of at least 60 days to permit the affected persons to correct any deficiencies in providing the opportunity to recycle. The ~~{regional}~~ disposal site permittee may submit, or cause to be submitted, information to the Department during this period to demonstrate that any deficiencies have been corrected and the opportunity to recycle is being provided.
- (d) If the Department finds, after a reasonable extension of time, that the opportunity to recycle is still not implemented ~~{in the local government unit}~~ by or for the person, the Director of the Department shall notify the Commission, and shall send a notice to the ~~{regional}~~ disposal site that receives wastes from the ~~{local government unit}~~person and to the affected persons who participated in the preparation of the most recent recycling report. This notice shall indicate how comments on the Department's findings can be directed to the Commission.
- (e) If requested by the ~~{regional}~~ disposal site permittee or by another affected person within 30 days after notification under subsection (d) of this section, the

Commission shall hold a public hearing.

- (f) If, after review of the public record, and based on the Department's findings on review of the recycling report and other information made known to the Department, the Commission determines that all or part of the opportunity to recycle is not being provided, the Commission shall act to decertify the ~~{local government unit}~~ person and shall set an effective date for the decertification, subject to the requirements and right of appeal set forth in ORS 183.310 to 550.
- (2) If a ~~{local government unit}~~ person has been decertified under ~~{OAR 340-60-100}~~ OAR 340-91-040(1), the ~~{regional}~~ disposal site permittee may apply to the Department for recertification by supplying, or causing to be supplied, information to demonstrate that all deficiencies have been corrected and that the opportunity to recycle is being provided. If the Department determines that the opportunity to recycle is being provided, the Department shall so certify, and shall provide notice of the certification to the affected ~~{regional}~~ disposal site permittee.
- (3) Upon written application, the Commission may, to accommodate special conditions grant a variance from specific requirements of rules adopted with regards to providing the opportunity to recycle. The procedure for adopting such a variance and the powers of the Commission shall be as set forth in ORS 459A.055.

340-91-050 ~~{Recycling}~~ Reports Required for Recycling Certification

- (1) The disposal site permittee shall report, on forms provided by the Department, the quantity of material received from each certified person, located outside of the immediate service area of the disposal site.
- (2) Local Government Reports: Before a ~~{regional}~~ disposal site can accept waste from a local government unit not previously certified under ~~{OAR 340-60-095}~~ OAR 340-91-040, an initial recycling report consisting of the following information for the local government unit must be submitted for the Department's approval on forms provided by the Department:
- (a) The materials which are recyclable material at each disposal site and within each city of 4,000

or more population or unincorporated urbanized area.

- (b) ~~{The manner in which the recyclable material are to be collected and received in order to provide the opportunity to recycle.}~~ A listing of recycling program elements, as described in OAR 340-90-040, that demonstrates that the local government unit is providing the opportunity to recycle.
 - (c) Proposed and approved alternative methods for providing the opportunity to recycle which are to be used within the local government unit.
 - (d) Proposed or existing methods for providing a recycling public education and promotion program, including copies of materials that are to be or are being used as part of the program.
 - (e) For disposal sites and for cities of more than 4,000 people and for unincorporated urbanized areas located within the local government unit, copies of any ordinance, franchise, permit, or other document that insures that the opportunity to recycle will be provided.
 - (f) The geographic boundaries of urbanized area or proposed boundaries of urbanized areas as set forth in ~~{OAR 340-60-110}~~ OAR 340-91-060 (2).
 - (g) Other information or attachments necessary to describe the proposed program for providing the opportunity to recycle.
- (3) In order to maintain certification for local government units, an annual recycling report that includes the information required in ~~{OAR 340-60-045}~~ OAR 340-90-100 (2) must be submitted each year. The annual recycling report shall be due on February 28th of each year following certification. If these recycling reports are not submitted, the local government unit shall be subject to decertification as specified in ~~{OAR 340-60-100}~~ OAR 340-91-040. ~~{If, in the Department's estimation, data submitted in compliance with this paragraph indicate that the participation in the on-route recycling collection program offered in a local government unit has exceeded 60% for the previous two years, the Department may allow quarterly data on the amount of material collected and recycled on-route to be substituted for the quarterly setout data reporting~~

~~required by OAR 340-60-045(2) for the purposes of certification.]~~

- (4) ~~The [regional] disposal site permittee shall be responsible for submitting, or causing to be submitted, all of the information required by sections [(1)](2), and [(2)](3) of this rule for out-of-state local government units and shall serve as a washed representative for the out-of-state local government units served by the disposal site.]~~

(5) Reports for Persons other than Local Government Units

Before a disposal site can accept waste from a person other than a local government unit not previously certified under OAR 340-91-030, an initial recycling report consisting of the following information must be submitted to the Department on forms provided by the Department:

- (a) The type of business and the local government unit(s) with jurisdiction over the location of the business;
- (b) A description of the mode of transportation to be used to ship waste to the selected disposal site;
- (c) A list of waste being disposed by waste stream component, the estimated tonnage by waste stream component for current calendar year, preceding calendar year and the projected tonnages for the next calendar year. Indication of any activity or change to the business or waste generation activity which will increase or decrease waste disposal weights;
- (d) The generation point of waste being disposed and indicate if multiple facilities are consolidating waste prior to shipment for disposal;
- (e) A description of the local programs available which provide the opportunity to recycle.
- (f) Any existing or planned program opportunities which reduce, reuse, recycle and/or compost material before disposal. Include types and quantities of material that are or will be diverted from landfilling and what percent of the waste generation that represents;

340-91-060 Equivalents for Out of State Persons - Recycling Certification

Local Government Unit

- (1) For certification purposes, the ~~{special}~~ recycling requirements that apply in Oregon to areas within the urban growth boundaries of cities of 4,000 or more population or within the urban growth boundary of a metropolitan service district shall also apply to urbanized areas outside of Oregon that are certified or are to be certified under ~~{OAR 340-60-095}~~OAR 340-91-040. These ~~{special}~~ requirements ~~{include (a) on route collection at least once a month of source separated recyclable material from collection service customers (OAR 340-60-020(1)(a); and (b) notice required by OAR 340-60-040(1)(a)(A)}~~ are the same as those described in OAR 340-90-020, 030, 040 and 050.
- (2) Unless otherwise proposed in an initial recycling report and approved by the Department, the urbanized area of the local government unit shall be considered to include all of the area within the incorporated limits of cities or towns of 4,000 or more population within the local government unit, plus all area that is designated as an urbanized areas by the Federal Highway Administration if that Federal Highway Administration urbanized area contains an incorporated city, town, or other municipality having 4,000 or more population. The person or persons submitting the initial recycling report may propose a different boundary for the urbanized area of the local government unit. The Department shall accept the proposed urbanized area boundary if the Department finds that this boundary includes all parts of the local government unit that have substantially the same character, with respect to minimum population density and commercial and industrial density, as urbanized areas within the State of Oregon.
- (3) For the purposes of certification under ~~{OAR 340-60-095}~~OAR 340-90-030, a ~~{regional}~~disposal site may apply for an alternative method that involves removing recyclable material from mixed solid waste. Any such application may include one or more local government units, and shall include information on the method to be used for separating recyclable material and the percentage of the waste stream and quantity of material that is to be separated and recycled. The Department shall approve the alternative method if it finds that the alternative

method will result in as much material, of as high a value in terms of resource and energy conservation, being separated from mixed waste and recycled as would have been recycled and conserved had the general method for providing the opportunity to recycle set forth in ~~{OAR 340-60-020}~~ OAR 340-90-020, 030, 040 and 050.

(4) A disposal site accepting waste from local government units outside of the state of Oregon shall provide a statement of an equivalent recovery rate, as described in OAR 340-90-050, and justification for the selection of the appropriate recovery rate for that jurisdiction. The demonstration shall include at a minimum information on population density, distance to recycling markets for each recyclable material, and other waste composition information and demographic information necessary to justify the selected recovery rate.

(5) Persons other than Local Government Unit: A disposal site accepting waste from persons, other than local government units, from outside the state of Oregon shall provide information on the composition and quantity of waste to be disposed and a description of the opportunities available in the region and locally for recycling. The information shall include an initial recycling report as outlined in OAR 340-91-050 (5).

OAR 340-91-070 Standards for Waste Reduction Programs

(1) At minimum, the following information must be submitted before the Department will approve a waste reduction program from any person

- (a) an initial recycling report containing the information and meeting the criteria set forth in ~~{OAR 340-60-105(1)}~~ OAR 340-91-050(1) for recycling certification;
- (b) a list and description of the programs, techniques, requirements, and activities that comprise the waste reduction program;
- (c) a list and description of the resources committed to the waste reduction program, including funding level, source of funds, staff, and other governmental resources plus, if necessary to demonstrate that the program will be implemented, the private resources to be used to implement the program.

- (d) a timetable indicating the starting date and duration for each activity or portion of the waste reduction program;
 - (e) information on the volume and composition of waste generated in the area, and the volume and composition of waste proposed to be landfilled in Oregon landfills;
 - (f) a copy of any contract or agreement to dispose of waste in an Oregon landfill;
 - (g) a list and description of information to be reported to the Department, in addition to the information required under ~~{OAR 340-60-105}~~ OAR 340-91-050, that is sufficient to demonstrate continued implementation of the waste reduction program; and
 - (h) the information required in OAR 340-91-050
 - (i) any other documents or information that may be necessary to fully describe the waste reduction program and to demonstrate the legal, technical, and economic feasibility of the program.
- (2) Local Government Unit Standards: To be approved by the Department, a waste reduction program for local government units shall also fulfill the following requirements:
- (a) be designed to meet all waste reduction standards and goals adopted by the Commission;
 - (b) include an opportunity to recycle that meets or exceeds the requirements of ~~ORS 459.165 to~~ ~~459.200~~ OAR 340-90-020, 030, 040, 050 and 459.250;
 - (c) address waste reduction for each separate waste stream generated within the local government unit that is to be sent to affected Oregon disposal sites, including but not limited to:
 - (A) household waste,
 - (B) commercial waste,
 - (C) industrial waste,
 - (D) yard debris,

(E) demolition material, and

(F) hazardous material;

(d) meet all criteria set forth in ORS 459.055; and

(e) continue for as long as a waste reduction program is required under ~~{OAR 340-60-091}~~OAR 340-91-020.

(f) include a copy of each ordinance or similar enforceable legal document that sets forth the elements of the waste reduction program, and that demonstrates the commitment by the local government unit to reduce the volume of waste that would otherwise be disposed of in a landfill through techniques such as source reduction, recycling, reuse and resource recovery;

(3) For local government units that produce less than 75,000 tons of waste per year that are requesting financial assistance for development or planning for solid waste facilities under ORS 468.220, the local government unit shall ~~{identify these}~~consider proven methods ~~{listes in accordance with Section 2 of this rule that are appropriate to be considered and included in a waste reduction program for a local government unit}~~of waste reduction for inclusion in a waste reduction program. In reviewing the waste reduction program, the Department shall take into account:

(a) the type and volume of wastes produced;

(b) the density and other appropriate characteristics of the population and commercial activity within the local government unit; and

(c) the distance of the local government unit from recycling markets.

(4) Persons other than Local Government Units: To be approved by the Department, a waste reduction program for any persons other than local government unit shall provide information on composition and quality of waste to be disposed and a description of recycling opportunities available both in the region and locally; and fulfill the following requirements:

(a) Requirements of ~~{OAR 340-60-097(5)}~~ OAR 340-91-050(5) and;

- (b) describe existing office recycling program; if none exist a description of the proposed program and startup date;
- (c) describe existing industrial process solid waste reduction program; if none exist a description of the proposed program and startup date;
- (d) describe use of post-consumer materials in manufacturing processes including the tons per year of recovered material consumed;
- (e) describe any composting efforts taking place for waste reduction;
- (f) describe procurement policy with regard to the purchase of products made with recycled content; if none exist a description of the proposed program and startup date;
- (g) describe techniques used to promote waste reduction and recycling to employees; if none exist a description of the proposed program and startup date;

340-91-080 Submittals, Approval, and Amendments for Waste Reduction Programs

- (1) For ~~{local government units}~~persons within the State of Oregon, information required for approval of waste reduction programs shall be submitted by the ~~{local government units}~~person.
- (2) For ~~{local government units}~~persons outside the State of Oregon, information required for approval of waste reduction programs shall be submitted, or caused to be submitted, by the disposal site permittee proposed to accept waste from the ~~{local government units}~~person.
- (3) Where ~~{more than one local government unit has}~~the waste proposed to be disposed comes from more than one jurisdiction, information submitted for approval shall cover all affected ~~{local government units}~~ jurisdictions.
- (4) The Department shall review the material submitted in accordance with this rule, and shall approve the waste reduction program within 60 days of completed submittal if sufficient evidence is provided that the criteria set forth in ORS 459.055, as further defined in ~~{OAR 340-60-092}~~OAR 340-91-070, are met.

- (5) If the Department does not approve the waste reduction programs, the Department shall notify the disposal site that is to receive the waste and the persons who participated in preparing the submittal material, based on written findings. The procedure for review of this decision or correction of deficiencies shall be the same as the procedure for decertification and recertification set forth in ~~{OAR 340-60-100}~~OAR 340-91-100.
- (6) In order to demonstrate continued implementation of the waste reduction program, by February 15th of each year, information required in ~~{OAR 340-60-105(3)}~~ OAR 340-91-105 (3) as well as information described in the submittal pursuant to in subparagraph (4)~~{(i)}~~(h) of this rule must be submitted for the preceding calendar year.
- (7) If a ~~{local government unit}~~person amends a waste reduction program, any changes in the information previously reported under this rule shall be reported to the Department. The Department shall approve the amended program provided that the criteria set forth in ORS 459.055 as further defined in ~~{OAR 340-60-092}~~ OAR 340-91-070 are met.

340-91-090 Equivalents for Out of State Jurisdictions - Waste Reduction Programs

- (1) Unless otherwise proposed in a recycling report and approved by the Department, the urbanized area of the local government unit shall be considered to include all of the area within the incorporated limits of cities or towns of 4,000 or more population within the local government unit, plus all area that is designated as an urbanized areas by the Federal Highway Administration if that Federal Highway Administration urbanized area contains an incorporated city, town, or other municipality having 4,000 or more population. The person or persons submitting the initial recycling report may propose a different boundary for the urbanized area of the local government unit. The Department shall accept the proposed urbanized area boundary if the Department finds that this boundary includes all parts of the local government unit that have substantially the same character, with respect to minimum population density and commercial and industrial density, as urbanized areas within the State of Oregon.

