

Approved February 19, 1990  
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES

The meeting was called to order by Representative Dennis Spaniol at  
Chairperson

3:30 ~~xxx~~/p.m. on February 15, 1990 in room 526-S of the Capitol.

All members were present except:

Representatives Barr (Excused); Grotewiel (Excused); Roenbaugh (Excused),  
and Shore (Excused)

Committee staff present:

Raney Gilliland, Principal Analyst, Legislative Research  
Pat Mah, Legislative Research  
Maggie French, Committee Secretary

Conferees appearing before the committee:

Representative Robert J. Vancrum, Twenty-Ninth District  
Mr. Joe Reid, Environmental Health Officer, City of Overland Park, Kansas  
Mr. Wayne Byrd, City Council Member, City of Overland Park, Kansas  
Mr. Gene Troehler, Member of Recycling Task Force, City of Overland Park, Ks.  
Ms. Joyce Wolf, Legislative Liaison, Kansas Audubon Council  
Ms. Charlene A. Stinard, Program Director, Kansas Natural Resource Council  
Mr. Jim Twigg, Sanitarian, City of Overland Park, Kansas

Chairman Dennis Spaniol called the meeting to order.

House Bill No. 2879 - An act concerning state procurement practices relating to products made from recycled materials.

The chairman recognized Representative Robert J. Vancrum, Twenty-Ninth District, a co-sponsor of House Bill No. 2879. Vice-Chairman Freeman inquired if there is any legislation on the books in terms of recycled materials. Representative Vancrum replied there is an executive order issued during the summer of 1989 relating to state agencies only in the capitol-area complex. Representative Vancrum introduced Mr. Joe Reid, Environmental Health Officer for the City of Overland Park, Kansas. Mr. Reid presented testimony in favor of House Bill No. 2879 (Attachment 1). In response to questions from the committee Mr. Reid stated the City of Overland Park uses recycled paper extensively; the cost differential for recycled products has not been significant at this point; sources include a paper company and a printer, and the City of Overland Park is looking at a total picture to see if there is an ultimate market in the use of recycled products, but that the economic development concept is not being pursued.

Mr. Wayne Byrd, City Council Member, City of Overland Park, testified briefly as a proponent for House Bill No. 2879 stating the city is currently testing recycled copy and computer paper and has found the product can be used in high-speed copiers and computers. Representative McClure requested a definition of recycled paper be included in the bill. Discussion followed on the section of House Bill No. 2879 which pertains to the percentage of price preference to bidders for products containing recycled materials.

Mr. Gene Troehler, a member of a recycling task force for the City of Overland Park, Kansas, was recognized by the chairman and testified as a proponent on House Bill No. 2879 (Attachment 2). Responding to questions from the committee, Mr. Troehler mentioned states where recycling programs have been set up vary between five and ten percent preference to bidders for recycled material; public agencies must look at the lowest price, but other factors such as landfill space must be factored into the decision. Mr.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
room 526-S Statehouse, at 3:30 ~~xxx~~ p.m. on February 15, 1990

Gary Hulett, Special Assistant for Environment, Office of the Governor, stated the Department of Budget is looking into both recycling bills before the House.

Chairman Spaniol announced a copy of the new EPA report, Recycling Works! is available in his office if committee members wish to see it.

Ms. Joyce Wolf, Legislative Liaison, Kansas Audubon Council, presented testimony as a proponent for House Bill No. 2879 (Attachment 3).

The attention of the committee was called to the fact that recycled paper was used in printing the testimony from Johnny Leuthold, graduate student, Kansas University, and Mike Rundle, City Commissioner, Lawrence, Kansas. Neither Mr. Leuthold nor Mr. Rundle were present to testify, but written testimony was distributed to the committee (Attachments 4 and 5).

Chairman Spaniol recognized Charlene A. Stinard, Program Director, Kansas Natural Resource Council, who testified as a proponent for House Bill No. 2879 (Attachment 6). Discussion followed including questions relating to problems in use of recycled paper in older copy machines; inclusion of more than recycled paper in the bill; the difficulties in quantifying savings to the environment by the State of Kansas when it may be adding to costs; funding, and savings in energy, air pollution and water pollution.

