



TO: Members of the Committee on Ways and Means
Oregon State Legislature

FROM: Jennifer Hudson, Assistant General Counsel

DATE: June 26, 2017

RE: **Support for SB 1008-B**

Thank you for your leadership of this important topic. Schnitzer Steel Industries is one of the largest manufacturers of recycled metal products in the United States. Proudly headquartered in Portland since 1906, Schnitzer's integrated operation platform also includes auto parts retail stores and a steel manufacturing business which produces finished steel products including rebar, wire rod and other specialty products.

Schnitzer Steel supports SB 1008-B and its requirement that the decommissioned diesel engines must be recycled. In our research, we were surprised to learn the parallel/parent EPA program does not require actual recycling of its diesel vehicles/engines. EPA regulations only require rendering participating vehicles "inoperable" by cutting the chase and drilling a hole in the engine; creating an eyesore and potential environmental hazard. The highest and best use for these inoperable vehicles and engines will be through recycling, so that the metal can be used to make new products. We worked with DEQ to craft the language related to recycling and intend to participate in the subsequent rulemaking. SB 1008-B ensures Oregon will, once again, be a leader by ensuring that diesel vehicles/engines will be responsibly recycled.

In many of the 22 other states where we do business Schnitzer has used SB 1008-B as an example to legislators for how to best use the VW Settlement money. Unsurprisingly, we have found that none of those states are as far along in their planning process as Oregon, nor are they as laser-focused on using the settlement money to reduce diesel emissions.

Once SB 1008-B is passed, we will continue to urge other states to follow your lead. Thank you and please support SB 1008-B.