

PALLETS
THE 30 SECOND TOUR

Pallets are no more than a shipping aid to help protect the product while improving the safety and efficiency in product distribution. They have been an important part of our distribution networks since the mid 40s. Pallets are made from a wide variety of materials and in every size and shape imaginable. In the United States a 48" by 40" pallet has emerged as the standard. This can be made of wood, plastic, metal, or cardboard depending on the product and expected storage and transport methods.

Most pallets are made of wood and designed to carry the intended load in warehouse pallet racking, forklift movement and in trucks or rail cars. To understand how many are used we need only to look at the trucks and trains. Almost every truck has about 26 pallets while about half the rail box cars have upwards of 75. Most warehouses count their pallet inventory in tens of thousands.

Very few pallets are recycled. Instead they are traded as a commodity moving from one use to the next. Many pallets are date stamped when built and currently a pre 2000 date is not uncommon. National companies like IFCO make a market in many of the more common pallets. Other national companies like CHEP rent pallets in one location and take them back anywhere in the country. Wooden pallets are mostly made from utility grade and lower lumber. As such they help support the timber industry by making lumber sub standard for construction a salable product.

My company "Pallet Doctor" and about 75 other small business's in Oregon are in the business of buying, collecting, sorting, repairing, rebuilding and marketing used pallets. Pallets end up in the land fill for two reasons: 1. We didn't do our job 2. They have been contaminated with some material which makes them unfit for reuse. Pallets or more correctly bits of pallets that can not be used are generally used as fuel in a local boiler. The usable parts are disassembled, resized and used for repair or to build other pallets. The Pallet Doctor uses entirely salvaged shipping platforms. Our most recent lumber purchase was in 2013. More than 85% of our collected material goes out as a reconditioned or rebuilt pallets. The rest goes out as boiler fuel, scrap metal, cardboard, or plastic with less than half a percent as land fill. Each of the pallet recycling companies is unique and with a different business plan. Collectively we cover the most of the State.

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Product is shipped on a pallet specified by the manufacturer. When a customer requires delivery on some other size or type of platform the product must be moved (normally by hand) to the specified pallet usually in the last warehouse or last truck prior to delivery. The original pallet at the trucking company or warehouse will normally be sold to a pallet recycler or returned to the manufacturer. As such the special pallet is an added cost and an addition to the recycling requirements all of which will be passed on to the customer.

Moving to a special pallet will require State warehouse to make racking and sprinkler modifications to accommodate the revised pallet. Cardboard pallets are a one time product so no used pallets will be salable.

This bill would add another burden to State purchasing agents while increasing costs even when they just go through the motions to show an exception. I respectfully request that you consider not passing this bill. Further please consider carefully any restriction on shipping platforms as they all have their place in the market

I present this as a citizen of the state. I do not presume to speak for any of the other pallet recycling business's. No "Pallet Doctor" sales are to the state and collections from State sites are less than 2% of our business.

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