Mr. Jim Twigg, Sanitarian, City of Overland Park, Kansas, testified briefly in favor of House Bill No. 2879 stating that waste minimization plus recovery need to be considered in recycling programs. He cited as an example that the City of Overland Park has recovered about two and one-half tons of bond paper and has established a policy to print everything possible on both sides of paper. Mr. Twigg closed his testimony by saying that this type of cost savings could easily offset the cost of the price preference to bidders.

In response to a request from the chairman, Mr. Gary Hulett commented that about 3.4 million dollars worth of paper is purchased annually. If there is a 10% goal on recycled paper that would be \$340,000 and, with a 20% differential, it would be an additional \$68,000. Questions regarding costs for staff were posed by the committee. Mr. Hulett indicated he thought the cost would be about \$80,000 annually. Representative Patrick inquired how much it costs the State of Kansas to dispose of that amount of paper in the land-fill and requested Mr. Hulett to obtain an estimate for the committee of disposal costs. He also inquired if Mr. Hulett believes the bill is broad enough to include other products. Mr. Hulett said he feels it is. Mr. Wayne Byrd was asked if there is an ordinance set up to expire at a certain time and he mentioned two options (1) a two-year phase-in and (2) a full city program in year one for a one or two-year contract. He stated they anticipate the program will be successful and will continue. Replying to Representative Sughrue's question, Mr. Byrd indicated the start-up cost to set up a responsibly-sized city recycling program would be between one and one-half million dollars.

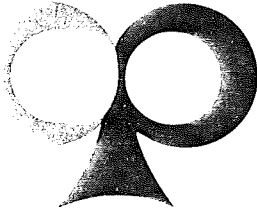
Chairman Spaniol concluded hearings on House Bill No. 2879.

The meeting adjourned at 4:15 p.m.

The next meeting of the committee is scheduled at 3:30 p.m. on February 19, 1990.







February 14, 1990

TO: CHAIRPERSON DENNIS SPANIOL and  
MEMBERS OF THE HOUSE ENERGY and  
NATURAL RESOURCES COMMITTEE

SUBJECT: HB 2879

Conservation of natural resources and minimization of waste going to the landfill is a concern of many citizens within the state of Kansas.

Programs to recover and recycle a portion of the solid waste stream are increasingly being considered and implemented by local governments.

Recycling is complete only after the collected material has been marketed to a manufacturer and made into a new product.

In purchasing a product, it is often desirable to encourage the market demand for collected materials by specifying the greatest content of recycled material practical for an item of comparable quality at a minimal price differential as proposed in HB 2879.

The City of Overland Park supports the concept of encouraging markets as proposed in HB 2879. If this bill is to be modified, it is suggested that recycled material be defined in some manner as those waste materials that have been recovered or diverted from the solid waste stream, not to include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

Thank you for the opportunity to appear before the Committee. Should there be questions, I will be happy to respond on behalf of the City of Overland Park.

*H ENERGY AND NR  
2-15-90  
ATTACHMENT 1*

## SEMINAR ON RECYCLING

RICHARD KELLER ST ENERGY CONSUM PROX MD  
JERRY HUNTLEY DIRL RECYCLING - COUNCIL for SOLID WASTE SOLVI

ENCOURAGED ST TAKING POSITIVE STEP IN THIS AREA

ENTIRE PROCESS = COLLECTION - MANUFACTURE - USE (PURCHASE)

w/OUT PURCH, COLLECTION IS ALL THAT HAPPENS

& GWT of NEWSPRINT IS E.G. of HOW SYSTEM BREAKS DOWN  
if ONE ELEM IS LACKING

REFUSE & LANDFILL PROBLEM IS INTENSIFYING

& 24 STATES REPRESENTING 70% US POPULATION HAVE ENACTED  
LAWS/REGULATIONS FAVORING & MANDATING PURCH RECYCLED PRODS

WHY PREFERENCES & SET ASIDES for RECYCLED PRODUCTS

o STATE HAS DUAL RESPONSIBILITY

1. MUST BE GOOD STEWARDS OF STATE FINANCIAL RESOURCES  
& EXPEND RESOURCES PRUDENTLY

2. MUST LIKEWISE BE THE PUBLIC SECTOR EQUIVARIANT

& WHAT IN PRIVATE SECTOR = CORPORATE GOOD CITIZEN --  
DEMONSTRATE LEADERSHIP, CONCERN for OUR ENVIRONMENT,  
DIMINISHING RESOURCES, VANISHING LANDFILL SPACE, USW