- (2) A disposal site accepting waste from local government units outside of the state of Oregon shall provide a statement of an equivalent recovery rate, as described in OAR 340-90-050, and justification for the selection of the appropriate recovery rate for that jurisdiction. The demonstration shall include at a minimum information on population density, distance to recycling markets for each recyclable material, and other waste composition information and demographic information necessary to justify the selected recovery rate.
- (3) A disposal site accepting waste from persons, other than local government units, from outside the state of Oregon shall provide information on the composition and quantity of waste to be disposed and a description of the opportunities available in the region and locally for recycling. The description shall also include a statement of any efforts made by the person desiring to dispose of the waste in planning and implementing waste reduction measures.

~~OREGON ADMINISTRATIVE RULES~~
~~DIVISION 60~~
~~RECYCLING AND WASTE REDUCTION~~

- ~~340-60-005 Purpose~~
- ~~340-60-010 Definitions~~
- ~~340-60-015 Policy Statement~~
- ~~340-60-020 Opportunity to Recycle~~
- ~~340-60-025 Wasteshed Designation~~
- ~~340-60-030 Principal Recyclable Material~~
- ~~340-60-035 Acceptable, Alternative Methods for Providing
the Opportunity to Recycle~~
- ~~340-60-040 Education, Promotion and Notification~~
- ~~340-60-045 Standards for Recycling Reports (Amended by
EQC on 6/14/91)~~
- ~~340-60-050 Fair Market Value Exemption~~
- ~~340-60-055 Recyclable Material~~
- ~~340-60-060 More Convenient Location~~
- ~~340-60-065 Exemption~~
- ~~340-60-070 Small Rural Sites~~
- ~~340-60-075 Reasonable Specifications for Recyclable
Materials~~
- ~~340-60-080 Prohibition [Amended by EQC on 6/14/91]~~
- ~~340-60-085 Due Consideration~~
- ~~340-60-090 Policy for Certification and Waste Reduction
Programs~~
- ~~340-60-091 Applicability for Certification and Waste
Reduction Programs~~
- ~~340-60-092 Standards for Waste Reduction Programs~~
- ~~340-60-093 Submittals, Approval, and Amendments for Waste
Reduction Programs~~
- ~~340-60-095 Recycling Certification~~
- ~~340-60-100 Decertification, Recertification, and
Variances~~
- ~~340-60-105 Recycling Reports Required for Certification~~
- ~~340-60-110 Equivalents for Out of State Jurisdiction~~
- ~~340-60-115 Local Government Responsibility~~
- ~~340-60-120 Yard Debris Recycling Plans~~
- ~~340-60-125 Yard Debris Recycling Program Implementation~~
- ~~340-60-130 New Yard Debris Charge Rules [Adopted 6/14/91
by EQC]~~

OREGON ADMINISTRATIVE RULES
DIVISION 60
Recycling and Waste Reduction

Purpose [OAR 340-60-005 has been renumbered to OAR 340-90-005]

~~340-60-005~~ The purpose of these rules is to prescribe requirements, imitations and procedures for planning, development and operation of waste reduction and recycling programs and for providing the opportunity to recycle.

Definitions [OAR 340-60-010 has been renumbered to OAR 340-90-010]

~~340-60-010~~ As used in these rules unless otherwise specified:

- ~~(1) "Affected person" means a person or entity involved in the solid waste collection service process including but not limited to a cycling collection service, disposal site permittee or owner, city, county and metropolitan service district. For the purposes of these rules "Affected person" also means a person involved in operation of a place to which persons not residing on or occupying the property may deliver source separated recyclable material.~~
- ~~(2) "Area of the state" means any city or county or combination or portion thereof or other geographical area of the state as may be designated by the Commission.~~
- ~~(3) "Collection franchise" means a franchise, certificate, contract or license issued by a city or county authorizing a person to provide collection service.~~
- ~~(4) "Collection service" means a service that provides for collection of solid waste or recyclable material or both. "Collection service" of recyclable materials does not include a place to which persons not residing on or occupying the property may deliver source separated recyclable material.~~
- ~~(5) "Collector" means the person who provides collection service.~~
- ~~(6) "Commission" means the Environmental Quality Commission.~~
- ~~(7) "Department" means the Department of Environmental Quality.~~

- ~~(8) "Depot" means a place for receiving source separated recyclable material.~~
- ~~(9) "Director" means the Director of the Department of Environmental Quality.~~
- ~~(10) "Disposal site" means land and facilities used for the disposal, handling or transfer of or resource recovery from solid wastes, including but not limited to dumps, landfills, sludge lagoons, sludge treatment facilities, disposal sites for septic tank pumping or cesspool cleaning service, transfer stations, resource recovery facilities, incinerators for solid waste delivered by the public or by a solid waste collection service, composting plants and land and facilities previously used for solid waste disposal at a land disposal site; but the term does not include a facility subject to the permit requirements of ORS 468.740; a landfill site which is used by the owner or person in control of the premises to dispose of soil, rock, concrete or other similar nondecomposable material, unless the site is used by the public either directly or through a solid waste collection service; or a site licensed pursuant to ORS 481.345.~~
- ~~(11) "Generator" means a person who last uses a material and makes it available for disposal or recycling.~~
- ~~(12) "Land disposal site" means a disposal site in which the method of disposing of solid waste is by landfill, dump, pit, pond or lagoon.~~
- ~~(13) "Local government unit" means the territory of a political subdivision that regulates either solid waste collection, disposal, or both, including but not limited to incorporated cities, municipalities, townships, counties, parishes, regional associations of cities and counties, Indian reservations, and metropolitan service districts, but not including sewer districts, fire districts, or other political subdivisions that do not regulate solid waste. If a county regulates solid waste collection within unincorporated areas of the county but not within one or more incorporated cities or municipalities, then the county local government unit shall be considered as only those areas where the county directly regulates solid waste collection.~~
- ~~(14) "Metropolitan service district" means a district organized under ORS Chapter 268 and exercising solid waste authority granted to such district under ORS chapters 268 and 459.~~

- ~~(15) "On route collection" means pick up of source separated recyclable material from the generator at the place of generation.~~
- ~~(16) "Opportunity to recycle" means those activities described in OAR 340-60-020.~~
- ~~(17) "Permit" means a document issued by the Department, bearing the signature of the Director or the Director's authorized representative which by its conditions may authorize the permittee to construct, install, modify or operate a disposal site in accordance with specified limitations.~~
- ~~(18) "Person" means the state or a public or private corporation, local government unit, public agency, individual, partnership, association, firm, trust, estate or any other legal entity.~~
- ~~(19) "Principal recyclable material" means material which is a recyclable material at some place where the opportunity to recycle is required in a wasteshed and is identified by the Commission in OAR 340-60-030.~~
- ~~(20) "Recyclable material" means any material or group of materials that can be collected and sold for recycling at a net cost equal to or less than the cost of collection and disposal of the same material.~~
- ~~(21) "Recycling setout" means any amount of source separated recyclable material set out at or near a residential dwelling for collection by the recycling collection service provider.~~
- ~~(22) "Regional disposal site" means:~~
- ~~(a) A disposal site selected pursuant to Chapter 679, Oregon Laws 1985, or~~
- ~~(b) A disposal site that receives, or a proposed disposal site that is designed to receive more than 75,000 tons of solid waste a year from commercial haulers outside the immediate service area in which the disposal site is located. As used in this paragraph, "immediate service area" means, for disposal sites located outside a metropolitan service district, all the area, excluding any area within a metropolitan service district, of the county in which the disposal site is located. For a disposal site located within a metropolitan service district, "immediate service area" means the area within the metropolitan service district boundary.~~

~~(23) "Resource recovery" means the process of obtaining useful material or energy resources from solid waste and includes:~~

~~[OAR 340-60-010(23) has been renumbered to OAR 340-90-010(36).]~~

~~(a) "Energy recovery," which means recovery in which all or a part of the solid waste materials are processed to utilize the heat content, or other forms of energy, of or from the material;~~

~~[OAR 340-60-010(23)(a) has been renumbered to OAR 340-90-010(14).]~~

~~(b) "Material recovery," which means any process of obtaining from solid waste, by presegregation or otherwise, materials which still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose;~~

~~[OAR 340-60-010(23)(b) has been renumbered to OAR 340-90-010(20).]~~

~~(c) "Recycling," which means any process by which solid waste materials are transformed into new products in such a manner that the original products may lose their identity;~~

~~[OAR 340-60-010(23)(c) has been renumbered to OAR 340-90-010(33).]~~

~~(d) "Reuse," which means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.~~

~~[OAR 340-60-010(23)(d) has been renumbered to OAR 340-90-010(37).]~~

~~(24) "Solid waste collection service" or "service" means the collection, transportation or disposal of or resource recovery from solid wastes but does not include that part of a business licensed under ORS 481.345.~~

~~(25) "Solid waste" means all putrescible and nonputrescible wastes, including but not limited to garbage, rubbish, refuse, ashes, waste paper and cardboard; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction wastes; discarded or~~

~~abandoned vehicles or parts thereof; discarded home and industrial appliances; manure, vegetable or animal solid and semisolid wastes, dead animals and other wastes; but the term does not include:—~~

- ~~(a) Hazardous wastes as defined in ORS 459.410;~~
- ~~(b) Materials used for fertilizer or for other productive purposes or which are salvageable as such materials are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals.~~
- ~~(26) "Solid waste management" means prevention or reduction of solid waste; management of the storage, collection, transportation, treatment, utilization, processing and final disposal of solid waste; or resource recovery from solid waste; and facilities necessary or convenient to such activities.~~
- ~~(27) "Source separate" means that the person who last uses recyclable material separates the recyclable material from solid waste.—~~
- ~~(28) "Urbanized area" means, for jurisdictions within the State of Oregon, the territory within the urban growth boundary of each city of 4,000 or more population, or within the urban growth boundary established by a metropolitan service district. For jurisdictions outside the State of Oregon, "urbanized area" means a geographic area with substantially the same character, with respect to minimum population density and commercial and industrial density, as urbanized areas within the State of Oregon.~~
- ~~(29) "Waste" means useless or discarded materials.~~
- ~~(30) "Wasteshed" means an area of the State of Oregon having a common solid waste disposal system or designated by the Commission as an appropriate area of the state within which to develop a common recycling program. Outside of the State of Oregon, "wasteshed" means the local government units that have jointly submitted an initial recycling report required by OAR 340-60-095 (1) for certification.~~
- ~~(31) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities.~~

~~Policy Statement~~

~~340-60-015~~ Whereas inadequate solid waste collection, storage, transportation, recycling and disposal practices waste energy and natural resources and cause nuisance conditions, potential hazards to public health and pollution of air, water and land environment, it is hereby declared to be the policy of the Commission:

- ~~(1) To require effective and efficient waste reduction and recycling service to both rural and urban areas.~~
- ~~(2) To promote and support comprehensive local or regional government solid waste and recyclable material management:~~
 - ~~(a) Utilizing progressive waste reduction and recycling techniques;~~
 - ~~(b) Emphasizing recovery and reuse of solid waste; and~~
 - ~~(c) Providing the opportunity to recycle to every person in Oregon through best practicable methods.~~
- ~~(3) To establish a comprehensive statewide program of solid waste management which will, after consideration of technical and economic feasibility, establish the following priority in methods of managing solid waste:~~
 - ~~(a) First, to reduce the amount of solid waste generated;~~
 - ~~(b) Second, to reuse material for the purpose for which it was originally intended;~~
 - ~~(c) Third, to recycle material which cannot be reused;~~
 - ~~(d) Fourth, to recover energy from solid waste that cannot be reused or recycled so long as the energy recovery facility preserves the quality of air, water and land resources; and~~
 - ~~(e) To dispose of solid waste that cannot be reused, recycled, or from which energy cannot be recovered by landfilling or other methods approved by the Department.~~
- ~~(4) To retain primary responsibility for management of adequate solid waste programs with local government units.~~
- ~~(5) To encourage maximum participation of all affected persons and generators in the planning and development of required recycling programs.~~

- ~~(6) To place primary emphasis on the provision of the opportunity to recycle to residential generators of source separated recyclable materials.~~
- ~~(7) To encourage local government to develop programs to provide the opportunity to recycle which cause only minimum dislocation of:~~
- ~~(a) Recycling efforts, especially the activities of charitable, fraternal, and civic groups; and~~
 - ~~(b) Existing recycling collection from commercial and industrial sources.~~
- ~~(8) To encourage local governments to develop programs to provide the opportunity to recycle source separated recyclable material in a manner which results in the highest level of public participation and the greatest level of removal of recyclable material from the solid waste stream. Such a program should provide a frequent, convenient and easily publicized and understood system for the collection of recyclable material from every generator in the jurisdiction.~~
- ~~(9) To encourage the utilization of products made from recyclable material including processed or composted yard debris products.~~
- ~~(10) To encourage the coordination of recovery of source separated recyclable materials with the demand for those materials and the demand for the products made from recyclable materials.~~

Opportunity to Recycle [OAR 340-60-020 has been renumbered to OAR 340-90-030.]

~~340-60-020~~ As used in these rules the opportunity to recycle means at least:

- ~~(1) (a) A place for receiving source separated recyclable material located either at a disposal site or at another location more convenient to the population being served and, if a city has a population of 4,000 or more, on route collection at least once a month of source separated recyclable material from collection service customers within the city's urban growth boundary or, where applicable, within the urban growth boundary established by a metropolitan service district; or~~
- ~~(b) An alternative method approved by the Department which complies with OAR 340-60-035.~~

~~(2) The "opportunity to recycle" defined in section (1) of this rule also includes a public education and promotion program that:~~

~~(a) Gives notice to each person of the opportunity to recycle; and~~

~~(b) Encourages source separation of recyclable material.~~

Wasteshed Designation [OAR 340-60-025 has been renumbered to OAR 340-90-050.]

