



AmericanCoatings
ASSOCIATION

**Testimony
of the
American Coatings Association
in Support of
S.B. 791 and H.B. 2048**

Chair and Members of the Committee – thank you for the opportunity to speak in support of Senate Bill 791/House Bill 2048 – Repealing the Sunset Date on the Architectural Paint Stewardship Program. I am Alison Keane, Vice President for Government Affairs for the American Coatings Association (ACA). ACA is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services.

ACA and the paint industry are committed to finding a viable solution to the issue of post-consumer paint, which is often the number one product, by volume and cost, coming into Hazardous Household Waste (HHW) programs. As you may be aware, the impetus for the pilot program in Oregon derived from a several year multi-stakeholder dialogue on the issue, entitled the “Paint Product Stewardship Initiative.” ACA, along with various interested stakeholders, including the Oregon Department of Environmental Quality (DEQ) and several local governments in OR, including Portland Metro, spent over 5 years discussing the issue and ideas for solutions. In 2007, a Memorandum of Understanding was signed by the PPSI parties for the express purpose of developing a nationally coordinated system for the management of post-

consumer paint using a product stewardship approach. A product stewardship approach is one where all participants involved in the life cycle of a product take a shared responsibility for its production, sale, use and end-of-life management. While the ultimate goal of the dialogue is a nationally coordinated system, the paint industry needed one state to pilot a program before trying to bring it to all the rest of the Country. That pilot is in its 3rd year in OR and we are ready to make it permanent.

The program in Oregon is successful by any measure. ACA established a 501(c)(3) organization, called PaintCare to operate the program and in two years, the PaintCare established over 100 collection sites for paint in Oregon, as opposed to its 15 sites pre-program. 75% of these sites are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. 95% of Oregon residents have a permanent collection location within a 15 mile radius. Where no permanent collection location exists – PaintCare has help collection events. For large volume users, such as hospitals, Universities and large contractors – PaintCare has instituted direct pick-ups of leftover paint. In two years of program operations, PaintCare collected over one million gallons of paint, recycling or beneficially reusing 100%. And 107 tons of plastic pails and 131 tons of metal cans have been recycled.

Finally, the program is designed to relieve a considerable financial burden on local governments, who prior to PaintCare shouldered the entire burden for post-consumer paint management. Portland Metro, alone, reports its costs savings due to the PaintCare program is in excess of one million dollars annually.

Since the start of the OR Pilot, ACA has passed permanent legislation instituting the same program in California, Connecticut and Rhode Island. Since the program has proved not only successful, but functioned appropriately using the product stewardship approach, many state and local governments dealing with leftover paint are interested in bringing the program to their state. Thus, the legislation is currently pending in Illinois, Minnesota, Vermont and Texas and bills are likely to be introduced in Maine, New York and New Jersey this year. Success br In addition, the legislation has been passed in California, Connecticut and Rhode Island, with California operations starting in 2012 and Connecticut and Rhode Island starting this year.

Thus, ACA supports this bill as amended and the end of a pilot program and the beginning of a permanent one for Oregon PaintCare.

Thank you.



Leftover paint is often the largest component of household hazardous waste collection programs. An estimated 10 percent of the more than 650 million gallons of architectural paint – paint used to coat the interior and exterior of houses and other structures – sold each year in the United States goes unused. This difficult-to-manage waste can be captured for reuse, recycling, energy recovery or safe disposal. However, doing so requires public awareness and a convenient and effective local collection system. Many locally operated household hazardous waste programs have been collecting paint for many years; however, paint collection is expensive and is currently beyond the capacity of, and budgets for, many local governments.

Enter PaintCare®

PaintCare® is a non-profit organization created and managed by paint manufacturers. Working with state and local governments, the paint industry has taken ownership for the end-of-life management of its paint products, internalizing these costs rather than having government set up and fund collection programs for waste products. This is the principle of product stewardship in action. Product stewardship is an approach where all parties involved in the design, production, sale and use of a product take responsibility for minimizing the environmental impact throughout the stages of the product's life. Product stewardship requires a balance between flexibility, innovation and proper oversight. Oregon's Paint Product Stewardship Law adopted the nation's first statewide product stewardship program for managing leftover architectural paint: PaintCare®.

