



**House  
Legislative  
Analysis  
Section**

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**WASTE REDUCTION PACKAGE**

**Senate Bills 403-405 and 413 (Substitutes H-1)  
First Analysis (12-7-87)**

**Sponsor: Senator Vern Ehlers  
Senate Committee: Natural Resources & Environmental  
Affairs  
House Committee: Conservation & Environment**

***THE APPARENT PROBLEM:***

Over the last decade, several major corporations have reported significant cost savings through waste reduction. Company-wide incentive programs and research efforts have paid off for many large corporations with new processes and technology that reduce wastes. News of these successes and a nationwide waste disposal crisis have combined to bring waste reduction to the forefront of national attention.

Within the last two years, the National Research Council (NRC), the Congressional Office of Technology Assessment (OTA) and the U.S. Environmental Protection Agency (EPA) have each issued reports identifying waste reduction as the most sensible response to the increasing costs, liability and pollution problems associated with waste management. These reports and others have called on local, state, and federal governments to take active roles in reducing the generation of hazardous wastes and other potential pollutants. At least a dozen states have begun programs to help manufacturers, service providers and others reduce the quantity and toxicity of wastes generated. Waste reduction is developing into a critical element in improving industrial competitiveness and resolving the nation's waste disposal crisis. It has been suggested that Michigan establish a program that would provide research, technology, information and incentives for developing waste reduction in the state.

***THE CONTENT OF THE BILLS:***

Senate Bill 403 would create the Environmental Technology Act that would establish the Environmental Technology Board within the Department of Commerce. The board would consist of representatives from industry and environmental organizations as well as experts in waste reduction technology. It would be required to investigate the establishment of an environmental technology institute to conduct research and develop waste reduction technologies. The board would have to outline the need for the institute, propose its organizational structure, explore possible funding sources, propose a site for the institute, and identify initial research priorities of the institute. Within 18 months after the effective date of the bill, the board would be required to submit a detailed proposal for the establishment of the environmental technology institute to the governor and the legislature. The bill would be repealed two years after its effective date.

Senate Bill 404 would amend the Hazardous Waste Management Act to create the Hazardous Waste Policy Committee within the Department of Natural Resources. The committee would be comprised of representatives of hazardous waste transporters, local government, business, conservation organizations, and institutions of higher learning that had technical experience on waste issues. The committee would be required to prepare an update of the state Hazardous Waste Management Plan by January 1, 1990. The updated plan would be based upon specific information such as the location of generators, waste capacity needs of the state, economics of

transporting wastes, and existing storage, treatment and disposal facilities. It would plan for the availability of hazardous waste treatment or disposal facilities that would have adequate capacity for the handling of waste reasonably expected to be generated within the state during the 20-year period after the effective date of the bill. An emphasis away from landfilling and towards in-plant reduction, recycling, and treatment of hazardous wastes would be required in the plan. The committee would instruct the Office of Waste Reduction (as proposed in Senate Bill 405) to complete studies considered necessary for the completion of the updated plan. Studies could include evaluation of several topics involving hazardous waste management and generation, and waste reduction technology. If the committee found that there was a need for additional treatment or disposal facilities in the state, the committee would have to identify incentives the state could offer that would encourage the construction and operation of additional facilities. The committee would submit the updated plan to the Natural Resources Commission for adoption. Upon final adoption of the plan, the committee would disband.

The bill would require that a new committee be appointed every five years following the adoption of the updated plan, to review the updated plan and submit recommendations concerning the implementation of the bill to the legislature.

The bill would repeal Section 8 of the act, which established the state Hazardous Waste Management Planning Committee that created the state Hazardous Waste Management Plan adopted by the Natural Resources Commission on January 15, 1982.

The bill would also repeal Section 14 of the act which gives the director of the Department of Natural Resources authority to issue permits and licenses for hazardous waste treatment, storage, or disposal facilities included in the act prior to the adoption of the Hazardous Waste Management Plan by the Natural Resources Commission.

The bill is tie-barred to Senate Bill 405 and would take effect October 1, 1988.

Senate Bill 405 would create the Waste Minimization Act to establish the Office of Waste Reduction within the Department of Natural Resources (DNR). The office would be created to advise the DNR director on methods of incorporating waste reduction goals within the department's regulatory and permit programs, including data collection and analysis to advance the concept and implementation of waste reduction. The office would be required to provide staff, studies, and analyses to the Hazardous Waste Policy Committee (proposed in Senate bill 404), and information to the Waste Reduction Assistance Service (proposed by Senate Bill 413). Prior to January 1 of each year, the office would submit an annual report to the legislature, governor, and chairpersons of the Appropriations Committees in the House and Senate. The first report would have to include information concerning

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its waste reduction studies and recommended changes in policies and regulatory approaches that would encourage waste reduction.

The director would be required to designate one individual from the department to serve as a liaison between the DNR and the Waste Reduction Assistance Service (which would be located in the Department of Commerce as provided by Senate Bill 413) on all matters related to waste reduction.

The bill is tie-barred to Senate Bills 404, and 413, and to House Bill 4518. House Bill 4518 would provide for limited storage facilities for hazardous waste. Senate Bill 405 would take effect October 1, 1988, and would be repealed effective September 30, 1992.

Senate Bill 413 would create the Waste Reduction Assistance Act to establish the Waste Reduction Assistance Service, the Waste Reduction Advisory Committee, the Waste Reduction Grants Program, and the Waste Reduction Research Grants Program within the Department of Commerce.

The Waste Reduction Assistance Service would be required to provide information, education, technical assistance, and funding to persons to facilitate a reduction in the amount of waste generated in the state. The service would establish a waste reduction information clearinghouse which would publish and distribute information on waste reduction technology. The service would be required to place a particular emphasis on in-plant waste reduction.

