

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass
Vote:	3 - 2 - 0
Yeas:	Bates, Prozanski, Avakian
Nays:	Atkinson, Beyer
Exc.:	0
Prepared By:	Sue Marshall, Administrator
Meeting Dates:	2/08

WHAT THE MEASURE DOES: Increases the emission fee and the base fee for pollutants from major sources of air pollution. Clarifies the definition of “regulated pollutant.” Declares and emergency, effective on passage.

ISSUES DISCUSSED:

- Number of expired permits
- Cost of program and staffing needs
- Cost to industry
- Federal administration of program

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Title V of the federal Clean Air Act requires discharge permits for Oregon’s largest industrial facilities, including those engaged in power generation, wood products, and paper and fiberglass production. Federal and state law further requires that the Title V fees collected pay for 100 percent of the cost of operating the Title V program. Currently under this program, Oregon Environmental Quality Commission is authorized to increase the fees annually, up to the increase in the Consumer Price Index (CPI).

According to Department of Environmental Quality’s (DEQ) current workload analysis, 35 full time equivalent (FTE) positions are needed to maintain an adequate Title V program. DEQ asserts that despite annual CPI increases that are allowed under the program, funding for the program has not kept pace with rising personnel costs. This has resulted in a lower level of staffing (33 FTE in 2004-2005) and a backlog of permitting and inspections. DEQ contends that without a fee increase, staffing levels will be cut further to 31.5 FTE for the 2007-2009 biennium. The agency is concerned that where new federal requirements must be incorporated into Title V permits, extended delay in review of permits could result in an operating prohibition on some industrial facilities. Senate Bill 107 increases emission fees and base pollutant fees to provide additional funding for the program.

Title V is a mandated program under the federal Clean Air Act and delegated to the State of Oregon for implementation.