California was the second state to pass paint product stewardship legislation, and its program launched in October 2012. Connecticut and Rhode Island have also passed paint product stewardship laws, and their programs will be implemented in 2013 and 2014, respectively.

Good for the Environment.
Good for Consumers.
Good for Government.

What it Does

- Reduce the generation of leftover consumer paint
- Promote paint reuse
- Establish a network of paint collection sites
- Recycle and properly manage the leftover paint
- Educates the consumer on the issue

It's Simple. Here's How It Works

1. Customers purchase paint
2. Pay small recovery fee built into the purchase price of paint
3. Use paint
4. Drop off remaining paint to one of MANY collection sites, for no charge, at point of drop-off
5. PaintCare® then picks up the leftover paint
6. Paint is delivered to an authorized recycling/reuse facility

A Low Cost Solution

- Program is self-sufficient
- Operates without state funds
- PaintCare® provides consumers and contractors increased opportunities to reuse/recycle their leftover paint
- Program oversees the collection, transport and processing of returned paint
- Saves local governments money by reducing the hazardous waste collection burden currently borne by municipalities
- Provides consumers information on how to buy the right amount of paint.





paintcare® FAQs

The Case for Success: Oregon

- In its first two years, PaintCare® established 102 permanent collection sites for paint in Oregon (by comparison, there were only 15 permanent locations available pre-program).
- Over one million gallons of paint was collected with virtually all of the paint going to recycling or beneficial reuse — the latex paint going for recycling into new paint, as well as other products and the alkyd going for fuel blending.
- 60.8 tons of plastic containers and 66.3 tons of metal containers were recycled in year two of the program, bringing the total to 107 and 131 tons, respectively, over the two years of operations.
- \$4 million was generated by the program, with less than 15% going towards administration and the bulk of the rest realized as a direct cost savings to local governments and tax payers who used to have to fund the program. Portland Metro alone received over \$2 million from PaintCare® in the last two years to manage the left-over paint generated by residents of the City of Portland and surrounding areas.
- A Year Two survey conducted of residents in Oregon on the PaintCare® program showed a 4% increase in overall program awareness; 43% of paint purchasers were aware of collection sites in the PaintCare® program and 73% of them stated that the collection infrastructure was convenient — a 12% and 10% increase over first year survey results, respectively.

Is this a Government program?

No. The Paint Stewardship Program is mandated by State law, but is being implemented by PaintCare®, the paint industry-established non-profit stewardship organization. PaintCare® engages and manages all contracts for collection, transportation, recycling, and proper disposal of paint collected in the Program, as well as public outreach and education.

Why is there a need for this program?

An estimated 10% of the more than 650 million gallons of architectural paint sold each year in the United States goes unused. Leftover paint is currently managed though inadequately funded, government-run collection programs. PaintCare® will partner with existing local government programs to reduce their costs, expand collection infrastructure, educate consumers about the program, and recycle and properly manage the leftover paint.

How is PaintCare® funded?

PaintCare® is funded by a per-container recovery fee, which is paid to PaintCare® by U.S. paint manufacturers based on their annual architectural paint sales in the participating state. The recovery fee directly funds the paint recovery and education efforts. The fee paid to PaintCare® by paint manufacturers is passed down to paint retailers, which then add it to the purchase price of paint. PaintCare® is a non-profit organization; recovery fees are set at a rate to cover, but not exceed, the cost to manage and sustain the Program.

What does PaintCare® mean for Consumers?

Consumers will purchase and use their paint in the same way they always have, but will be provided information that recommends ways to purchase the right amount of paint, reduce the amount of paint that becomes waste, and what to do with any leftover paint that does accumulate. They will be able to drop off their leftover paint at convenient locations, for no additional charge.



PaintCare® Highlights

- Launched July 2010 in Oregon and October 2012 in California
- The first program of its kind in the United States; based on successful model in Canada for more than 16 years
- Creating a model for a national program
- A cooperative program between industry and government
- Cost-effective AND environmentally beneficial
- Providing increased and more convenient collection for consumers
- Reduces the burden on local governments for paint disposal
- The cost of managing unwanted paint shifted from local government household hazardous waste programs to those who purchase paint
- Saves municipalities funds without compromising collection infrastructure
- Builds on existing local government programs and infrastructure
- The PaintCare® program is maturing, taking valuable lessons from the pilot program in Oregon, and improving as it is adopted in other states around the nation

For more information, please visit www.PaintCare.org, or contact ACA's Alison Keane (akeane@paint.org) for legislative matters, or PaintCare®'s Marjaneh Zarrehparvar (mzarrehparvar@paint.org) for operational matters, at (202) 462-6272.