The Waste Reduction Advisory Committee would have to provide technical information and advice for the service and review grant applications for the Waste Reduction Grants Program and the Waste Reduction Research Grants Program. The director of the Department of Commerce, upon the advice of the committee, would select the recipients of the grants. The bill also would require the director to create a liaison between the department and the Office of Waste Reduction (proposed by Senate Bill 405) on all matters that would relate to waste reduction.

The Department of Commerce would be required to establish the Waste Reduction Grants Program. Information and applications for grants would be provided upon request through the Waste Reduction Assistance Service. The service would also make referrals and provide information about other state and federal agencies and programs under which funding alternatives could be available. After considering recommendations from the Waste Reduction Advisory Committee, the director of the Department of Commerce would be required to make waste reduction grants to fund waste reduction projects and projects that demonstrated new and emerging waste reduction technologies. A grant made for projects demonstrating advanced technology would have to require that information generated by the project be available to the service for distribution through the Waste Reduction Information Clearinghouse.

The department would be required to establish the Waste Reduction Research Grants Program. After considering the recommendations of the committee, the director would make grants to colleges and universities, nonprofit corporations, industry associations, or other persons for industry specific research projects pertaining to waste reduction. In making the research grants, the director would have to consider the same factors that would have to be considered for a waste reduction grant. The director would also have to consider the likelihood of the applicant's

project qualifying for other research grants or subsequent research grants from other sources.

The bill is tie-barred to Senate Bill 405. It would take effect October 1, 1988, and would be repealed effective September 30, 1992.

## **HOUSE COMMITTEE ACTION:**

The House Committee on Conservation and Environment reported substitutes for the bills that are identical to the Senate-passed versions.

## **FISCAL IMPLICATIONS:**

According to the Senate Fiscal Agency, Senate Bill 403 would result in an expenditure increase of approximately \$5,000 per year to cover incidental expenses of the nine-member Environmental Technology Board. Senate Bill 404 would have a fiscal impact of \$55,000 per year for approximately 1-1/2 years. This assumes that the legislature would authorize a per diem of \$75 (the same as currently authorized for the Natural Resources Commission); that the 11-member Hazardous Waste Policy Committee would meet five days per month (\$49,500); and that each member would incur \$500 in incidental expenses (\$5,500). Senate Bill 405 would have a fiscal impact of approximately \$200,000 per year. It is believed that 3 FTEs, at an average of \$55,000 per FTE, would be required for the Office of Waste Reduction, plus \$35,000 for contractual services, supplies and materials. Senate Bill 413 would have a fiscal impact on the state of approximately \$92,000 to \$200,000 per year in increased expenditures. This includes \$2,000 in expenses for the five-member Waste Reduction Advisory Committee and one to three FTEs at an average of \$55,000 per FTE to administer the clearinghouse and grant programs, plus \$35,000 for contractual services, supplies and materials. (11-17-87)

According to the House Fiscal Agency, Senate Bill 404 could result in a cost of up to \$1 million for the planning and site location functions required of the DNR. (12-7-87)

## **ARGUMENTS:**

### **For:**

The bills would promote environmental protection by emphasizing pollution prevention, as opposed to management of generated wastes. The bills also emphasize assistance to industry rather than new regulation. Because waste reduction efforts often result in cost savings for industry, activities of the proposed waste reduction assistance service would result in economic benefits to companies. Additionally, the service would create an important focal point for promoting the economic and environmental benefits of waste reduction.

### **For:**

While many waste reduction techniques have already proven successful, others are still in the developmental stages. Additional research is needed to demonstrate the effectiveness of new waste reduction techniques. Accompanied by effective technology transfer efforts, the research provided by the Environmental Technology Institute, proposed by Senate Bill 403, would directly benefit Michigan companies and environmental quality. New products or processes invented at the institute would contribute to economic development in Michigan.

### **For:**

The DNR does not currently provide a "consulting team" approach to assist companies in hazardous waste

reduction. The department's present waste reduction efforts are focused primarily on municipal solid waste, supported by programs such as the Clean Michigan Fund. The Department of Commerce does not presently offer any services designed to encourage waste reduction. It does, however, operate the Michigan Modernization Service (MMS), a technical assistance effort designed to help manufacturers adopt advanced technologies. The waste reduction initiatives proposed in the bills would provide a needed focus for state government efforts to encourage waste reduction. Further, because many small companies are confused by federal and state environmental regulations, they often use the more established and traditional disposal techniques. The waste reduction package would help small businesses, in particular, who lack the dollars and technical knowledge to reduce hazardous waste by educating them on new technology which could potentially reduce operating expenses.

***For:***

Amendments to the federal Superfund Law require each state to certify that capacity is available to manage all hazardous wastes generated in the state for the next 20 years. Revision of the state plan for hazardous waste disposal proposed by Senate Bill 404 would assist in providing this capacity assurance to the Environmental Protection Agency.

***POSITIONS:***

The governor's office supports the bills. (12-4-87)

The Department of Natural Resources supports the package. (12-3-87)

The Michigan State Chamber of Commerce supports the package. (12-3-87)

The Greater Detroit Chamber of Commerce supports the package. (12-4-87)

The Michigan Environmental Council supports the bills. (12-4-87)

The Toxic Substance Control Commission supports the bills. (12-4-87)

The West Michigan Environmental Action Council supports the bills. (12-4-87)

The Michigan United Conservation Clubs supports the bills. (12-4-87)

The Department of Commerce supports Senate Bill 413. (12-4-87)