~~340-60-025~~

~~(1) The following areas are designated wastesheds within the state of Oregon:~~

~~(a) Baker wasteshed is all of the area within Baker County;~~

~~(b) Benton and Linn wasteshed is all of the area within Linn and Benton Counties excluding the area within:~~

~~(A) The city of Gates;~~

~~(B) The city of Idanha;~~

~~(C) The city of Mill City;~~

~~(c) Clackamas wasteshed is all of the area within Clackamas County and all of the area within the cities of Lake Oswego, Wilsonville, and Rivergrove excluding the area within:~~

~~(A) The city of Portland;~~

~~(B) The city of Tualatin;~~

~~(C) The City of West Linn.~~

~~(d) Clatsop wasteshed is all of the area within Clatsop County;~~

~~(e) Columbia wasteshed is all of the area within Columbia County;~~

~~(f) Coos wasteshed is all of the area within Coos County;~~

~~(g) Crook wasteshed is all of the area within Crook County;~~

~~(h) Curry wasteshed is all of the area within Curry County;~~

- ~~(i) Deschutes wasteshed is all of the area with Deschutes County;~~
- ~~(j) Douglas wasteshed is all of the area with Douglas County;~~
- ~~(k) Gilliam wasteshed is all of the area with Gilliam County;~~
- ~~(l) Grant wasteshed is all of the area with Grant County;~~
- ~~(m) Harney wasteshed is all of the area within Harney County;~~
- ~~(n) Hood River wasteshed is all of the area within Hood River County;~~
- ~~(o) Jackson wasteshed is all of the area within Jackson County;~~
- ~~(p) Jefferson wasteshed is all of the area with Jefferson County;~~
- ~~(q) Josephine wasteshed is all of the area within Josephine County;~~
- ~~(r) Klamath wasteshed is all of the area within Klamath County;~~
- ~~(s) Lake wasteshed is all of other area within Lake County;~~
- ~~(t) Lane wasteshed is all of the area within Lane County;~~
- ~~(u) Lincoln wasteshed is all of the area within Lincoln County;~~
- ~~(v) Malheur wasteshed is all of the area within Malheur County;~~
- ~~(w) Marion wasteshed is all of the area within Marion County and all of the area within the cities of Gates, Idanha, Mill City and the urban growth boundary of the city of Salem;~~
- ~~(x) Milton-Freewater wasteshed is all the area within the urban growth boundary of the city of Milton-Freewater;~~
- ~~(y) Morrow wasteshed is all of the area within Morrow County;~~

- ~~(z) Multnomah wasteshed is all the area within Multnomah County excluding the area within:~~
- ~~(A) The city of Maywood Park,~~
 - ~~(B) The city of Portland and that area within the city of Portland's urban service boundary,~~
 - ~~(C) The city of Lake Oswego;~~
- ~~(aa) Polk wasteshed is all the area within Polk County excluding area within:~~
- ~~(A) The urban growth boundary of the city of Salem,~~
 - ~~(B) The city of Willamina;~~
- ~~(bb) Portland wasteshed is all of the area within the city of Maywood Park, the city of Portland, and that area within the city of Portland's urban service boundary;~~
- ~~(cc) Sherman wasteshed is all of the area within Sherman County;~~
- ~~(dd) Tillamook wasteshed is all of the area within Tillamook County;~~
- ~~(ee) Umatilla wasteshed is all of the area within Umatilla County excluding the area within: the urban growth boundary of the city of Milton-Freewater;~~
- ~~(ff) Union wasteshed is all of the area within Union County;~~
- ~~(gg) Wallowa wasteshed is all of the area within Wallowa County;~~
- ~~(hh) Wasco wasteshed is all of the area in Wasco County;~~
- ~~(ii) Washington wasteshed is all of the area in Washington County and all of the area in the city of Tualatin excluding the area within:~~
- ~~(A) The city of Portland,~~
 - ~~(B) The city of Lake Oswego,~~
 - ~~(C) The city of Wilsonville,~~
 - ~~(D) The city of Rivergrove;~~

~~(jj) West Linn wasteshed is all of the area within the city of West Linn;~~

~~(kk) Wheeler wasteshed is all of the area within Wheeler County;~~

~~(ll) Yamhill wasteshed is all of the area within Yamhill County and all of the area within the City of Willamina.~~

~~(2) Any affected person may appeal to the Commission for the inclusion of all or part of a city, county, or local government unit in a wasteshed.~~

Principal Recyclable Material [OAR 340-60-030 has been renumbered to OAR 340-90-070.]

340-60-030

~~(1) The following are identified as the principal recyclable materials in the wastesheds as described in Sections (4) through (12) of this rule:~~

~~(a) Newspaper;~~

~~(b) Ferrous scrap metal;~~

~~(c) Non-ferrous scrap metal;~~

~~(d) Used motor oil;~~

~~(e) Corrugated cardboard and kraft paper;~~

~~(f) Aluminum;~~

~~(g) Container glass;~~

~~(h) Hi-grade office paper;~~

~~(i) Tin cans;~~

~~(j) Yard debris~~

~~(2) In addition to the principal recyclable materials listed in section (1) of this rule, other materials may be recyclable material at specific locations where the opportunity to recycle is required.~~

~~(3) The statutory definition of "recyclable material" (ORS 459.005(15)) determines whether a material is a recyclable material at a specific location where the opportunity to recycle is required.~~

~~(4) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (j) of this rule:~~

- ~~(a) Clackamas wasteshed;~~
- ~~(b) Multnomah wasteshed;~~
- ~~(c) Portland wasteshed;~~
- ~~(d) Washington wasteshed;~~
- ~~(e) West Linn wasteshed.~~

~~(5) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (i) of this rule:~~

- ~~(a) Benton and Linn wasteshed;~~
- ~~(b) Clatsop wasteshed;~~
- ~~(c) Hood River wasteshed;~~
- ~~(d) Lane wasteshed;~~
- ~~(e) Lincoln wasteshed;~~
- ~~(f) Marion wasteshed;~~
- ~~(g) Polk wasteshed;~~
- ~~(h) Umatilla wasteshed;~~
- ~~(i) Union wasteshed;~~
- ~~(j) Wasco wasteshed;~~
- ~~(k) Yamhill wasteshed.~~

~~(6) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (g) of this rule:~~

- ~~(a) Baker wasteshed;~~
- ~~(b) Crook wasteshed;~~
- ~~(c) Jefferson wasteshed;~~
- ~~(d) Klamath wasteshed;~~
- ~~(e) Tillamook wasteshed.~~

~~(7) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (h) of this rule:~~

~~(a) Coos wasteshed;~~

~~(b) Deschutes wasteshed;~~

~~(c) Douglas wasteshed;~~

~~(d) Jackson wasteshed;~~

~~(e) Josephine wasteshed.~~

~~(8) In the following wasteshed, the principal recyclable materials are those listed in subsections (1)(a) through (f) of this rule:
Malheur wasteshed.~~

~~(9) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (g) and (i) of this rule:~~

~~(a) Columbia wasteshed;~~

~~(b) Milton-Freewater wasteshed.~~

~~(10) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (e) of this rule:~~

~~(a) Curry wasteshed;~~

~~(b) Grant wasteshed;~~

~~(c) Harney wasteshed;~~

~~(d) Lake wasteshed.~~

~~(11) In the following wastesheds, the principal recyclable materials are those listed in subsections 1(a) through (d) of this rule:~~

~~(a) Morrow wasteshed;~~

~~(b) Sherman wasteshed;~~

~~(c) Wallowa wasteshed.~~

~~(12) In the following wastesheds, the principal recyclable materials are those listed in subsections (1)(b) through (d) of this rule:~~

~~(a) Gilliam wasteshed;~~

~~(b) Wheeler wasteshed.~~

~~(13) (a) The opportunity to recycle shall be provided for each of the principal recyclable materials listed in sections (4) through (12) of this rule and for other materials which meet the statutory definition of recyclable material at specific locations where the opportunity to recycle is required.~~

~~(b) The opportunity to recycle is not required for any material which a recycling report, approved by the Department, demonstrates does not meet the definition of recyclable material for the specific location where the opportunity to recycle is required.~~

~~(14) Between the time of the identification of the principal recyclable materials in these rules and the submittal of the recycling reports, the Department will work with affected persons in every wasteshed to assist in identifying materials contained on the principal recyclable material list which do not meet the statutory definition of recyclable material at some locations in the wasteshed where the opportunity to recycle is required.~~

~~(15) Any affected person may request the Commission modify the list of principal recyclable material identified by the Commission or may request a variance under ORS 459.185.~~

~~(16) The Department will at least annually review the principal recyclable material lists and will submit any proposed changes to the Commission.~~

~~Acceptable, Alternative Methods for Providing the Opportunity to Recycle~~

~~340-60-035- [OAR 340-60-035 has been renumbered to OAR 340-90-080.]~~

~~(1) Any affected person in a wasteshed may propose to the Department an alternative method for providing the opportunity to recycle. Each submittal shall include a description of the proposed alternative method and a discussion of the reason for using this method rather than the general method set forth in OAR 340-60-020(1)(a).~~

~~(2) The Department will review these proposals as they are received. Each proposed alternative method will be approved, approved with conditions, or rejected based on consideration of the following criteria:~~

- ~~(a) The alternative will increase recycling opportunities at least to the level anticipated from the general method set forth in OAR 340-60-020 for providing the opportunity to recycle;~~
 - ~~(b) The conditions and factors which make the alternative method necessary;~~
 - ~~(c) The alternative method is convenient to the people using or receiving the service;~~
 - ~~(d) The alternative method is as effective in recovering recyclable materials from solid waste as the general method set forth in OAR 340-60-020 for providing the opportunity to recycle.~~
- ~~(3) The affected persons in a watershed may propose as provided in section (1) of this rule an alternative method to providing on-route collection as part of the opportunity to recycle for low density population area within the urban growth boundaries of a city with a population over 4,000 or, where applicable, the urban growth boundaries established by a metropolitan district.~~
- ~~(4) In addition to any other standards or conditions, an alternative method for providing the opportunity to recycle yard debris shall meet the following minimum standards:~~

[OAR 340-60-035(4) has been renumbered to OAR 340-90-080(4).]

- ~~(a) The alternative method is available to substantially all yard debris generators in the local jurisdiction,~~
- ~~(b) The alternative method results in the recycling of yard debris from the solid waste stream,~~
- ~~(c) There is a promotion campaign which is designed to inform all potential users about the availability and use of the method,~~
- ~~(d) The jurisdictions covered by the alternative method are included in a yard debris recycling plan approved by the Department which includes the alternative method, and~~
- ~~(e) Implementation of the alternative method is designed to meet the performance requirements of OAR 340-60-125(5).~~

~~(5) A yard debris recycling program developed by the Metropolitan Service District and implemented by the Metropolitan Service District or another affected person will be considered to be an acceptable alternative method of providing the opportunity to recycle source separated yard debris if the program meets the following criteria:~~

~~(a) The program results in the recovery and utilization of yard debris,~~

~~(b) The program is approved by the Department, and~~

~~(c) The program includes commitments from the local governments covered by the program to implement the program or a demonstration of the Metropolitan Service District's authority to implement the program.~~

~~(d) The program is consistent with a Department approved yard debris recycling plan which includes the following information for each local government jurisdiction covered by the plan:—~~

~~(A) The estimated amount of yard debris available,~~

~~(B) The proposed collection method for yard debris,~~

~~(C) The number of potential participants in the program,~~

~~(D) The projected participation level,~~

~~(E) The expected amount of material to be recovered,~~

~~(F) The process by which the yard debris will be recycled or the names of the facilities to which the yard debris will be sent for recycling,~~

~~(G) The projected capability of the facility which will be accepting yard debris generated in the jurisdiction to accept and utilize that yard debris.~~

~~(H) The projected growth of the program over the first four years of operation.~~

~~(I) Intergovernmental agreements between the Metropolitan Service District and each local government covered under the plan which:~~

- ~~(i) Contains a commitment from each party to implement the programs called for in the plan,~~
 - ~~(ii) Identifies the roles of the affected person in the local jurisdictions and,~~
 - ~~(iii) Identifies the amount and source of funds necessary to implement the plan.~~
- ~~(e) the plan and program include a program evaluation element which identifies the goals, performance measures and resources allocation necessary to implement the yard debris recycling program outlined in the plan.~~
- ~~(f) All intergovernmental agreements developed to implement the requirement of these rules shall be approved by the Department.~~
- ~~(g) Any yard debris recycling plan developed by the Metropolitan Service District shall be consistent with and incorporated into the District's waste reduction plan and the District's solid waste management plan.~~
- ~~(h) Any changes in the Metropolitan Service District yard debris recycling plan, waste reduction plan, or solid waste management plan affecting yard debris recycling shall be approved by the Department prior to being implemented.~~
- ~~(i) The Metropolitan Service District shall monitor the implementation of the yard debris recycling programs and shall report local government and other affected person compliance or non compliance in a report to the Department at least annually.~~
- ~~(6) The provisions of OAR 340-60-115, 120, and 125 are not effective if;~~
- ~~(a) The Metropolitan Service District develops a yard debris recycling program as described in Section (5) of this rule, and~~
 - ~~(b) Either the Metropolitan Service District or the other affected persons in the areas covered implements the program.~~
- ~~(7) If a local government or the Metropolitan Service District does not submit an acceptable yard debris recycling plan or does not implement a yard debris recycling program they shall be considered to be not providing the opportunity to recycle yard debris and the Commission may order the Metropolitan Service District, the local governments or any affected person in the~~

~~affected wastesheds to provide the level of recycling service, including education and promotion, which in the Commission's opinion is necessary to meet the standards set in these rules.~~

~~Education, Promotion and Notification~~

~~340-60-040~~ [OAR 340-60-040 has been renumbered to OAR 340-90-030(3).]

~~(1) Affected persons in each wasteshed shall design, commit resources and implement an education and promotion program that provides:~~

~~(a) A written or more effective notice or combination of both that is reasonably designed to reach each person who generates recyclable materials in the wasteshed, and that clearly explains why people should recycle, the recycling opportunities available to the recipient, the materials that can be recycled and the proper preparation of those materials:~~

~~(A) The notice used for persons within the urban growth boundaries of cities with more than 4,000 people or within the urban growth boundary established by a metropolitan service district shall include:~~

~~(i) Reasons why people should recycle; and~~

~~(ii) The name, address and phone number of the person providing on-route collection; and~~

~~(iii) A listing of depots for recyclable materials at all disposal sites serving the area, including the materials accepted and hours of operation; and~~

~~(iv) A listing of depots for recyclable material at locations designated as more convenient to the public being served, including the materials accepted and hours of operation; or~~

~~(v) Instead of paragraphs (iii) and (iv) a phone number to call for all such information about depot locations.~~

~~(B) The notice used for persons not within the urban growth boundary of cities with more than 4,000 people or within the urban growth boundary established by a metropolitan service district, shall include:~~

- ~~(i) Reason why people should recycle; and~~
 - ~~(ii) A listing of depots for recyclable materials at all disposal sites serving the area, including the materials accepted and hours of operation; and~~
 - ~~(iii) A listing of depots for recyclable materials at locations designated as the more convenient to the public being served, including what materials are accepted and hours of operation; or~~
 - ~~(iv) Instead of paragraphs (ii) and (iii) a phone number to call for all such information about depot locations and collection service.~~
- ~~(b) A written reminder, a more effective notice or combination of both about the on-route recycling collection program that is reasonably designed to reach all solid waste collection service customers every six (6) months.~~
- ~~(c) Written information to be distributed to disposal site users at all disposal sites with attendants and where it is otherwise practical;~~
- ~~(A) This written material shall include:
 - ~~(i) Reasons why people should recycle; and~~
 - ~~(ii) A list of materials that can be recycled; and~~
 - ~~(iii) Instruction for the proper preparation of recyclable materials; and~~
 - ~~(iv) A list of the recycling opportunities available at the disposal site or designed "more convenient location."~~~~
 - ~~(B) At sites without attendants, a sign indicating the availability of recycling at the site or at the "more convenient location" shall be prominently displayed. The sign shall indicate the materials accepted and hours of operation.~~
- ~~(d) Recycling information (written materials, displays and/or presentations) to community groups and the general public.~~

