

**CERTIFIED
COPY**

**BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
MARKET DEVELOPMENT COMMITTEE**

IN THE MATTER OF:)
)
MARKET DEVELOPMENT)
COMMITTEE MEETING)

DATE AND TIME: TUESDAY, APRIL 7, 1992, 1:30 P.M.

**PLACE: BOARD HEARING ROOM
 8800 CAL CENTER DRIVE
 SACRAMENTO, CALIFORNIA**

**REPORTER: BETH C. DRAIN, RPR, CSR
 CERTIFICATE NO. 7152**

BRS FILE NO.: 11395

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APPEARANCES

WESLEY CHESBRO, CHAIRMAN
JESSE HUFF, MEMBER (NOT PRESENT)
PAUL RELIS, MEMBER

ADVISORS PRESENT

SUSAN SIMS
MARTHA VALDES
HOWARD LEVENSON



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1 CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
2 MARKET DEVELOPMENT COMMITTEE
3 TUESDAY, APRIL 7, 1992, 1:30 P.M.
4

5 CHAIRMAN CHESBRO: THE MEETING OF THE CALIFORNIA
6 INTEGRATED WASTE MANAGEMENT BOARD MARKET DEVELOPMENT
7 COMMITTEE IS IN ORDER.

8 I WILL ASK FOR A CALL OF THE ROLL, PLEASE.

9 COMMITTEE SECRETARY: BOARD MEMBERS HUFF.

10 RELIS?

11 BOARD MEMBER RELIS: HERE.

12 COMMITTEE SECRETARY: CHAIRMAN CHESBRO.

13 CHAIRMAN CHESBRO: PRESENT.

14 THE FIRST ITEM IS CONTRACTS AND INTERAGENCY
15 AGREEMENTS. WE HAVE NONE, CORRECT? OKAY.

16 THE SECOND ONE IS CONSIDERATION OF THE
17 AB 4, GOVERNMENT PROCUREMENT REPORT TO THE LEGISLATURE.

18 MR. RIETZ, DO YOU HAVE STAFF PRESENTATION
19 ON THIS?

20 MR. RIETZ: YEAH, TIM DUNN SHOULD BE HERE
21 IMMEDIATELY. LET'S SEE.

22 CHAIRMAN CHESBRO: WE'LL WAIT A COUPLE MORE
23 MINUTES THEN.

24 (A SHORT RECESS WAS TAKEN.)

25 CHAIRMAN CHESBRO: WE THOUGHT WE'D SURPRISE YOU



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1 AND START ON TIME. IT'S AGENDA ITEM 2.

2 MR. DUNN: I APOLOGIZE.

3 CHAIRMAN CHESBRO: FORTUNATELY YOU WERE IN THE
4 BUILDING.

5 MR. DUNN: THE AGENDA ITEM IS TO REFERENCE A
6 REPORT PREPARED FOR THE LEGISLATURE. THE REPORT WAS
7 INITIALLY DRAFTED IN NOVEMBER -- BY THE WAY, MY NAME IS
8 TIM DUNN -- BY THE BUY RECYCLE PROGRAM STAFF.

9 THE INTENT OF THE REPORT IS TO IDENTIFY
10 CURRENT AND PAST ACTIVITIES UNDER RECYCLE PROCUREMENT BY
11 THE STATE. FUTURE REPORTS BY THE BOARD MEMBERS -- FOR
12 THE BOARD MEMBERS BY THE STAFF WILL DELVE INTO THE POLICY.
13 ISSUES SURROUNDING RECYCLE PROCUREMENT.

14 THE GENERAL INTENT OF THIS REPORT, AS
15 ATTACHED THAT YOU HAVE, WAS TO INDICATE CURRENT
16 ACTIVITIES AND PAST PROGRESS.

17 THAT'S ALL MY PRESENTATION. IF YOU HAVE
18 ANY QUESTIONS, I'LL BE MORE THAN HAPPY TO ANSWER.

19 CHAIRMAN CHESBRO: I HAVE SOME, BUT I WILL DEFER
20 TO MY FELLOW COMMITTEE MEMBER IF HE'S READY. ARE YOU
21 READY WITH ANY QUESTIONS OR COMMENTS?

22 BOARD MEMBER RELIS: I HAVE A NUMBER. I'LL JUST
23 QUICKLY GO THROUGH THEM, AND THEN WE'LL GIVE THEM TO YOU
24 FOR CONSIDERATION.

25 I HAVE STILL SOME QUESTION ABOUT THE TITLE



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1 OF THE REPORT, WHETHER THAT'S THE RIGHT TITLE. AND MAYBE
2 JUST -- IS THAT ACTUALLY CALLED OUT IN THE --

3 MR. DUNN: IT'S IN THE STATUTE. THAT'S THE
4 REASON --

5 BOARD MEMBER RELIS: THAT'S THE EXACT WAY IT'S
6 GOT TO BE?

7 MR. DUNN: WELL, IT'S UP TO THE DISCRETION OF
8 THE BOARD HOW THEY WANT TO TITLE THE REPORT; HOWEVER, THE
9 STATUTE SPECIFICALLY TALKS ABOUT -- I'D HAVE TO GO BACK
10 TO THE EXACT WORDING.

