



March 12, 2019

TO: Senate Committee on Environment and Natural Resources

FR: Jennifer Hudson, Assistant General Counsel
Schnitzer Steel Industries, Inc.

RE: Testimony re: SB 792

Chair Dembrow, Vice-Chair Bentz, Members of the Committee:

Schnitzer Steel Industries supports the spirit of Senate Bill 792 and the bulk of the language contained in the proposed dash -4 amendments with two small clarifying amendments. We have shared the two changes with Speaker Kotek and Senator Frederick prior to the hearing and respectfully request that the Senate Environment & Natural Resources Committee consider adjusting the -4 amendment language to reflect these changes.

Schnitzer's recycling business consists of three components which are vertically integrated. Step one involves our Pick-N-Pull Auto Dismantler self-serve, retail auto parts stores, where we purchase end of life vehicles, line them up in an orderly fashion, and invite the public to visit the store to pull and purchase the parts they need. Step two involves those picked over cars from Pick-N-Pull moving on to our Metals Recycling Yards where the vehicles are processed for steel mills to use the recycled metal to make new products. In Oregon, the bulk of the metals recycled at these yards are then sent by rail or truck to our steel mill, Cascade Steel Rolling Mill in McMinnville, where the processed recycled metal is melted down to make new products such as wire rod. Current statutes require both our Pick-N-Pulls and Metals Recycling Yards to hold auto dismantler licenses issued by the DMV.

SB 792, once amended, has the ability to potentially decrease the risk of fire and improve fire response procedures at licensed auto dismantler facilities. This public safety goal is something that Schnitzer shares with the State, community and the bill sponsors. Safety is of the utmost importance to us every day. We all need safe and healthy communities in which to do business and our employees can live, work and recreate. We believe the additional safeguards required by this bill as amended by the dash -4 amendments will serve to improve conditions and minimize impacts. Increasing frequency of license renewals from every three years to annually should prevent repeat offenders of the dismantler requirements from being able to avoid responsibility for violations, while not imposing too great of a burden on compliant dismantlers. Preparing a written fire response plan and revisiting it annually is a best practice that Schnitzer believes all industry members should engage in. Filing this plan with an agency will create a new level of accountability. Creating a system that requires a local fire jurisdiction inspection every six months is also a positive step in the right direction. The more access that local fire departments have to industrial businesses, the more quickly they will be able to respond effectively on those rare occasions when emergency responders are called.

Section 3 subsection (3) of the dash-4 amendment

Schnitzer requests deletion of the references to ORS 459.205 to 459.385 in section 3 subsection (3) of the -4 amendments because licensed auto dismantlers are exempt from these solid waste permitting statutes. Section 3 subsection 3 should retain the references to ORS 468A and 468B because auto dismantlers are not exempt from those chapters. To be clear we are requesting the following adjustment to the -4 amendment---
on page 4 line 14 delete "ORS 459.205 to 459.385 or".

Requiring DOT inspectors to report dismantler violations of laws from which they are exempt would not only violate concepts of common sense and fairness, but also would violate accepted principles of statutory construction, including rules against surplusage and absurdity. This confusion could lead a court to construe that legislators intended to do away with the exemption in ORS 459.005(8)(b)(D). Speaker Kotek has clearly indicated it is not her intent to do away with that exemption and we believe this clarifying amendment that deletes the reference to solid waste regulations will improve internal consistency within the bill (those statutes are not referenced anywhere else in the bill).

Section 6 subsection (2)(g) of the dash-4 amendment

The other change we have identified as necessary for clarity going forward due to lack of defined terms, as well as to improve internal consistency is in Section 6 sub (2)(g) of the -4 amendment. The problem is that requiring compliance with DEQ, “programs or processes,” which are not defined in the bill, suggests that DOT could in theory trigger or require ongoing participation in DEQ programs like the solid waste disposal site permitting program. This language leaves the door open for DEQ to effectively eliminate the exemption and, thus, this clause would benefit from additional clarity. Schnitzer proposes to delete the “program or process” language and replace that language with the words “any rules issued by” DEQ. To be clear we are requesting the following adjustment to the -4 amendment---**on page 8 lines 1 and 2 delete " program or process authorized" and insert "rules adopted"**.

We would like to thank the Speaker and Senator Frederick for working diligently to balance the concerns of community and industry. At Schnitzer, sustainability is at the core of what we do as a leader in metals recycling industry and is at the core of how we operate. In 2019, we were recognized as one of the World’s Most Ethical Companies for the fifth consecutive year by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. We were the only metals recycling company worldwide, the only U.S. steel manufacturing company, and one of only two companies in the “Metals, Minerals and Mining” category worldwide to attain this recognition. Environmental sustainability is a key criterion in this rigorous selection process, and this award underscores our employees’ commitment to acting ethically, safely and sustainably every day.

Thank you for your time and consideration. We appreciate the intent of SB 792 and urge the committee’s support of the bill with the technical amendments we have suggested to the -4 amendments.

Schnitzer Steel Industries, Inc. is one of the largest manufacturers and exporters of recycled metal products in North America with operating facilities located in 23 states, Puerto Rico and Western Canada. Schnitzer has seven deep water export facilities located on both the East and West Coasts and in Hawaii and Puerto Rico. The Company’s integrated operating platform also includes auto parts stores with approximately 5 million annual retail visits. The Company’s steel manufacturing operations produce finished steel products, including rebar, wire rod and other specialty products. The Company began operations in 1906 in Portland, Oregon.