- ~~(2) The affected persons in the wasteshed shall identify a procedure for citizen involvement in the development and implementation of the wasteshed's education and promotion program.~~
- ~~(3) The affected persons in each wasteshed shall provide notification and education materials to local media and other groups that maintain regular contact with the public, including local newspapers, local television and radio stations, community groups, neighborhood associations.~~
- ~~(4) Affected persons in each wasteshed should identify a person as the education and promotion representative for that wasteshed to be the official contact between the persons in that wasteshed and the Department in matters relating to recycling education and promotion.~~
- ~~(5) Information about the education and promotion program shall be included in the Recycling Report as outlined in OAR 340-60-045(2).~~

~~Standards for Recycling Reports~~

~~340-60-045~~

- ~~(1) The first recycling report shall be submitted to the Department not later than July 1, 1986 on forms supplied by the Department. Subsequent recycling reports shall be submitted to the Department not later than February 15 each year, beginning in 1988, on forms supplied by the Department.~~
- ~~(2) The recycling report shall include the following information:~~
 - ~~(a) The materials which are recyclable at each disposal site and within any urbanized area, if there has been a change from the previous year;~~
 - ~~(b) The manner in which recyclable material is collected or received, if there has been a change from the previous year;~~
 - ~~(c) Proposed and approved alternative methods for the opportunity to recycle which are to be used in the wasteshed and justification for the alternative method, if there has been a change from the previous year;~~
 - ~~(d) Public education and promotion activities in the preceding calendar year;~~

- ~~(e) Other information necessary to describe changes from the preceding calendar year in the programs for providing the opportunity to recycle;~~
 - ~~(f) The amount of material recycled in the preceding calendar year at each disposal site or more convenient location, by type of materials collected;~~
 - ~~(g) The amount of materials recycled in the previous calendar year by each on-route collection program required by OAR 340-60-020, or by an approved alternative method, by type of materials collected; and~~
 - ~~(h) If a recycling program required by OAR 340-60-020 collects materials both on-route and at disposal sites or other recycling depots in such a way that it is impractical to separately report the amount of material recycled as required in subsections (2)(f) and (g) of this rule, then the total amount of material recycled and estimates of the amount of material recycled by the on-route collection program and at each disposal site or more convenient location shall be reported.~~
- ~~(3) The recycling report shall include attachments including but not limited to the following materials related to the opportunity to recycle:~~
- ~~(a) Copies of materials that are being used in the wasteshed as part of education and promotion;~~
 - ~~(b) A copy of any new city or county collection service franchise, or any new amendment to a franchise, including rates under the franchise; which relates to recycling in areas required by ORS 459.180 and OAR 340-60-020 to provide on-route collection of source separate recyclable materials; and~~
 - ~~(c) Other attachments which demonstrate the programs for providing the opportunity to recycle.~~
- ~~(4) By January 25th of each year, collectors, disposal site operators, and other persons providing an opportunity to recycle required under ORS 459.180 and OAR 340-60-020 shall gather and report to their wasteshed representative, on forms provided by the Department, the information required by subsections (2f), (2g), and (2h) of this rule, for inclusion in the annual recycling report for the preceding calendar year.~~
- ~~(5) In addition to any annual reporting requirement set forth in sections 1-3 of this rule, the number of recycling setouts collected during January, April, July, and October shall be reported to the Department for those local governments units where recycling collection is required by ORS 459.180 or required for certification~~

~~under OAR 340-60-095. This report shall be on forms provided by the Department, and shall be due each following month on the first business day following the 14th of that month. For local government units within the state of Oregon, this report shall be submitted by the person who provides on-route collection required under ORS 459.180. For local government units outside of Oregon, this report shall be submitted, or caused to be submitted, by the regional disposal site that accepts the waste from a local government unit where on-route collection is required for certification under OAR 340-60-095.~~

~~(6) A local government unit or wasteshed representative may develop a written agreement with the Department by which local recycling programs report information of the type required under section (4) and (5) of this rule directly to the local government unit in place of reporting directly to the Department. Such written agreement shall require that:~~

~~(a) The information gathered by the local government unit be at least as comprehensive as the information required under sections (4) and (5) of this rule;~~

~~(b) The local government unit collect the recycling data in a manner compatible with the way that data are gathered and analyzed by the Department for the rest of the state;~~

~~(c) The local government transmit the data to the Department in a timely manner; and~~

~~(d) The Department shall be able to enforce the reporting of data by local recycling programs to the local government unit in the same manner that the Department enforces direct reporting under sections (4) and (5) of this rule.~~

~~(7) (a) The cities and counties and other affected persons in each wasteshed should:~~

~~(A) Jointly identify a person as representative for that wasteshed to act as a contact between the affected persons in that wasteshed and the Department in matters relating to the recycling report;~~

~~(B) Inform the Department of the choice of a representative.~~

~~(b) The cities and counties and other affected persons in a wasteshed shall gather information from the affected persons in the wasteshed and compile that information into the recycling report.~~

~~(8) The Department shall review the recycling report to determine whether the opportunity to recycle is being provided to all persons in the watershed. The Department shall approve the recycling report if it determines that the report contains all the information required under this rules and watershed:~~

~~(a) Is providing the opportunity to recycle, as defined in OAR 340-60-020, for :~~

~~(A) Each material identified on the list of principal recyclable material for the watershed, as specified in OAR 340-60-030, or has demonstrated that at a specific location in the watershed a materials on the list of the principal recyclable material is not a recyclable material for that specific location; and~~

~~(B) Other materials which are recyclable material at specific location where the opportunity to recycle is required.~~

~~(b) Has an effective public education and promotion program which meets the requirements of OAR 340-60-040.~~

~~[(Rule Amended by EQC 6/14/91)]~~

~~Fair Market Value Exemption~~

~~340-60-050- [OAR 340-60-050 has been renumbered to OAR 340-90-130]~~

~~(1) To qualify for exemption under ORS 459.192 a source separated recyclable material must be:~~

~~(a) Source separated by the generator; and~~

~~(b) Purchased from or exchanged by the generator for fair market value for recycling or reuse.~~

~~(2) If, as part of the opportunity to recycle, a city or county requires by franchise that residential collection service of recyclable material be provided and identifies a group of two or more materials as the recyclable material for which the residential collection service must be provided, then:~~

~~(a) "Fair market value" of any material within the identified group shall include the provisions of collection service for all the material in the identified group; and~~

~~(b) "Recyclable material" means the group identified by the city or county.~~

- ~~(3) Local government may designate classes of residential dwellings to which specific types or levels of collection service is to be provided.~~

~~Recyclable Material~~

~~[OAR 340-60-055 has been renumbered to OAR 340-90-140]~~

~~340-60-055 In determining what materials are recyclable materials:~~

- ~~(1) The cost of collection and sale of a recyclable material shall be calculated by considering the collector's costs from the time the material is source separated and leaves the use of the generator until it is first sold or transferred to the person who recycles it. All costs and savings associated with collection of a recyclable material shall be considered in the calculation.~~
- ~~(2) Any measurable savings to the collector resulting from making a material available for recycling as opposed to disposal shall be considered the same as income from sale.~~
- ~~(3) The cost of collection and disposal of material as solid waste shall be calculated by using the total costs of collection and disposal. Costs shall include fees charged, taxes levied or subsidy to collect and to dispose of solid waste. Costs shall also include but are not limited to the costs to comply with applicable statutes, rules, permit conditions and insurance requirements.~~
- ~~(4) The amount and value of any source separated material that is collected or received as part of a recycling requirement of a permit or a city or county franchise may be used in determining whether remaining material meets the definition of recyclable material.~~

~~More Convenient Location~~

~~340-60-060 Any disposal site that identifies a more convenient location for the collection of recyclable materials as part of providing the opportunity to recycle shall provide information to users of the disposal site about the location of the recycling collection site, what recyclable materials are accepted and hours of operation.~~

Exemption

~~340-60-065 Any disposal site that does not receive source separated recyclable material or solid waste containing recyclable material is not required to provide a place for collecting source separated recyclable material.~~

Small Rural Sites

~~340-60-070 Any disposal site from which marketing of recyclable material is impracticable due to the amount or type of recyclable material received or geographic location shall provide information to the users of the disposal site about the opportunity to recycle at another location serving the watershed. Such information shall include the location of the recycling opportunity, what recyclable materials are accepted, and hours of operation.~~

Reasonable Specifications for Recyclable Materials

[OAR 340-60-075 has been renumbered to OAR 340-90-090(1).]

~~340-60-075 No person providing the opportunity to recycle shall be required to collect or receive source separated recyclable material which has not been correctly prepared to reasonable specifications which are related to marketing, transportation, storage or regulatory agency requirements and which have been publicized as part of an education and promotion program.~~

Prohibition

340-60-080

~~(1) In addition to the provisions set forth in ORS 459.195, no person shall dispose of source separated recyclable material which has been collected or received from the generator by any method other than reuse or recycling except for used oil which may be collected and burned for energy recovery.~~

[OAR 340-60-080(1) has been renumbered to 340-90-090(2).]

~~(2) This prohibition shall apply to recyclable material which has not been correctly prepared to reasonable specifications referred to in OAR 340-60-075(1). However, this prohibition shall not apply to unauthorized material that has been deposited by the generator at a recycling depot when it is impractical to recycle the unauthorized material, or to collected recycled material later found to be contaminated with hazardous material.~~

[OAR 340-60-080(2) has been renumbered to 340-90-090(3)(4) and (5).]

~~{Rule Amended by EQC 6/14/91}~~

~~Due Consideration~~

~~340-60-085 [OAR 340-60-085 has been renumbered to 340-90-150.]~~

~~(1) In determining who shall provide the opportunity to recycle, a city or county shall first give due consideration to any person lawfully providing recycling or collection service on June 1, 1983, if the person continues to provide the service until the date the determination is made and the person has not discontinued the service for a period of 90 days or more between June 1, 1983, and the date the city or county makes the determination.~~

~~(2) "Due consideration" includes at a minimum:~~

~~(a) A general notice announcing that the city or county intends to franchise recycling collection service and describing the requirements for the franchise;~~

~~(b) A timely written notice announcing that the city or county intends to franchise recycling collection service and describing the requirements for the franchise sent to persons entitled by ORS 459.200(6)(c) to due consideration where such persons are known to the city or county or where such person has filed a timely written request for such notices with the city or county;~~

~~(c) An opportunity for public comment on the proposed franchise; and~~

~~(d) Consideration of, and response to, a timely application for a recycling collection franchise from a person entitled to "due consideration" and response.~~

~~Policy for Certification and Waste Reduction Programs~~

~~340-60-090 [OAR 340-60-090 has been renumbered to OAR 340-91-010.]~~

~~(1) The Commission's purpose in adopting rules OAR 340-60-090 through 340-60-110 for waste reduction programs pursuant to ORS 459.055 and ORS 468.220 and for certifying that a sufficient opportunity to recycle is provided pursuant to ORS 459.305 is to:~~

- ~~(a) conserve valuable landfill space by insuring that the persons who generate the garbage going to a disposal site have the opportunity to recycle, and that the amount of recyclable material being disposed is reduced as much as is practical;~~
- ~~(b) protect groundwater resources and the environment and preserve public health by reducing the waste going to landfills; and~~
- ~~(c) conserve energy and natural resources by promoting the reuse and recycling of materials as a preferred alternative to disposal.~~
- ~~(2) The purpose as stated in section 1 of this rule is to apply regardless of the state or jurisdiction in which the waste was generated.~~
- ~~(3) The Department shall not have enforcement authority regarding the requirements of ORS 459.165 to 459.200 and 459.250, or rules adopted under these statutory requirements, for out of state local government units other than the ability to certify and decertify the local government units under OAR 340-60-100, and the ability to accept or reject waste reduction programs and determine whether or not waste reduction programs are being implemented, thus restricting the disposal of wastes in a regional landfill when an adequate opportunity to recycle has not been provided to the generators of the wastes, or where an approved waste reduction program is not being implemented in the area where the waste is generated.~~
- ~~(4) It is the intent of the Commission that where a local government requests funding, technical or landfill assistance under ORS 459.047 through 459.057 or 468.220, that the local government shall make a good faith effort toward development, implementation and evaluation of waste reduction programs.~~

~~{Rule Amended by EQC on 8/10/90}~~

~~Applicability for Certification and Waste Reduction Programs~~

~~340-60-091 [OAR 340-60-091 has been renumbered to OAR 340-91-030.]~~

- ~~(1) A waste reduction plan approved by the Department under OAR 340-60-093 shall be required before:~~
- ~~(a) issuance of a permit for a landfill under ORS 459.047 through 459.055 for landfills expected to accept more than 75,000 tons of waste per year from a local government unit;~~

~~(b) issuance of Pollution Control Bond Fund monies to local government pursuant to ORS 468.220; or~~

~~(c) acceptance of more than 75,000 tons per year of wastes from a local government unit by a landfill established after October 3, 1979 as a conditional use in an area zoned for exclusive farm use.~~

~~(2) For a local government unit not required to implement a waste reduction program under ORS 459.055, or not otherwise exempt under OAR 340-60-095 (5), certification under OAR 340-60-095 shall be required before waste from the local government unit may be accepted for disposal by a regional disposal site.~~

~~{Rule Adopted by EQC 8/10/90}~~

~~Standards for Waste Reduction Programs~~

~~OAR 340-60-092 [OAR 340-60-092 has been renumbered to OAR 340-91-076.]~~

~~(1) To be approved by the Department, a waste reduction program shall fulfill the following requirements:~~

~~[OAR 340-60-092(1)(a) is deleted.]~~

~~(a) include the latest proven methods for reducing waste, as set forth in section (2) of this rule;~~

~~(b) be designed to meet all waste reduction standards and goals adopted by the Commission;~~

~~(c) include an opportunity to recycle that meets or exceeds the requirements of ORS 459.165 to 459.200 and 459.250;~~

~~(d) address waste reduction for each separate waste stream generated within the local government unit that is to be sent to affected Oregon disposal sites, including but not limited to:~~

~~(A) household waste,~~

~~(B) commercial waste,~~

~~(C) industrial waste,~~

~~(D) yard debris,~~

~~(E) demolition material, and~~

~~(F) hazardous material;~~

~~(e) meet all criteria set forth in ORS 459.055;
and~~

~~(f) continue for as long as a waste reduction
program is required under OAR 340-60-091.~~

~~(2) The Department shall maintain a list of proven
methods for reducing waste. Waste reduction
programs shall include those proven methods that
are feasible to implement within a local government
unit. The list shall include, but need not be
limited to the following:~~

[OAR 340-60-092(2) is deleted.]