11 BOARD MEMBER RELIS: I WAS THINKING JUST ABOUT
12 SOMETHING LIKE "STATE RECYCLE PROCUREMENT," SOMETHING A
13 LITTLE BRIEF, A LITTLE MORE BRIEF THAT MIGHT BE -- HAVE A
14 BIT MORE ZIP TO IT IF SOMEONE.

15 MR. DUNN: I HAVE NO PROBLEMS AMENDING THE
16 TITLE.

17 CHAIRMAN CHESBRO: OR YOU COULD -- ANOTHER
18 POSSIBILITY WOULD BE TO SORT OF COLLAPSE THE TWO THINGS
19 INTO SOMETHING LIKE THE ROLE OF STATE RECYCLE PROCUREMENT
20 IN MARKET DEVELOPMENT, SOMETHING LIKE THAT.

21 BOARD MEMBER RELIS: WELL, I'LL JUST THROW OUT,
22 YOU KNOW, THAT ONE AND ASK YOU TO THINK IT THROUGH ONE
23 MORE TIME BEFORE WE FINALLY SEE IT.

24 MR. DUNN: A ROSE BY ANY OTHER NAME.

25 BOARD MEMBER RELIS: OKAY. BRIEFLY -- LET'S



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1 SEE. ON PAGE 1, CONCLUSIONS DO NOT SAY ANYTHING ABOUT
2 MINIMUM CONTENT IN HERE, AND I JUST WONDERED WAS THAT AN
3 OVERSIGHT OR WAS THAT INTENTIONAL.

4 MR. DUNN: IN PAGE 1?

5 BOARD MEMBER RELIS: PAGE -- LET'S SEE --

6 MR. DUNN: TALKING ABOUT THE LAST PAGE OF THE
7 CONCLUSIONS OR THE EXECUTIVE SUMMARY?

8 BOARD MEMBER RELIS: OH, ROMAN NUMERAL II.

9 MR. DUNN: ROMAN NUMERAL II, THE CONCLUSIONS,
10 MINIMUM CONTENT WAS NOT INDICATED AS A CRITICAL NEED
11 UNDER THE STAFF'S ANALYSIS.

12 THE CRITICAL NEED WAS NOT FOR MINIMUM
13 CONTENT, BUT THE CRITICAL NEED WAS FOR PRICE PREFERENCES,
14 SET ASIDES, AND ADDITIONAL PERSONNEL RESOURCES
15 SPECIFICALLY.

16 BOARD MEMBER RELIS: SO THAT WAS A SCREENING,
17 THEN. WHAT YOU ARE SAYING IS YOU THOUGHT ABOUT IT, BUT
18 YOU DON'T SEE IT AS A CRITICAL NEED.

19 MR. DUNN: THE STAFF REVIEW WAS THAT A CRITICAL
20 NEED -- MINIMUM CONTENT DID NOT FIT THE REQUIREMENTS FOR
21 CRITICAL NEED SINCE MINIMUM CONTENT LEGISLATION HAS BEEN
22 ADOPTED, IS BEING ADOPTED.

23 THERE'S BILLS IN THE HOPPER RIGHT NOW, AND
24 WE'RE IMPLEMENTING TWO IN OUR PROGRAMS RIGHT NOW FOR
25 PLASTIC TRASH BAGS AND PAPER.



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1 BOARD MEMBER RELIS: I WOULD JUST SAY, THOUGH,
2 THAT TO MAKE THIS STATEMENT THAT IT'S BEEN ADOPTED. IT'S
3 BASICALLY ADOPTED IN ONE COMMODITY. WELL, THERE'S THE
4 PLASTIC BAG.

5 THESE ARE VERY NEW PROGRAMS, SO WE DON'T
6 HAVE ANY, FOR INSTANCE, IN OTHER FIBER GRADES OTHER THAN
7 O & P. SO I'M JUST POINTING -- I'M JUST RAISING THE
8 QUESTION WHETHER WE NEED TO --

9 MR. DUNN: IT'S A MATTER OF SEMANTICS, BOARD
10 MEMBER RELIS. STAFF WANTED TO IDENTIFY CRITICAL NEEDS,
11 AND MINIMUM CONTENT SEEMS TO BE BEING ADDRESSED BY FOUR
12 OTHER PROGRAM ACTIONS.

13 WE'D BE MORE THAN HAPPY TO INCLUDE THAT AS
14 A CRITICAL NEED; HOWEVER, THAT WAS -- THE DIVIDING LINE
15 WAS WHAT STAFF FELT WAS CRITICAL AT THIS TIME.