March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

Kelly-Moore Paint Company, Inc. supports S.B. 791 and H.B. 2048, entitled "Repeal of Sunset on Architectural Paint Stewardship Program." Founded 67 years ago, Kelly-Moore Paint Company is one of the largest employee-owned paint companies in the United States. We have been a part of this pilot program in since its inception, in the capacity as a manufacturer, retailer, and for a period of time, as a take-back location.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

As you are aware, the impetus for the pilot derives from a several year multi-stakeholder Paint Product Stewardship Initiative. The ultimate goal of this initiative is a nationally coordinated system, for the management of unused paint. Since the pilot began in OR almost three years ago, the program has also begun operating in California and will begin operations in Connecticut and Rhode Island this year.

Thus, we support repealing the sunset date on the program and making PaintCare permanent in Oregon. In advance, thank you for your support of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert W. Stetson".

Robert W. Stetson,
Director of Risk Management



March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

Henry Company supports S.B. 791 and H.B. 2048, entitled “Repeal of Sunset on Architectural Paint Stewardship Program.” Although Henry Company has no facilities or employees in Oregon, we do have more than 10 retail and distribution partners in the state and strongly support making the PaintCare program permanent there.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

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Thus, we support repealing the sunset date on the program and making PaintCare permanent in Oregon. In advance, thank you for your support of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey-Ann M. Taylor".

Stacey-Ann M. Taylor
Director, Product Stewardship

March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

Miller Paint Co., Inc. supports S.B. 791 and H.B. 2048, entitled “Repeal of Sunset on Architectural Paint Stewardship Program.” We are an active and enthusiastic supporter of the PaintCare program here in Oregon. As a Pacific Northwest paint company that has been manufacturing and selling architectural paint in the state of Oregon since 1890, and as proud members of the American Coatings Association (ACA) we have seen the benefit of this program to our Oregon customers. We are proud that our industry has stepped up to develop and implement a cost-effective, efficient, and environmentally-sound program to deal with the issue of excess paint. We have volunteered a large number of our twenty-six (26) Oregon Miller Paint stores to be retail collection sites, and have seamlessly implemented the retail collection process at twelve (12) of those stores across the state.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

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Thus, we support repealing the sunset date on the program and making PaintCare permanent in Oregon. In advance, thank you for your support of this legislation.

Sincerely,

Steve Dearborn
CEO & President
Miller Paint Co., Inc.



A Masco Company

THE P. KEVIN JAFFE FACILITY

3400 W. Segerstrom Avenue
Santa Ana, CA 92704
Phone 714-545-7101
Fax 714-241-1002
www.behrpaint.com

March 14, 2013

MVB-13019

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

Behr Process Corporation supports S.B. 791 and H.B. 2048, entitled "Repeal of Sunset on Architectural Paint Stewardship Program." Behr Process is a paint manufacturer with sales throughout the United States, Canada, Mexico and China. In Oregon, Behr and its sister company Masterchem Industries LLC serve retail outlets such as The Home Depot, Lowes, Walmart and True Value Hardware.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

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Thus, we support repealing the sunset date on the program and making PaintCare permanent in Oregon. In advance, thank you for your support of this legislation.

Sincerely,

MICHAEL V. BUTLER
Director – Environmental and Regulatory Affairs

OTHIO BEHR FACILITY
1603 W. Alton
Santa Ana, CA 92704

MANUFACTURING FACILITY
3400 W. Garry Street
Santa Ana, CA 92704

MANUFACTURING FACILITY
3500 W. Segerstrom Avenue
Santa Ana, CA 92704

WEST COAST DISTRIBUTION
1995 S. Standard Avenue
Santa Ana, CA 92707

March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

Valspar supports S.B. 791 and H.B. 2048, entitled “Repeal of Sunset on Architectural Paint Stewardship Program.”