~~(a) techniques for promotion, education, and
public involvement;~~

~~(b) promotion of reduction and reuse of materials
and items;~~

~~(c) techniques for salvage of building materials
and reusable items;~~

~~(d) the use of containers and other techniques to
enhance source separation of recyclable
materials;~~

~~(e) collection and composting or other utilization
programs for source-separated yard debris;~~

~~(f) segregation of high-grade loads of mixed waste
for material recovery;~~

~~(g) segregation of recyclable material, wood, and
inert material from demolition debris and drop
box waste;~~

~~(h) technical assistance and consultation to
businesses on methods of waste reduction and
recycling;~~

~~(i) fees and rate structures that promote the
source separation, recycling, and recovery of
material;~~

~~(j) adoption of a procurement policy that favors
the use of paper products and other items made
from recycled material as a way to further
assist the markets for material;~~

~~(k) promotion and assistance to local businesses and residents to encourage or require the use of items made from recycled material;~~

~~(l) programs to keep prohibited material such as hazardous waste and lead acid batteries out of the waste destined for disposal at the disposal site; and~~

~~(m) programs for measuring the results of the waste reduction efforts and determining further steps necessary to reduce waste.~~

~~(3) For local government units that produce less than 75,000 tons of waste per year that are requesting financial assistance for development or planning for solid waste facilities under ORS 468.220, the Department shall identify those proven methods listed in accordance with Section 2 of this rule that are appropriate to be considered and included in a waste reduction program for a smaller local government unit. In making this determination, the Department shall take into account:~~

~~(a) the type and volume of wastes produced;~~

~~(b) the density and other appropriate characteristics of the population and commercial activity within the local government unit; and~~

~~(c) the distance of the local government unit from recycling markets.~~

~~{Rule Adopted by EQC 8/10/90}~~

~~Submittals, Approval, and Amendments for Waste Reduction Programs~~

~~340-60-093 [OAR 340-60-093 has been renumbered to OAR 340-91-030.]~~

~~(1) For local government units within the State of Oregon, information required for approval of waste reduction programs shall be submitted by the local government unit.~~

~~(2) For local government units outside the State of Oregon, information required for approval of waste reduction programs shall be submitted, or caused to be submitted, by the disposal site permittee proposed to accept waste from the local government unit.~~

- ~~(3) Where more than one local government unit has jurisdiction, information submitted for approval shall cover all affected local government units.~~
- ~~(4) At minimum, the following information must be submitted before the Department will approve a waste reduction program:~~

[OAR 340-60-093(4) has been renumbered to 340-91-070(1) except as noted.]

- ~~(a) an initial recycling report containing the information and meeting the criteria set forth in OAR 340-60-105 (1) for recycling certification;~~
- ~~(b) a copy of each ordinance or similar enforceable legal document that sets forth the elements of the waste reduction program, and that demonstrates the commitment by the local government unit to reduce the volume of waste that would otherwise be disposed of in a landfill through techniques such as source reduction, recycling, reuse and resource recovery;~~

[OAR 340-60-093(4) (b) has been renumbered to OAR 340-__-070(2) (b).]

- ~~(c) a list and description of the programs, techniques, requirements, and activities that comprise the waste reduction program;~~
- ~~(d) a list and description of the resources committed to the waste reduction program, including funding level, source of funds, staff, and other governmental resources plus, if necessary to demonstrate that the program will be implemented, the private resources to be used to implement the program.~~
- ~~(e) a timetable indicating the starting date and duration for each activity or portion of the waste reduction program;~~
- ~~(f) if any proven methods identified by the Department pursuant to OAR 340-60-092 (2) are not used, information on why it is not feasible to implement the proven methods, or why other methods proposed are more feasible and will result in at least as much waste~~

~~reduction, energy efficiency, reduced pollution, and use of waste materials for their highest and best use as the proven methods identified by the Department;~~

[OAR 340-60-093(4)(f) is deleted.]

- ~~(g) information on the volume and composition of waste generated in the area, and the volume and composition of waste proposed to be landfilled in Oregon landfills;~~
- ~~(h) a copy of any contract or agreement to dispose of waste in an Oregon landfill;~~
- ~~(i) a list and description of information to be reported to the Department, in addition to the information required under OAR 340-60-105, that is sufficient to demonstrate continued implementation of the waste reduction program; and~~
- ~~(j) any other documents or information that may be necessary to fully describe the waste reduction program and to demonstrate the legal, technical, and economic feasibility of the program.~~

[OAR 340-60-093(5), (6), (7), (8), have been renumbered to OAR 340-91-080(4), (5), (6), (7).]

- ~~(5) The Department shall review the material submitted in accordance with this rule, and shall approve the waste reduction program within 60 days of completed submittal if sufficient evidence is provided that the criteria set forth in ORS 459.055, as further defined in OAR 340-60-092, are met.~~
- ~~(6) If the Department does not approve the waste reduction programs, the Department shall notify the disposal site that is to receive the waste and the persons who participated in preparing the submittal material, based on written findings. The procedure for review of this decision or correction of deficiencies shall be the same as the procedure for decertification and recertification set forth in OAR 340-60-100.~~
- ~~(7) In order to demonstrate continued implementation of the waste reduction program, by February 15th of each year, information required in OAR 340-60-105 (3) as well as information described in the submittal pursuant to in subparagraph (4)(i) of this rule must be submitted for the preceding calendar year.~~

~~(8) If a local government unit amends a waste reduction program, any changes in the information previously reported under this rule shall be reported to the Department. The Department shall approve the amended program provided that the criteria set forth in ORS 459.055 as further defined in OAR 340-60-092 are met.~~

~~{Rule Adopted by EQC 8/10/90}~~

~~Recycling Certification~~

~~340-60-095 [OAR 340-60-095 has been renumbered to OAR 340-91-030]~~

~~(1) A local government unit shall be considered certified if it has not been decertified under OAR 340-60-100 and if:~~

~~(a) The permittee of the regional disposal site has submitted or caused to be submitted an initial recycling report covering the local government unit, and containing the information required in OAR 340-60-105 (1), and the Department has approved or conditionally approved the report; or~~

~~(b) The Department has approved or conditionally approved a recycling report submitted under OAR 340-60-045 for the wastesheds or parts of wastesheds that include the entire local government unit.~~

~~(2) The date of certification shall be considered to be the date that the recycling report was first approved, or conditionally approved, by the Department for the wastesheds or areas that include the entire local government unit.~~

~~(3) For each initial recycling report submitted to fulfill the requirements of section (1) of this rule, the Department must respond by 60 days after receipt of a completed initial recycling report or by July 1, 1989, whichever is later, by either certifying the local government unit or by indicating what deficiencies exist in providing the opportunity to recycle. If the Department does not respond within this time limit, the local government unit shall be considered to be certified under OAR 340-60-095.~~

~~(4) Except as otherwise provided in section (5) of this rule, after July 1, 1988, a regional disposal site may not accept any solid waste generated from any~~

~~local government unit within or outside the State of Oregon unless the Department has certified that the recycling programs offered within the local government unit provide an opportunity to recycle that meets the requirements of ORS 459.165 to 459.200 and 459.250.~~

~~(5) A regional disposal site may accept wastes for disposal that are generated from a local government unit outside the State of Oregon without certification required under section (4) of this rule, if:~~

~~(a) the local government unit is implementing a waste reduction program under ORS 459.055 that is approved by the Department, and that provides an opportunity to recycle that meets the requirements of ORS 459.165 to 459.200 and 459.250; or~~

~~(b) the wastes were transported to the regional disposal site on or before July 1, 1990; or~~

~~(c) the regional disposal site accepts no more than 1,000 tons per year of wastes generated within any single local government unit. This 1,000 ton per year exemption shall apply separately to each incorporated city or town or similar local government unit, and to the unincorporated area of each county or similar local government unit, but not to other smaller geographic units referred to in section (6) of this rule.~~

~~(6) For the purposes of OAR 340-60-090 to 110, the term "local government unit" shall include smaller geographic units such as individual franchise or contract areas if a regional disposal site requests that the Department certify the recycling programs in the smaller geographic unit. The Department will certify the recycling programs in the smaller geographic unit if it determines that the opportunity to recycle is provided to all residents and businesses within the unit, as provided in section (1) of this rule, and that the boundaries of the unit were not drawn for the purpose of excluding potential recycling opportunities or otherwise reducing recycling requirements.~~

~~[Rule Amended by EQC 8/10/90]~~

~~Decertification, Recertification, and Variances~~

~~340-60-100~~ [OAR 340-60-100 has been renumbered to OAR 340-91-040.]

~~(1) Certified local government units shall be decertified if the Department finds, through its review of the recycling report submitted under OAR 340-60-045 or 340-60-105, or through other information that becomes known to the Department, that the opportunity to recycle is no longer being provided. Certified local governments shall also be decertified if no annual recycling report required under OAR 340-60-045 or OAR 340-60-105 is submitted. The procedure used for the decertification is as follows:~~

~~(a) The Department shall notify the regional disposal site that receives the waste and the persons who participated in preparing the most recent recycling report of the proposed decertification, based on written findings.~~

~~(b) An affected person may:~~

~~(A) Request a meeting with the Department to review the Department's findings, which meeting may include all or some of the persons who prepared the report; or~~

~~(B) Correct the deficiencies that the Department found regarding the opportunity to recycle.~~

~~(c) For local government units that have previously been certified under OAR 340-60-095, the Department shall grant a reasonable extension of time of at least 60 days to permit the affected persons to correct any deficiencies in providing the opportunity to recycle. The regional disposal site permittee may submit, or cause to be submitted, information to the Department during this period to demonstrate that any deficiencies have been corrected and the opportunity to recycle is being provided.~~

~~(d) If the Department finds, after a reasonable extension of time, that the opportunity to recycle is still not implemented in the local government unit, the Director of the Department shall notify the Commission, and shall send a notice to the regional disposal site that receives wastes from the local government unit and to the persons who participated in the preparation of the most recent recycling report.~~

~~This notice shall indicate how comments on the Department's findings can be directed to the Commission.~~

- ~~(e) If requested by the regional disposal site permittee or by another affected person within 30 days after notification under subsection (d) of this section, the Commission shall hold a public hearing. For local government units within the State of Oregon, this hearing may be held in conjunction with a hearing required under ORS 459.185(5).~~
- ~~(f) If, after review of the public record, and based on the Department's findings on review of the recycling report and other information made known to the Department, the Commission determines that all or part of the opportunity to recycle is not being provided, the Commission shall act to decertify the local government unit, and shall set an effective date for the decertification, subject to the requirements and right of appeal set forth in ORS 183.310 to 550.~~
- ~~(2) If a local government unit has been decertified under OAR 340-60-100(1), the regional disposal site permittee may apply to the Department for recertification by supplying, or causing to be supplied, information to demonstrate that all deficiencies have been corrected and that the opportunity to recycle is being provided. If the Department determines that the opportunity to recycle is being provided, the Department shall so certify, and shall provide notice of the certification to the affected regional disposal site permittee.~~
- ~~(3) Upon written application, the Commission may, to accommodate special conditions in a local government unit, grant a variance from specific requirements of rules adopted with regards to providing the opportunity to recycle. The procedure for adopting such a variance and the powers of the Commission shall be as set forth in ORS 459.185(8).~~

~~Recycling Reports Required for Certification~~

~~340-60-105 [OAR 340-60-105 has been renumbered to OAR 340-91-050.]~~

- ~~(1) Before a regional disposal site can accept waste from a local government unit not previously certified under OAR 340-60-095, an initial recycling report consisting of the following information for the local government unit~~

~~must be submitted for the Department's approval on forms provided by the Department:~~

- ~~(a) The materials which are recyclable material at each disposal site and within each city of 4,000 or more population or unincorporated urbanized area.~~
 - ~~(b) The manner in which the recyclable material are to be collected and received in order to provide the opportunity to recycle.~~
 - ~~(c) Proposed and approved alternative methods for providing the opportunity to recycle which are to be used within the local government unit.~~
 - ~~(d) Proposed or existing methods for providing a recycling public education and promotion program, including copies of materials that are to be or are being used as part of the program.~~
 - ~~(e) For disposal sites and for cities of more than 4,000 people and for unincorporated urbanized areas located within the local government unit, copies of any ordinance, franchise, permit, or other document that insures that the opportunity to recycle will be provided.~~
 - ~~(f) The geographic boundaries of urbanized area or proposed boundaries of urbanized areas as set forth in OAR 340-60-110 (2).~~
 - ~~(g) Other information or attachments necessary to describe the proposed program for providing the opportunity to recycle.~~
- ~~(2) If the regional disposal site proposes to receive waste from just a single facility or business within a local government unit, the regional disposal site can substitute for all the requirements of section (1) of this rule a list that shows the expected quantity and general type of waste proposed to be accepted at the regional disposal site from that facility or business, and the recycling opportunities available and considered for recycling that waste.~~

[OAR 340-60-105(2) is deleted.]

- ~~(3) In order to maintain certification for local government units, quarterly recycling setout data reports and an annual recycling report that includes the information required in OAR 340-60-045 (2), (3), and (5) must be submitted each year. The annual recycling report shall be due on February 15th of each year following certification. If these recycling reports are not submitted, the local government unit shall be subject to~~

~~decertification as specified in OAR 340-60-100. If, in the Department's estimation, data submitted in compliance with this paragraph indicate that the participation in the on-route recycling collection program offered in a local government unit has exceeded 60% for the previous two years, the Department may allow quarterly data on the amount of material collected and recycled on-route to be substituted for the quarterly setout data reporting required by OAR 340-60-045 (2) for the purposes of certification.~~

~~(4) The regional disposal site permittee shall be responsible for submitting, or causing to be submitted, all of the information required by sections (1), (2), and (3) of this rule for out of state local government units, and shall serve as wasteshed representative for the out of state local government units served by the disposal site.~~

~~(5) The regional disposal site permittee shall report, on forms provided by the Department, the quantity of material received from each local government unit located outside of the immediate service area of the disposal site.~~

~~Equivalents for Out of State Jurisdictions~~

340-60-110 [OAR 340-60-110 has been renumbered to 340-91-060 for Recycling Certification and 340-91-090 for Waste Reduction Programs.]

~~(1) For certification purposes, the special recycling requirements that apply in Oregon to areas within the urban growth boundaries of cities of 4,000 or more population or within the urban growth boundary of a metropolitan service district shall also apply to urbanized areas outside of Oregon that are certified or are to be certified under OAR 340-60-095. These special requirements include:~~

[OAR 340-60-110(a) and (b) have been deleted.]