o MUST CONVEY SIGNIFICANT COMMITMENT to RECYCLING

1. ST/LOCAL GOVTS PURCHASES COMPRISE ~12% of GNP  
COMMITMENT by SUCH SIGNIF PORTION of OUR  
SOCIETY CONVEYS LEADERSHIP WHICH ALSO INCREASINGLY  
CREATING ADD'L DEMAND for RECYCLED PRODS.

THIS ESTABLISHMENT of CONSISTENT DEMAND

POSITIVELY IMPARTS MARKETPLACE

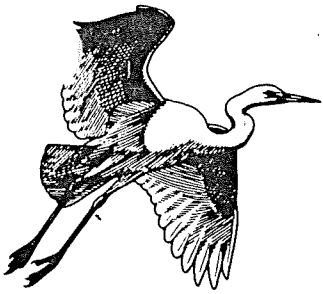
H ENERGY  
AND NR

2-15-90

ATTACHMENT 2

## REQUIREMENTS of THE STATE

- o MAKE A COMMITMENT - AS IN PROPOSED BILL -  
TO RECYCLABLES
- o ESTABLISH DEFINITIONS & SPECS for RECYCLED  
PRODUCTS - USE PROVISIONS FOUND IN FEDERAL  
GUIDELINES SINCE MOST FIRMS FAMILIAR WITH  
THEM
- o GO BEYOND ONLY COST - CONSIDER OTHER  
FACTORS e.g. COSTS TO FIND & CREATE  
NEW LANDFILLS



# Kansas Audubon Council

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FEBRUARY 15, 1990

HB 2879 PROCUREMENT OF PRODUCTS MADE FROM RECYCLED MATERIALS  
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

My name is Joyce Wolf and I am pleased to be here today on behalf of the 5000 Kansas members of the National Audubon Society who support the protection and wise use of our natural resources. I am also speaking for the 2500 members of the Kansas Chapter of the Sierra Club.

We support the concept found in HB 2879 because it would foster stewardship of our natural resources because it promotes procurement of ANY product made from recycled materials, and thus it places the state in a position of encouraging recycling by providing a market for products containing recycled goods.

We firmly believe it is essential that more efforts be made to remove recyclable materials from the waste stream. The benefits of recycling are many: it decreases the volume of materials going into landfills which saves on tipping fees; prolongs the availability of our virgin natural resources (for example: recycling all of the paper and paperboard now being deposited in Kansas landfills would save more than 12 million trees -- which directly affect greenhouse gases); energy and water are saved in the manufacture of goods from recycled resources; and air pollution is significantly reduced at the same time.

While this bill is not a recycling bill, per se, it does address one important aspect of the recycling loop, i.e., the purchase of products made from recycled materials. We were prepared to testify as proponents of a similar bill (HB 2805) this morning. Most states that have a procurement preference policy set the differential at 5% or 10%. At this time, we are somewhat concerned that a 5% difference would not result in the desired goal of actually purchasing products containing recycled materials, especially for certain paper products.

Some of the states that have enacted procurement preference policies apply the receipts from the sale of recyclable materials to the increased costs of products containing recycled material. Perhaps this strategy could be investigated as a potential funding source for Kansas' program. The Kansas Audubon Council believes it is entirely fitting that state government set the example for others by actively promoting recycling through its procurement policy.

Thank you for this opportunity to share our thoughts with you.

HE ENERGY AND NR  
2-15-90  
ATTACHMENT 3



Good afternoon. My name is Johnny Leuthold. I am a resident of Lawrence, Kansas. I am currently working to finish my Masters Thesis on the subject of recycled paper procurement legislation. I support any efforts to increase the use of recycled paper by State agencies.