Since 1806, Valspar has delivered the latest innovations, the finest quality, and the best customer service in the coatings industry. With more than 9,500 employees in over 25 countries, Valspar is in a truly unique position to supply customers with the ideal coatings solutions for their needs, including:

- Interior and Exterior paints primarily for the do-it-yourself market
- Cabot Varnishes and Stains for the wood care market
- Waterproofers and sealers for concrete and masonry
- High performance floor and deck coatings
- Primers, Sealers, and Undercoaters

Headquartered in Minneapolis, MN, our diverse array of products makes us one of the most comprehensive suppliers, and the sixth largest paint and coatings company in the world. Valspar is committed to strong environmental performance, from minimizing the environmental impact of our facilities, to developing innovative solutions for our customers. Valspar seeks to make a positive impact in the communities where we live and work.

Valspar's largest retail partner is Lowe's which has an employee base of approximately one-quarter of a million people nation-wide.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

As you are aware, the impetus for the pilot derives from a several year multi-stakeholder Paint Product Stewardship Initiative. The ultimate goal of this initiative is a nationally coordinated system, for the management of unused paint. Since the pilot began in OR almost three years ago, the program has also begun operating in California and will begin operations in Connecticut and Rhode Island this year.

Thus, we support repealing the sunset date on the program and making PaintCare permanent in the great State of Oregon. In advance, thank you for your support of this legislation.

PaintCare is good for the environment, good for consumers and good for the economy.

Sincerely,

Aaron Erter

Aaron Erter
Vice-President Consumer Leadership
The Valspar Corporation



March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

PPG Industries, Inc. (PPG) supports S.B. 791 and H.B. 2048, entitled “Repeal of Sunset on Architectural Paint Stewardship Program.” PPG is a world leading coatings and specialty products and services company with a strong presence in the architectural coatings industry providing quality paints and stains for both homeowners and professionals for well over 100 years. PPG contributes to commerce in the state of Oregon through numerous independent dealers and national accounts.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

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Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Ellen Shivetts', written in a cursive style.

Mary Ellen Shivetts
Architectural Coatings Product Stewardship Manager
PPG Industries, Inc. Architectural Coatings/151 Colfax Street/ Springdale/ Pennsylvania/ 15144



SHERWIN-WILLIAMS.

John J. Gerulis

Vice President

Environmental, Health & Regulatory Services

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March 14, 2013

The Honorable Jules Bailey, Chair
House Committee on Energy and the Environment
900 Court St. NE
Salem, Oregon 97301

Re: Support for Senate Bill #791 and House Bill #2048 – Repeal of Sunset on
Architectural Paint Stewardship Program

Dear Chair Bailey and Committee Members:

The Sherwin-Williams Company supports S.B. 791 and H.B. 2048, entitled “Repeal of Sunset on Architectural Paint Stewardship Program.” We manufacture and distribute well-known, nationally branded products like Dutch Boy® and Pratt & Lambert® paints, Minwax® interior wood finishing products, Krylon® aerosol paints, Thompson’s® WaterSeal® exterior waterproofing products, Purdy® paint brushes and rollers and Dupli-Color® automotive specialty products, as well as selling Sherwin-Williams® branded paints and stains exclusively through company owned stores. In addition to these well known coatings, we provide industrial coatings to a significant number of factories, plants, and shops directly, as well as through the large network of company owned stores, of which 52 are located within the State of Oregon, 18 of which are collection sites. In addition, we have production facilities throughout the world. In recognition of our development of water-based acrylic alkyd technology, US EPA presented to Sherwin-Williams, on June 20, 2011 a Presidential Green Chemistry Challenge Award, one of only five given this year.

The program has been successful in Oregon. In two years of operations, the non-profit organization that we created – PaintCare – has increased the number of collection sites to 102 from the 15 available pre-program. The majority of these sites, 75%, are paint retail stores – so consumers and contractors can bring their leftover paint back to the same places they buy paint – 7 days a week, retail hours. Over one million gallons of paint has been collected with 100% of that paint being recycled or beneficially reused. PaintCare has also recycled the paint containers collected, resulting in 107 and 131 tons of plastic and metal cans, respectively, being recycled.

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Sincerely,



John J. Gerulis, V.P.