~~(a) on-route collection at least once a month of source-separated recyclable material from collection service customers (OAR 340-60-020(1)(a)); and~~

~~(b) notice required by OAR 340-60-040(1)(a)(A).~~

~~(2) Unless otherwise proposed in a recycling report and approved by the Department, the urbanized area of the local government unit shall be considered to include all of the area within the incorporated limits of cities or towns of 4,000 or more population within the local~~

~~government unit, plus all area that is designated as an urbanized areas by the Federal Highway Administration if that Federal Highway Administration urbanized area contains an incorporated city, town, or other municipality having 4,000 or more population. The person or persons submitting the initial recycling report may propose a different boundary for the urbanized area of the local government unit. The Department shall accept the proposed urbanized area boundary if the Department finds that this boundary includes all parts of the local government unit that have substantially the same character, with respect to minimum population density and commercial and industrial density, as urbanized areas within the State of Oregon.~~

- ~~(3) For the purposes of certification under OAR 340-60-095, a regional disposal site may apply for an alternative method that involves removing recyclable material from mixed solid waste. Any such application may include one or more local government units, and shall include information on the method to be used for separating recyclable material and the percentage of the waste stream and quantity of material that is to be separated and recycled. The Department shall approve the alternative method if it finds that the alternative method will result in as much material, of as high a value in terms of resource and energy conservation, being separated from mixed waste and recycled as would have been recycled and conserved had the general method for providing the opportunity to recycle set forth in OAR 340-60-020 been implemented.~~

~~Local Government Responsibility~~

~~340-60-115 Each local government unit in a watershed where yard debris has been identified as a principal recyclable material shall, either individually or jointly through intergovernmental agreement, provide for the following:~~

- ~~(1) An approved yard debris recycling plan as called for in OAR 340-60-120.~~
- ~~(2) Yard debris recycling service using one of the methods listed in OAR 340-60-125 (1) through (3) and~~
- ~~(3) An education and promotion program which meets the requirements of OAR 340-60-040.~~

~~Yard Debris Recycling Plans~~

~~340-60-120~~

~~(1) Each local government unit in the wastesheds where yard debris has been identified as a principal recyclable material shall, individually, jointly through intergovernmental agreement or through intergovernmental agreement as provided in Section (2) of this rule, submit to the Department, as part of the wasteshed recycling report, a yard debris recycling plan which describes how the opportunity to recycle yard debris will be provided to the residents in their jurisdiction.~~

~~(2) (a) A yard debris recycling plan developed by the Metropolitan Service District shall include the following:~~

~~(A) All of the information called for in section (4) of this rule, allocated to each jurisdiction covered under the plan;~~

~~(B) A time line and implementation goals for each jurisdiction covered under the plan;~~

~~(C) An implementation program for each jurisdiction which recommends the roles for the affected persons;~~

~~(D) Intergovernmental agreements between Metro and each local government covered under the plan which:~~

~~(i) Contains a commitment from each party to implement the programs called for in the plan,~~

~~(ii) Identifies the roles of the affected person in the local jurisdictions and;~~

~~(iii) Identifies the amount and source of funds necessary to implement the plan.~~

~~(E) A program evaluation element which identifies the goals, performance measures and resources allocation necessary to implement the yard debris recycling program outlined in the plan.~~

~~(b) All intergovernmental agreements developed to implement the requirement of these rules shall be approved by the Department.~~

~~(c) Any yard debris recycling plan developed by Metro shall be consistent with and incorporated into the Metro waste reduction plan and the Metro solid~~

~~waste management plan.~~

- ~~(d) Any changes in the Metro yard debris recycling plan, waste reduction plan, or solid waste management plan affecting yard debris recycling shall be approved by the Department prior to being implemented.~~
- ~~(e) Metro shall monitor the implementation of the yard debris recycling programs and shall report local government and other affected person compliance or non-compliance in a report to the Department at least annually.~~
- ~~(3) As used in this rule and in OAR 340-60-125 the term "processors' capability to utilize source separated yard debris" means, the ability of an individual processor or group of processors of source separated yard debris to accept, store and process source separated yard debris into a product and to sell or distribute that product within one year or on a schedule approved or set by the Department.~~
- ~~(4) A yard debris recycling plan shall include the following information:—~~
 - ~~(a) The estimated amount of yard debris available,~~
 - ~~(b) The proposed collection method for yard debris,~~
 - ~~(c) The number of potential participants in the program,~~
 - ~~(d) The projected participation level,~~
 - ~~(e) The expected amount of material to be recovered,~~
 - ~~(f) The process by which the yard debris will be recycled or the names of the facilities to which the yard debris will be sent for recycling,~~
 - ~~(g) The projected capability of the facility which will be accepting yard debris generated in the jurisdiction to accept and utilize that yard debris.~~
 - ~~(h) The projected growth of the program over the first four years of operation.~~
 - ~~(i) A description of any alternative method for providing the opportunity to recycle yard debris which is going to be used.~~
 - ~~(j) A timeline which displays~~

- ~~(A) the projected growth of the program,~~
 - ~~(B) use of collection and recycling methods, and~~
 - ~~(C) projected growth of the facilities to which the yard debris will be sent.~~
- ~~(5) The Department shall review and approve or disapprove the yard debris recycling plans based on whether the information in the plan is accurate and the program described in the plan is designed to meet the performance standards in OAR 340-60-125(3) of this rule.~~
- ~~(6) Except as provided in section (7) of this rule, yard debris recycling plans developed for local jurisdictions in the Clackamas, Multnomah, Portland, Washington, or West Linn Wastesheds shall use OAR 340-60-125(5)(a) through (d) as goals:~~
- ~~(7) Yard debris recycling plans shall incorporate the minimum standards set out in section (6) of this rule except when it can be demonstrated to the Department's satisfaction, that a program which meets these minimum standards will produce more source separated yard debris than the processors or the local or regional government jurisdiction are capable of utilizing.~~

~~Yard Debris Recycling Program Implementation~~

~~340-60-125 [OAR 340-60-125(1) and (2) have been renumbered to OAR 340-90-080(4)(A)(B)(C)]~~

~~Each local government unit in a wasteshed where yard debris has been identified as a principal recyclable material shall, either individually or jointly through intergovernmental agreement, provide a yard debris recycling program by one of the following methods:~~

- ~~(1) Provide the opportunity to recycle as identified in OAR 340-60-020 or an equivalent level of service.~~
- ~~(2) Provide the opportunity to recycle yard debris by using an acceptable alternative method as identified in OAR 340-60-035. Acceptable alternative methods for collection or recycling of source separated yard debris include but are not limited to the following:
 - ~~(a) Monthly or more often on-route collection of yard debris during the months of April through October, with a drop-off depot for noncollection service customers available at least monthly, or~~~~

- ~~(b) A biweekly or more often yard debris collection depot within one mile of the yard debris generators, or such that there is at least one conveniently located depot for every 25,000 population.~~
- ~~(c) A monthly or more often yard debris collection depot, supplemented by a weekly or more often yard debris depot during the months of April through October, both within one mile of the yard debris generators, or such that there is at least one conveniently located depot for every 25,000 population.~~
- ~~(3) Provide a yard debris recycling program by using an acceptable alternative method or methods that are part of a Department approved yard debris recycling plan, as described in OAR 340-60-120.~~
- ~~(4) The Department shall include, but is not limited to, the following criteria in an evaluation of an alternative method for providing the opportunity to recycle yard debris submitted under section (2) or (3) of this rule.
 - ~~(a) Projected participation rate,~~
 - ~~(b) Projected recovery rate,~~
 - ~~(c) Distance the residents of the jurisdiction have to travel to use the alternative method,~~
 - ~~(d) Potential for expansion,~~
 - ~~(e) The type and level of promotion and education associated with the alternative method.~~~~
- ~~(5) Unless otherwise provided in an approved yard debris recycling plan, yard debris recycling programs developed for local jurisdictions in the Clackamas, Multnomah, Portland, Washington, and West Linn Wastesheds shall be implemented to meet the following minimum performance standards for recovery of yard debris generated in that jurisdiction:
 - ~~(a) By July 1, 1989 recovery of at least 25% of the yard debris generated in the area.~~
 - ~~(b) By July 1, 1990 recovery of at least 40% of the yard debris generated in the area.~~
 - ~~(c) By July 1, 1991 recovery of at least 60% of the yard debris generated in the area.~~
 - ~~(d) By July 1, 1992 recovery of at least 80% of the yard debris generated in the area.~~~~

~~New Yard Debris Charge Rule~~

~~OAR 340-60-130 [OAR 340-60-130 has been renumbered to OAR 340-90-190.]~~

- ~~(1) The Commission's purpose in adopting this rule governing when a fee may be charged for yard debris recycling services is to:
 - ~~(a) ensure that a financial disincentive for recycling is not created for any waste generator; and to~~
 - ~~(b) recognize that it may not be equitable to distribute the cost of collection and recycling of yard debris across all waste generators due to the extreme variability in volumes generated.~~~~
- ~~(2) The purpose as stated in section 1 of this rule is to apply to those recycling programs required under ORS 459.165 to ORS 459.200 and ORS 459.250.~~
- ~~(3) As used in this rule, "residential generator" means any generator of recyclable material located in single or multi-family dwellings up to and including 4 units.~~
- ~~(4) Residential generators of yard debris participating in a regularly scheduled yard debris collection service, where yard debris is a principal recyclable material, may be charged a fee for yard debris recycling. No fee may be charged for the first setout per month of up to a unit of yard debris. The first unit of yard debris collection is defined as the equivalent of a thirty two gallon can, or the standard unit of yard debris service provided, whichever is greater.~~
- ~~(5) Fees for yard debris recycling charged to residential generators of yard debris participating in a regularly scheduled yard debris collection service, where yard debris is a principal recyclable material, shall only be applied to volumes of yard debris in excess of those specified in Section (4) of this rule.~~
- ~~(6) Persons who have yard debris collection service but do not have solid waste collection service may be charged a fee for yard debris collection, not to exceed the fee charged for the collection of an equivalent amount of solid waste.~~
- ~~(7) A yard debris recycling fee in addition to the base fee charged for solid waste collection and disposal may be charged to generators of yard debris participating in yard debris collection programs located at depots where yard debris is a principal recyclable material, and to generators using an on-call collection service in an~~

~~area where the opportunity to recycle is being provided through a depot program or other similar alternative method. This additional fee can be charged at any yard debris recycling depot including those which are not solid waste disposal site depots.~~

- ~~(8) The total additional yard debris recycling fee charged to any generator of yard debris for collection of yard debris shall be less than the fee that would have been charged for collection of that same volume of yard debris as mixed solid waste.~~
- ~~(9) Yard debris recycling fees in addition to the base fee charged for solid waste collection and disposal may be charged for the collection of yard debris on route or at a depot, where yard debris is not a principal recyclable material.~~
- ~~(10) These rule is effective through June 1, 1993 at which time the Department shall review the rules and make any recommendations for deletion, changes or continuation of the rules to the Commission.~~

~~[Rule Adopted by EQC 6/14/91]~~

~~{USED OIL RECYCLING SIGNS}~~

[OAR 340-60-062 has been renumbered to OAR 340-90-180]

340-61-062

- ~~(1) Retail sellers of more than 500 gallons of lubrication or other oil annually in containers for use off premises shall post and maintain durable and legible signs, of design and content approved by the Department, at the point of sale or display. The sign shall contain information on the importance of proper collection and disposal of used oil, and the name, location, and hours of a conveniently located used oil recycling depot.~~
- ~~(2) Signs will be provided upon request by the Department.~~
- ~~(3) Retail sellers wishing to print their own signs are required to provide the following for their signs:
 - ~~(a) Oil Recycling Logo;~~
 - ~~(b) Information on the energy and environmental benefits gained by recycling used motor oil;~~
 - ~~(c) A telephone number where people can call to obtain more information on oil recycling depots and other oil recycling opportunities;~~
 - ~~(d) Information on how to recycle used oil;~~
 - ~~(e) Information on at least one conveniently located used oil recycling depot, or other oil recycling opportunity, i.e., name location, and hours of operation.~~
 - ~~(f) Sign size which shall be no smaller than 11 inches in width and 14 inches in height.~~~~
- ~~(4) Above information is also available from the Department.~~
- ~~(5) The Department suggests that the following appear on the sign "Conserve Energy - Recycle Used Motor Oil", in at least inch-high letters.]~~

A CHANCE TO COMMENT ON...

PROPOSED AMENDMENTS TO ADMINISTRATIVE RULES CONCERNING RECYCLING
PROGRAM REQUIREMENTS AND WASTE REDUCTION PROGRAM AND RECYCLING
CERTIFICATIONS FOR WASTE DISPOSAL

Hearings: October 15, 1992 in Medford, Oregon
October 15, 1992 in Pendleton, Oregon
October 19, 1992 in Portland, Oregon

WHO IS AFFECTED: Persons who are generators of solid waste, local governments with responsibility for managing solid waste and providing the Opportunity to Recycle and implementing the 1991 Recycling Act and the waste management and recycling industry.

WHAT IS PROPOSED: The Department of Environmental Quality (DEQ) proposes to amend Oregon Administrative Rules, Chapter 340, Division 60, dealing with requirements to provide the opportunity to recycle to citizens of Oregon and requiring persons and jurisdictions who intend to dispose of solid waste in regional? specific? landfills in Oregon to meet waste reduction program and recycling certification requirements.

WHAT ARE THE HIGHLIGHTS:

- Expand the minimum recycling program requirements that local governments must offer to citizens.
- Explain how the required washed material recovery rates will be determined.
- Establish required material recovery reporting procedures for local governments, recycling industry and disposal facilities.
- Expand the waste reduction program and recycling certification requirements for solid waste disposal.

HOW TO COMMENT: Copies of the proposed rules may be obtained from the Solid Waste Reduction and Planning Section, DEQ, 811 SW 6th Avenue, Portland, OR 97204. Oral and written testimony will be accepted at public hearings scheduled as follows:

October 15, 1992. Jackson County Courthouse, 10 South Oakdale, Medford, Oregon, 9:00 a.m.

October 15, 1992. Blue Mountain Community College, 2411 NW Carden, Room M130, Morrow Hall, Pendleton, Oregon, 2:00 p.m.

October 19, 1992. DEQ Conference Room 3A, 811 SW Sixth Avenue, Portland, Oregon, 9:00 a.m.

(over)

B-1



811 S.W. 6th Avenue
Portland, OR 97204

11/1/86

FOR FURTHER INFORMATION:

Contact the person or division identified in the public notice by calling 229-5696 in the Portland area. To avoid long distance charges from other parts of the state, call 1-800-452-4011.

**HOW TO
COMMENT:
(cont'd.)**

Written testimony may be submitted to Jan Whitworth, DEQ, Hazardous and Solid Waste Division, 811 SW Sixth Avenue, Portland, OR 97204. The testimony must be received no later than 5:00 p.m. October 22, 1992. For further information, contact Jan Whitworth at (503) 229-5913, or toll-free within Oregon, 1-800-452-4011.

**WHAT IS THE
NEXT STEP:**

After the public hearings, DEQ will evaluate the comments, prepare a response to comments, and make a recommendation to the Environmental Quality Commission in December, 1992. The Commission may adopt the amended rules as proposed, adopt a modification of the proposed rules as a result of testimony received, or decline to adopt the proposed rules.