I am concerned with some of the language in HB 2879. I have been informed that current prices for recycled paper equal 25-75% more than prices for the same, non-recycled paper product. I would suggest that instead of setting a price preference of 5% (or 20% in HB 2805) that a dual bidding process be established. The State could invest a certain amount of money on ordering some recycled paper. The paper would be used by those state agencies that requested specifically recycled paper, regardless of the relative cost compared with virgin paper. The State could put a limit on how much paper could be ordered so as to stay within the set limit. This way recycled paper would actually be used and the costs of the program are limited to a set figure.

I am concerned also that Kansas invest resources on reporting to the citizens of the state what practices are occurring. Yearly reporting by the relevant state agency can facilitate progress in this area and serve as an effective evaluation tool.

Lastly, is there any way Kansas can work with the other states that are in the Midwest Recycling Coalition to engage in cooperative purchases? This will reduce the price paid for this valuable product. Thank you for your time.

Typed on 100% recycled paper

HE ENERGY AND NR  
2-15-90  
ATTACHMENT 4

Feb. 15, 1990  
Mike Rundle, City Commissioner  
Lawrence, Kansas.

The City of Lawrence and many other municipalities across the state have expended considerable effort to promote recycling activities. The major stumbling block remains markets: 1) for the raw materials diverted from landfills, and 2) the products that are created when those materials are reused.

We welcome assistance from the state, particularly such assistance as this legislation to establish state procurement policies that deal specifically with recyclable products.

I submitted testimony in support of House Bills 2805 and 2806 earlier this morning. I do not feel this bill, HB 2879 affords significant assistance in this important area even though the subject is similar.

1. It does not set a percentage goal for recycled paper procurement
2. Even in regions of the United States with more well developed markets the price preference of 5% would not bridge the price gap between virgin and recycled paper. I am skeptical that the 5% price preference would be helpful in the procurement of other recycled products.
3. With no definition of recycled paper the state risks the possibility of paying a premium for paper with very low recycled paper content or could even pay a premium for virgin paper "recycled" from scraps on the factory floor.

It should be noted that any definition should parallel the federal guidelines or the definitions used in the Northeast U.S. This enables suppliers and manufacturers to maintain some industry standard and in so doing, maintain a stable market price.

Thank you for this opportunity to speak and for your continued work in this important area.

*H ENERGY AND NR  
2-15-90  
ATTACHMENT 5*

# Kansas Natural Resource Council

Testimony presented before the Energy and Natural Resources Committee  
HB 2879: procurement of recycled products

Presented by Charlene A. Stinard, Program Director

February 15, 1990

My name is Charlene Stinard, and I represent the Kansas Natural Resource Council, a private, non-profit, research and public education organization whose 800 members promote sustainable natural resource policies for the state of Kansas.

In The Solid Waste Dilemma: An Agenda For Action, the US Environmental Protection Agency endorsed an integrated solid waste management strategy that emphasizes waste reduction and recycling.

To reduce the amount of waste that ends up in our landfills, the federal government adopted guidelines in 1988 to encourage recycling and the purchase of recycled materials and products by federal and state governments. Consistent with those guidelines, two bills are before the Kansas Legislature this session. HB 2879 pushes the state to purchase recycled goods and products; HB 2805 focuses on paper.

HB 2805, scheduled for hearing in Government Organization this morning, promotes the purchase of recycled paper products by state government. Its 20% price differential is a more realistic estimate of the current cost differences between recycled and virgin paper products. We are concerned that the 5% price differential recommended in HB 2879 will severely limit the state's ability to purchase recycled products.

Programs to purchase recycled materials do have costs; until the markets are encouraged by significant demands for new supplies, the dollar costs will be slightly higher. These costs, however, do come down. In addition, the environmental savings are enormous - savings in reduced air and water pollution in production processes, and the escalating costs of landfilling materials that are more appropriately re-used. The economic development aspects of such a proposal also have enormous possibilities for the creation of new businesses and new jobs in Kansas.

The federal government and 30 states have established some form of procurement preference as one step toward effective solid waste management. We urge your support of HB 2805 and other recycling measures before the Legislature this session as environmentally and economically sound policy for the state of Kansas.