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON

IN THE MATTER OF AMENDING)	STATEMENT OF NEED
CHAPTER 340, BY DELETING)	FOR RULEMAKING
DIVISION 60 AND CREATING)	
AND AMENDING DIVISIONS 90 AND 91)	

STATUTORY AUTHORITY

1. ORS 459A.025 gives the Commission authority to adopt rules to carry out the provisions in state law related to recycling program requirements, including the opportunity to recycle, which is required to be provided by local governments, acceptable alternatives to the opportunity to recycle, education and promotion requirements, and standards and procedures for reporting solid waste management information.
2. ORS 459.045 gives the Commission the authority to adopt rules related to the implementation of the requirements for waste reduction programs and recycling certifications for in state and out of state waste disposal.

NEED FOR THE RULES

1. The 1991 Recycling Act (Senate Bill 66) made significant changes to existing Oregon recycling law. The revision to state recycling rules is necessary in order to delete rules which are no longer appropriate and to incorporate changes that reflect the requirements of the new law. Although the new law is specific and in many cases does not need further clarification, the areas pertaining to the requirements for providing the opportunity to recycle and reporting material recovery and disposal information do require some clarifying language and procedural guidance in order to assure appropriate implementation.
2. The 1991 legislature, through the passage of Senate Bill 473, broadened the requirement for waste reduction programs and recycling certifications necessary to dispose of waste in Oregon. The requirements now apply to any person disposing of waste instead of limiting the requirement just to local governments. This change along with the requirement that a material recovery rate equivalent to those set for Oregon wastesheds must be achieved needs to be incorporated into the regulations for waste reduction program approvals and recycling certifications. Other requirements in Senate Bill 473 effect OAR Chapter 340 Division 61 and will be addressed in a later rulemaking.

PRINCIPAL DOCUMENTS RELIED UPON

Oregon Administrative Rules, Chapter 340 Division 60
Oregon Revised Statutes Chapter 459 and Chapter 459A

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
STATE OF OREGON

IN THE MATTER OF AMENDING)
OAR CHAPTER 340 BY)
DELETING DIVISION 60 AND)
CREATING AND AMENDING)
DIVISIONS 90 AND 91

STATEMENT OF FISCAL
AND ECONOMIC IMPACT

The proposed rules dealing with the implementation of the opportunity to recycle requirements and the reporting requirements will have the most significant economic impact. In addition the requirement for Waste Reduction Program approvals and Recycling Certifications for persons other than local governments will have an impact on those persons wishing to dispose of solid waste in Oregon and on the disposal facility planning to accept the waste.

Who is Impacted

The additional service requirements that local governments must provide to their residents and businesses for recycling will have a direct impact on cities, counties and the persons receiving the service. There will be an indirect impact on waste collectors and disposal facilities.

The changes to the requirements for Waste Reduction Program approvals and Recycling Certifications will have a direct impact on persons wanting to dispose of specified volumes of waste in Oregon and on the facilities planning to accept that waste. The citizens of Oregon and the region will be indirectly impacted by these rules.

What are the Impacts

- A. Additional Service Requirements: In order to implement additional recycling service requirements like weekly residential collection service, provide containers for collection, expand promotion and education efforts, multi-family collection, yard debris recycling, commercial recycling, or expanded recycling depots there are start-up costs and ongoing operational costs that must be funded.

Most of these costs would be funded through establishment of collection rates for services provided, therefore would ultimately be impacting the local resident or business receiving the service. The estimated range of additional costs would be between \$1.50 - \$5.00 per month per household depending on the alternatives chosen and the size of the population base being served.

The benefits to the local governments providing the services and the residents and businesses receiving the services is reduced solid waste disposal costs due to more material being recycled and less material being disposed. Because of the variability of each local program and the current lack of disposal data for each jurisdiction it is difficult to estimate the monetary benefit that may result from the implementation of these new services.

- B. **Additional Reporting Requirements:** The private recycling industry, cities, counties and disposal facilities who are required to report data on the weights, types of material, and watershed of waste origin will incur some administrative costs related to data collection and reporting. It is difficult to estimate the range of these additional costs because they will vary depending on the existing data collection and management systems used by these entities. There are no direct fiscal benefits to the reporting requirements, however there may be some long term economic benefits realized once data has been reported and analyzed because the state will be able to know much more about the waste composition and generation for Oregon and this will enable the state to make more informed policy decisions regarding waste material recovery and source reduction.
- C. **Waste Reduction Programs and Recycling Certifications:** Persons other than local governments who plan to dispose of specified volumes of waste at Oregon disposal facilities will have administrative costs associated with writing Waste Reduction Program descriptions and Recycling Certifications. The disposal facilities will incur administrative costs related to the submittal of such documents to the Department for approval. Some documents will be very simple and straight forward, with little analysis or data development necessary, while others will be very complex. The costs could range anywhere from a few hundred dollars up to several thousand dollars depending on the complexity of the situation.

The citizens of Oregon and the region indirectly benefit from these requirements because implementing waste reduction programs and providing recycling programs result in less waste being disposed and the preservation of existing landfill space for future needs. This results in less new landfills needing to be sited and constructed and the costs associated with these activities.

LAND USE EVALUATION STATEMENT

1. Explain the purpose of the proposed rules.

The purpose of the proposed rules is to incorporate changes to the Department's Solid Waste Reduction and Recycling rules that are a result of the passage of Senate Bill 66 (the 1991 Recycling Act) and Senate Bill 473. The rules proposed are intended to clarify the law where clarification or procedures are needed and to delete existing rules which are inconsistent with the new laws.

2. Do the proposed rules affect existing rules, programs or activities that are considered land use programs in the DEQ State Agency Coordination Program? YES ___ NO X

2a. If yes, identify existing program/rule/activity.

2b. If yes, do the existing statewide goal compliance and local plan compatibility procedures adequately cover the proposed rules? YES ___ NO ___ (if no, explain)

2c. If no, apply criteria 1. and 2. from the other side of this form and from Section III Subsection 2 of the SAC program document to the proposed rules. In the space below, state if the proposed rules are considered programs affecting land use. State the criteria and reasons for the determination.

The rule revisions associated with Senate Bill 66 do not appear to affect land use or directly relate to the statewide planning goals. Although the revisions related to Senate Bill 473 do affect land use, they are not land use programs. They do relate to statewide planning goals. The rules affect Goal 6, air, water and land resources quality, because they are designed to enhance and preserve land resources in the affected area and are consistent with the goal. The rules affect Goal 11, public facilities and services, because they are designed to extend the life of solid waste disposal facilities through requiring comprehensive waste reduction programs to be implemented and directing local governments to strive to meet certain material recovery rates to reduce the amount of solid waste that must be disposed.

The proposed rules do not appear to be in conflict with any of the statewide planning goals.

3. If the proposed rules have been determined a land use program under 2. above, but are not subject to existing land use compliance and compatibility procedures, explain the new procedures the Department will use to ensure compliance and compatibility.

Not applicable.

A. Wallock
Division

Robert Young
Intergovernmental Coordinator

8/25/92
Date

U:\RECY\RPT\YX229

State of Oregon
Department of Environmental Quality

Memorandum

Date: December 11, 1992

To: Environmental Quality Commission
From: Jan Whitworth for Bill Bree, Hearings Officer
Subject: Report on Public Hearing held in Portland, Oregon on October 19, 1992 on the "Solid Waste Reduction and Recycling Rules".

On October 19, 1992, a public hearing was held on proposed amendments to the "Solid Waste Reduction and Recycling Rules". The hearing was held in conjunction with a hearing on a rule to adopt the "Solid Waste Disposal Fee for the Orphan Site Account".

The hearing was opened at 9:00 a.m. After formal testimony was taken, staff remained to have an informal discussion and answer questions on the proposed rules for Solid Waste Reduction and Recycling.

Number of Persons Participating:
(Sign-up sheets available upon request)

- 9 People attended the hearing
- 4 People gave oral testimony
- 5 People submitted written testimony

Summary of Oral Testimony:

1. Max Brittingham, representing Oregon Sanitary Services Institute - Commented that information reported by collection service providers should be treated as confidential by the Department.
2. Meganne Steele, representing the City of Portland - Commented primarily on the recycling program elements for local government recycling programs. There is need for flexibility in the quarterly notice requirement for expanded education and promotion programs; add the word "convenient" to further clarify what is an appropriate location for collection containers at multi-family dwellings; make the language for yard debris collection programs on-route and at

Memo To: Environmental Quality Commission
December 11, 1992
Page 2

depots consistent as it relates to purpose; add more specificity to the commercial collection program element by indicating frequency and timing of collection, container size and location. Legislation is needed to clarify the program element relating to collection service rates and the Markets Council's responsibility to determine necessary and reasonable cost of collection for plastics.

3. Bob Martin, representing METRO - Recommended adding rule language to provide for shared responsibility between the state and local governments for calculating recovery rates. Suggested adding clarifying language to the commercial collection program element for local governments by further defining what "ten or more employees" and "1000 square foot building" means.
4. Steve Engel, representing Association of Oregon Recyclers - Recommended that the portion of the rule requiring the Department to provide used oil recycling signs to retail establishments selling oil should not be deleted.

JW:b
EQC\YB12045

State of Oregon
Department of Environmental Quality

Memorandum

Date: December 11, 1992

To: Environmental Quality Commission
From: Peter Spendelow HSW, Hearings Officer
Subject: Report on Public Hearing held in Medford, Oregon on October 15, 1992 on the "Solid Waste Reduction and Recycling Rules".

On October 15, 1992, a public hearing was held on proposed amendments to the "Solid Waste Reduction and Recycling Rules". The hearing was held in conjunction with a hearing on a rule to adopt the "Solid Waste Disposal Fee for the Orphan Site Account".

The hearing began at 9:00 a.m. and was adjourned at approximately 9:30 a.m. Department staff remained after the formal hearing to have an informal discussion with attendees regarding the proposed rules.

Number of Persons Participating:
(Sign-up sheets available upon request)

- 3 People attended the hearing
- 2 People gave oral testimony
- 0 People submitted written testimony

Summary of Testimony:

1. Sue Densmore, representing Rogue Disposal, Medford - Comments did not directly relate to changes in the proposed rules, but said that it was important for the Department to have open and early communication with cities and counties when it came time to calculate the recovery rates for each county. Felt it was important for the Department to explain how the recovery rates are calculated and particularly how the Department will allocate credit for material recovery under the bottle bill and through private back hauling of materials for recycling. Indicated it was very important to have this communication in a positive manner, especially in situations where counties and cities are making an effort to meet recovery rates but may not meet them by 1995.

Memo To: Environmental Quality Commission
December 11, 1992
Page 4

2. Tom Weldon, representing the City of Ashland - Expressed concern that backyard composting is not counted in the recovery rate. Felt that this may provide a disincentive for communities to promote such programs. Also registered a concern that a city who meets the required wasteshed recovery rate in a wasteshed that does not meet the rate should not be required to implement additional program elements.

PS:b
EQC\YB12045

State of Oregon
Department of Environmental Quality

Memorandum

Date: December 11, 1992

To: Environmental Quality Commission
From: Ed Liggett, Hearings Officer
Subject: Report on the Public Hearing held in Pendleton, Oregon on October 15, 1992 on the "Solid Waste Reduction and Recycling Rules."

Number of Persons Participating:
(Sign-up sheets available upon request)

- 2 People attended the hearing
- 0 People gave oral testimony
- 0 People submitted written testimony

Hearing Summary:

Hearings Officer, Ed Liggett, opened the meeting. Although none of the persons attending the hearing wished to testify, he asked DEQ staff member Bob Barrows to provide a background report on the purpose and anticipated impacts of the proposed rules. This presentation was followed by a question and answer session. Public attendees included a local reporter and an employee of the Bureau of Land Management.

EL:b
EQC\YB12045

ATTACHMENT D

SOLID WASTE REDUCTION AND RECYCLING RULE AMENDMENTS
INDEX TO WRITTEN COMMENTS RECEIVED DURING PUBLIC REVIEW

A summary of all comments received on the rules in contained in ATTACHMENT C. The following people submitted written comments on the proposed rules.

1. Association of Oregon Recyclers, P.O.Box 15279, Portland, OR 97215
2. City of Eugene, Planning Dept., 244 East Broadway, Eugene, OR 97401
3. Lane County, Waste Management Division, 125 E. 8th Avenue, Eugene, OR 97401
4. METRO, Solid Waste Division, 2000 S.W. First Avenue, Portland, OR 97201
5. Oregon Sanitary Service Institute, 1880 Lancaster Drive N.E., Salem, OR 97305
6. City of Portland, Bureau of Environmental Services, 1120 S.W. 5th Avenue, Portland, OR 97204-1972
7. Rand Properties, 4025 N. E. 32nd Avenue, Portland, OR 97212-1707
8. Recycling Advocates, 2420 S. W. Boundary Street, Portland, OR 97201

ATTACHMENT E

SOLID WASTE REDUCTION AND RECYCLING RULES
AMENDMENT PROPOSED FOR ADOPTION
DECEMBER, 1992

SUMMARY OF COMMENT AND RESPONSE TO COMMENTS

Public hearings were held on the proposed rules October 15 and 19, 1992. A total of 15 people attended the hearings. The Department received testimony on the rules from 10 individuals or organizations. Below is a summary of the comments received. With the exception of the comments on confidentiality of collection service provider information, each comment was made by only person. The confidentiality comment was made by two people.

A. LOCAL GOVERNMENT PROGRAM ELEMENTS

1. COMMENT: In order to provide more flexibility to the quarterly notice for education and promotion the state should consider a two-tiered approach based on extent of participation levels or waste diverted. Those who meet a certain level should have the flexibility two out of the four quarters to provide a message to a target audience and should not have to be in writing, but other means of communication could be used if desired.

RESPONSE: The rule language as originally proposed provides maximum flexibility. The quarterly notice can be in written or any other media form deemed most effective by the local government. The requirement also provides a broad enough statement regarding what should be in the notice to be changed in any given quarter to target the issues and/or audience that the local government thinks will produce the most effective recycling program results. Therefore, the rule will remain as proposed.

2. COMMENT: For the option of providing collection of recyclables from multi-family dwelling, add the word "convenient" to the appropriate location and equipment for collection.

RESPONSE: Adding this clarification will make intent more clear. "convenient" has been added to proposed rule OAR 340-90-040 (3)(d)

3. COMMENT: For the yard debris program option make the language for curbside and depot programs consistent by adding the following words to the depot program

description "...production of compost and other marketable products..."

RESPONSE: This is consistent with the intent of the statute. The appropriate language has been added to OAR 340-90-040 (3)(e).

4. COMMENT: More specific standards for commercial collection programs should be described in the rule. Language should be added stating that collection programs should be weekly, on the same day each week for customers who store recyclables inside, and require adequate container size.

RESPONSE: The option to select the commercial recycling program element is available to communities ranging in size from 4,000 population to as large as the City of Portland. These communities will have variety of different commercial generators of recyclables. It is important to keep the program element option as flexible as possible in order to allow each community to design a commercial collection program that can be most effective in their situation. To be overly prescriptive in this option would hinder the ability of cities to design unique programs for their situation. The rule, as proposed, allows cities to design collection frequency and size of containers for commercial collection to be based on their individual evaluation of generation rates for each commercial customer and the character of the commercial generators in their community. However, there is nothing precluding a city to provide more prescriptive requirements in local ordinance, collection contracts or franchise agreements once they determine what program will work best for them.

5. COMMENT: For the volume based rates option clarifying language should be added to make it clear that the rate per container applies to each residential unit in residential complexes with less than five units.

RESPONSE: The understanding is that residential complexes of less than five units usually receive individual garbage collection and recycling service rather than a single service for the complex as a whole. Therefore this clarification in the rules is appropriate. OAR 340-90-040 (h) has been revised accordingly.

B. Alternative Programs

COMMENT: The requirements for DEQ approval of changes to Metro's Yard Debris Plan and for Metro to report to DEQ annually on implementation of the plan should be added back into the rule.

RESPONSE: The Metro Yard Debris Plan under the rules was approved by the Department as an alternative program for yard debris collection for those communities represented by the plan. The rules as proposed treat this plan like any other alternative program. Therefore specific language requiring Metro to report to DEQ annually on the plan and to have DEQ approve any changes to the plan will not be added. However, the general requirements for approving alternative programs and for metro and any county to report on the alternative programs will be clarified. This clarification will directly require any changes to the metro yard debris alternative program, i.e. the plan, to be approved by the Department. The clarification will also require that the annual recycling report provide information on the implementation of any Department approved alternative program, including the Metro yard debris plan. OAR 340-90-080 and 340-90-100 have been revised accordingly.

C. Opportunity to Recycle Rigid Plastic Containers

COMMENT: Markets Council is required to determine for each wasteshed that a stable market exists for rigid plastic containers. The rule should be amended to say that local governments should determine what are necessary and reasonable collection costs, not the Markets Council.

RESPONSE: The rule language as proposed in OAR 340-90-040 (5) is based on the statute. Therefore the language cannot be revised. However, the intent and expectation is that the Markets Council would base their determination of viable markets on collection cost data that reflect input from local government and collection service providers on collection costs for each wasteshed.

D. Recovery Rates

1. **COMMENT:** Source reduction by backyard composting should be counted in the recovery rate.

RESPONSE: The recovery rate for each wasteshed is based on the recovery of material for recycling, and was not intended to include management of solid waste by reuse or source reduction. Source reduction of organics through home composting is one of the highest and best ways to manage municipal organic waste and

should not be discouraged. If a community focuses on such a program this will not negatively impact their ability to achieve their recovery rate for recycling because the weight of the material that is source reduced through home composting is not counted in either the numerator or the denominator for calculating the recovery rate.

Source reduction is the most effective and desirable approach to managing solid waste and one which will be addressed in the statewide integrated solid waste plan for Oregon.

2. COMMENT: Reuse of materials should be counted in the recovery rate.

RESPONSE: During the development of the 1991 Recycling Act, which specific recovery rates for each wasteshed in the state, the concept of counting material reuse activities in the specific recovery rates was discussed. However, for two reasons it was decided not to include reuse. First, it is difficult to measure reuse and would require establishment entirely new and separate reporting and tracking requirements. Secondly, if reuse was included than the recovery rates for each wasteshed would need to be adjusted upward accordingly. It was agreed that the recovery rates should focus on material recovery through recycling. Therefore this change is not being proposed for the rules.

3. COMMENT: A provision should be added to the rules that allows for a county or metropolitan service district who is already collecting the identical information needed to determine recovery rates can, through interagency agreement with the Department, collect the data and calculate their own recovery rate.

RESPONSE: Authority for this type of interagency agreement already exists and is not necessary to be added to these rules.

4. COMMENT: If a city in a wasteshed meets the 1995 recovery rate for the wasteshed, but the wasteshed overall does not meet their recovery rate then the city should not be required to institute two more program elements.

RESPONSE: The law specifically requires cities over 4,000 population within a wasteshed to implement additional program elements after 1995 if the wasteshed does not achieve its recovery rate. Recovery rates

will not be calculated nor will data be reported in manner that provides recovery rates for cities since the rate applies solely to wastesheds. It is the intent of the legislation that cities and counties will be working together as a team to achieve the recovery rate for the wasteshed.

E. Confidential Information

COMMENT: There is an inequity between information reported by collection service providers to counties and information reported by private industry to the Department. The information reported by the collection service providers, although by statute not confidential, should be evaluated on a case by case basis to determine what is public information. Section (2) of OAR 340-90-120 should be deleted.

RESPONSE: Information reported for materials collected on-route that relates to customer lists and specific amounts and types of materials marketed may be held confidential by the Department if specifically requested and submitted voluntarily. Therefore this section has been deleted in the proposed rule. Appropriate clarifying language has been added in its place.

F. Used Oil Signs

COMMENT: The rule language requiring the Department to provide used oil recycling signs to retailers should not be deleted. The Department should continue to provide signs.

RESPONSE: Due to severe budget cuts in the state's solid waste recycling program, the Department felt it prudent to delete from regulation those requirements on the Department that were not mandated by statute. Therefore this requirement is proposed to be deleted from existing rule. However, the Department does still have a supply of signs available and will be glad to continue to voluntarily provide them to retail establishments upon request as long as the current supply lasts.

G. Charge for Yard Debris Collection

COMMENT: Language should be added making it clear that in multi-family residences of four and less units the first unit without charge applies to each unit of the complex, not the complex as a whole.

RESPONSE: To be consistent with other rules applying to multi-unit living complexes, this clarification is appropriate. Language in the proposed rule has been added accordingly.

JW:b
EQC\YB12036.E
October 27, 1992

SUMMARY OF FINAL RULE REVISIONS

The following is a list of revisions proposed in the final rules that occurred following the public review process. Rule changes noted here are either a result of public comment or are technical corrections resulting from internal staff review.

340-90-010(7)

The term "wood waste" has been deleted from the definition of industrial waste. This makes the definition consistent with the federal definition.

340-90-040(3) (d)

The word "convenient" is added to the requirement for locating collection equipment at multi-family dwelling complexes.

340-90-040(3) (e) (C)

The phrase "...for the production of compost or other marketable products..." has been added to the requirement for a system of depots for yard debris collection. This provides consistency with the language for on-route collection of yard debris.

340-90-040(h)

The phrase "...and single residential units in complexes of less than five units..." has been added. This clarifies that the collection rate structure treats each unit in a multi-family complex of less than five units as a single family dwelling.

340-90-050(2) (21) and (23)

Technical corrections have been made to clarify that the areas within the city limits of Albany and Mill City are in the Linn Wasteshed. North Albany, outside of the Albany city limits, is part of the Benton wasteshed. Mill City was incorrectly identified with the Marion County wasteshed.

340-90-080(4)

Section (4) was added to clarify that any changes to approved alternative methods, including the metro yard debris plan, are to be approved by the Department prior to implementation.

340-90-100(2) (d) (D)

The phrase "...or, as applicable, a description of the approved alternative method being implemented and the status of implementation." has been added. This clarifies that programs with approved alternative methods must report annually on the status of implementation, just as local governments implementing the regular program elements are required to do.

340-90-100(2)(g)

The paragraph has been changed to allow for the reporting of an annual participation rate for residential on-route collection. The rate may be estimated if actual data is not collected. The existing rule required data on participation rates to be collected and reported four times a year on specified months.

340-90-100(6)(a)

A technical correction has been made to make the rule language more consistent with statutory language. The survey covers residential scrap metal and does not include industrial scrap metal.

340-90-120(2)

Original proposed language has been deleted and new language provided which states the conditions under which certain information reported by collection service providers for local governments may be held confidential. The language, as initially proposed, stated that this information would be treated as public information.

340-90-190(3)

Language has been added to clarify that in multi-family complexes of four or less units, each unit is considered a residential generator of yard debris.

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Amendments to Solid Waste Reduction and Recycling Rules

Rule Implementation Plan

Summary of the Proposed Rule

The rules in OAR Chapter 340 Divisions 90 and 91 relate to recycling and waste reduction program requirements. Division 90 primarily focuses on expanded recycling collection program requirements for local governments, a more comprehensive reporting system to collect data statewide concerning material recovery, and how local material recovery rates will be calculated once the data is reported.

Division 90 will impact cities over 4,000 population and all counties within the state. These local governments are responsible for implementing expanded recycling programs and meeting established recovery rates by 1995. In addition, the reporting requirements will impact not only the local governments mentioned above but will also have a direct impact on disposal facility operators, collection service providers, and the private recycling industry. All of these entities are required to report certain specified information to the Department on an annual basis beginning in January, 1993.

Division 91 focuses on the requirements that landfill operators must meet if they receive waste in certain volumes from generators within or outside of the state of Oregon. The existing statute and rules applied only to waste received from local governments. 1991 legislation expanded these requirements to apply to waste received from any person, including industry or individuals as well as local governments. The amendments to Division 91 expand the requirements to include these other entities.

The basic requirements state that if a person or local government wishes to dispose of 75,000 tons or more a year of garbage in a landfill in Oregon they must have a Department approved waste reduction program. If a local government wishes to dispose of 1,000 tons or more of garbage a year in an Oregon landfill they must have a recycling certification from the Department stating that they are meeting the minimum opportunity

to recycle requirements. If a person wishes to dispose of 1,000 tons or more of garbage a year in an Oregon landfill they must reside in a local government that is certified. If they do not reside in a jurisdiction that has been certified they must provide a report describing the recycling opportunities available to them.

Proposed Effective Date of the Rule

The rule is proposed to take effect immediately upon adoption by the Environmental Quality Commission and upon filing with the Secretary of State.

Proposal for Notification of Affected Persons

The rule amendments in OAR Chapter 340 Division 90 and 91 reflect very prescriptive and detailed requirements in the 1991 legislation. Many of the requirements being added to the rules actually went into effect by statute in July, 1992 with some going into effect in 1993. In order for local government and the private solid waste industry to comply with the statutory deadlines the Department began providing technical assistance and notification to affected parties during fall 1991 and spring 1992. As a result extensive implementation efforts have already taken place and will continue after rule adoption.

LOCAL GOVERNMENT RECYCLING PROGRAMS

Fact sheets, technical guidance and meetings have been provided to all counties and cities over 4,000 population regarding the recycling program requirements.

REPORTING REQUIREMENTS

A letter explaining the new reporting requirements is being sent to all private recyclers who will be required to report in 1993. Technical assistance in filling out reports will be provided by telephone after the report forms go out in January. A follow up training session will be developed for 1994 reporting if determined necessary.

All private manufacturers who are required to report minimum content for glass, newsprint and directories have already received written notice and a report form.

RECYCLING CERTIFICATION AND SOLID WASTE REDUCTION PROGRAM APPROVALS

A notification letter and procedures will be sent to all disposal facilities in Oregon informing them of the change in Recycling Certification requirements and Solid Waste Reduction Program requirements.

Proposed Implementing Actions

DEPARTMENT IMPLEMENTING ACTIONS

Under the current organizational structure the Solid Waste Reduction and Planning Section (SWRP) is responsible for virtually all of the implementation of these rules. Coordination with the Solid Waste Permits Section and the solid waste staff in the Eastern Regional Office will be necessary for the Solid Waste Reduction Program and Recycling Certification requirements.

As reorganization occurs over the next two to four years and program implementation becomes decentralized this implementation strategy will need to be revised. However, what is presented here reflects current organizational structure and responsibilities.

Key Program Areas:

1. **Staff training:** In-house training sessions and informal discussions are held to review and discuss statutory requirements and the proposed rules. Staff are assigned certain program areas to act as "program experts" to assist other staff when clarification and assistance is needed. There is a very active internal network for sharing information related to regulatory requirements and regulatory interpretations.
2. **Local Government Technical Assistance:** A technical assistance outreach plan to assist local governments with recycling program development and training was developed. This plan identifies tasks, a schedule, and techniques for providing assistance to local governments. It ranges from making presentations at local government conferences and training programs, to setting up meetings with individual local government officials, solid waste professionals and local solid waste advisory committees to provide technical assistance in implementing the local program requirements.
3. **Reporting:** There are three key components to a successful reporting program. An effective data management system that allows you to use and manage the information collected, development of reporting procedures and forms that effectively gather the required information, and training and assistance for staff implementing the program and for the regulated community required to report.

The Department is currently developing the data management system. It is scheduled to be in place by January, 1992. The system is being developed by involving all staff that will need to use the system. Training and understanding of the system is occurring as the system is developed through hands on participation by appropriate staff. Once the system is in place there will be additional training for staff required to input data, analyze data and retrieve reports.

The Development of reporting procedures, refinement of reporting requirements and design of reporting forms has been done through the use of an "expert" work group comprised of representatives from the reporting community. A pilot reporting exercise to implement the reporting requirements on a small scale has been conducted in one county to evaluate how the forms are working and make any adjustments necessary prior to beginning the official reporting process in January, 1993.

In addition, staff training for the SWRP section will be conducted so that staff have a basic understanding of the reporting components and data that will be required to be reported. This will enable staff to provide general assistance to the regulated community and also know the limits and uses of the data being collected.

The Department plans to have staff available to the regulated community during the reporting periods to provide technical assistance on filling out the reports properly.

4. Compliance/enforcement: Formal enforcement of these requirements will be conducted by the same staff who are trained to provide technical assistance, therefore additional technical training will not be needed.

REGULATED COMMUNITY IMPLEMENTATION REQUIREMENTS

Summary of Major Requirements:

1. Cities Over 4,000 population: Cities are required to expand their recycling collection services to meet certain minimum requirements in the rules and law. In order to do this they must analyze which options will work best in their communities and implement them by July, 1992. In most cases this will require an analysis of local garbage and recycling rates and possible increases in rates for local collection.
2. Counties: Counties are required to report the status of implementation of the opportunity to recycle in their county, including each city over 4,000 population. They are also required to report annually specific data regarding materials recycled from on route and community sponsored depot collection programs.

Counties are responsible for implementing recycling collection programs in areas between the city limit and the urban growth boundary.

Wasteshed material recovery rates have been established and must be met by 1995. For the majority of areas the wasteshed that must meet the rate corresponds to the county jurisdiction.

3. **Disposal Facilities:** Disposal Facilities are required to report to the Department the amount of waste received for disposal from each county/wasteshed. They are also required to obtain recycling certifications and waste reduction program approvals for their clients wishing to dispose of more than 1,000 tons per year and 75,000 tons per year.
4. **Private recyclers:** Private recyclers such as buy back centers, drop off centers, and private collection service providers are required to report annually to the Department data regarding type and amount of material collected, received, processed, or recovered, the origin of the material, and the disposition of the material.
5. **Manufacturers:** Manufacturers of glass food and beverage containers sold or used in Oregon, consumers of newsprint and directory publishers must report to the Department annually on the amount of recycled content in their manufactured products.