16 CHAIRMAN CHESBRO: WELL, SINCE IT IS CITED UNDER
17 SEVERAL OF THE MATERIALS AS THE REASON WHY THOSE
18 MATERIALS WE HAVE -- WE DON'T HAVE MUCH OF A PROBLEM WITH
19 PROCUREMENT BECAUSE, FOR EXAMPLE, GLASS BOTTLES IN THE
20 STATE HAVE A RECYCLED CONTENT.

21 IT SEEMS TO ME THAT IT HAS BEEN IDENTIFIED
22 AS A TOOL THAT HAS WORKED IN SEVERAL AREAS. SO
23 WITHOUT -- AND THE DIFFICULTY IS, OF COURSE, THAT IT'S
24 DIFFICULT TO MAKE BROAD CHARACTERIZATIONS ABOUT WHEN AND
25 WHERE IT'S MOST APPROPRIATE TO APPLY RECYCLED MINIMUM



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1 CONTENT. I DON'T THINK YOU CAN JUST SAY IT'S THE
2 SOLUTION IN ALL INSTANCES.

3 BOARD MEMBER RELIS: THAT'S RIGHT.

4 CHAIRMAN CHESBRO: SO I WOULD FAVOR IT BEING
5 LISTED, BUT WITH SOME SORT OF QUALIFICATION THAT SAYS
6 WHERE -- WHERE IT'S COST-EFFECTIVE AND PRACTICAL OR
7 SOMETHING LIKE THAT, YOU KNOW, SOME KIND OF WORDING
8 THAT --

9 BOARD MEMBER RELIS: IT WOULD BE ON OUR
10 MATERIAL-BY-MATERIAL ANALYSIS. SOME MATERIALS MIGHT NOT
11 BE ANY GOOD FOR THAT STAGE.

12 MR. DUNN: SO STAFF IS IN FULL AGREEMENT WITH
13 THE BOARD THAT MINIMUM CONTENT IS A NECESSARY ELEMENT.
14 BEST PROBABLY TO REPHRASE THE PARAGRAPH TO TAKE -- TO
15 EXCISE THE WORD "CRITICAL" AND JUST SAY IMPORTANT PROGRAM
16 EFFORTS.

17 MR. RIETZ: MR. CHESBRO.

18 CHAIRMAN CHESBRO: YES.

19 MR. RIETZ: TOM RIETZ, BOARD STAFF. IT SEEMS
20 APPROPRIATE TO -- FROM MY PERSPECTIVE TO INCLUDE THE
21 ISSUE OF MINIMUM CONTENT BY CITING FURTHER ON IN THE
22 CONCLUSION THAT LESS THAN CRITICAL AREA THAT ONE HAS
23 RECEIVED BOARD'S ATTENTION IS AREA OF MINIMUM CONTENT.
24 WE COULD ADD THAT INTO THE CONCLUSION AS WELL AS THE
25 EXECUTIVE SUMMARY, IF YOU WOULD LIKE.



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1 CHAIRMAN CHESBRO: OKAY. BUT I'M WILLING TO
2 ACCEPT IT IN ANOTHER LOCATION, BUT I THINK IT NEEDS TO BE
3 A LITTLE MORE PROACTIVE THAN THAT. I THINK IT HAS TO
4 SAY, AFTER CRITICAL ANALYSIS, WHERE IT'S BEEN DETERMINED
5 TO BE COST-EFFECTIVE.

6 FURTHER EXPANSION OF THE NUMBER OF THE
7 MATERIALS COVERED BY MINIMUM CONTENT REQUIREMENTS WOULD
8 ALSO BE AN EFFECTIVE TOOL FOR ASSISTING THE STATE IN
9 CARRYING OUT ITS PROCUREMENT RESPONSIBILITIES, SOMETHING
10 TO THAT EFFECT.

11 BOARD MEMBER RELIS: JUST A FEW MORE. I'M HAPPY
12 WITH THAT.

13 PAGE 1, OPENING SENTENCE, ON THIS REFERENCE
14 TO 49 MILLION, WE'VE GOT A NUMBER OF -- A RANGE OF
15 NUMBERS KICKING AROUND THE BOARD THAT WE NEED TO MAKE
16 SURE WE'RE CONSISTENT.

17 WE HAVE OTHER REPORTS, SO WHICH ONE, THE
18 LANDFILL -- WE'VE GOT THE LANDFILL REPORT, WE'VE GOT THE
19 DATA BASE, THE ANNUAL REPORT. SO I DON'T KNOW HOW WE --
20 WHICH NUMBER WE CHOOSE, BUT WE OUGHT TO BE CONSISTENT
21 WITHIN THE DIFFERENT REPORTS THAT WE'RE --

22 MR. RIETZ: MR. RELIS, WE DID CHECK WITH OUR
23 WASTE GENERATION STAFF, AND THAT WAS THE UPDATED
24 INFORMATION THAT THEY HAD.

25 BOARD MEMBER RELIS: THIS IS AN UPDATED NUMBER,



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1 THEN?

2 MR. DUNN: FROM THE LANDFILL CAPACITY FOR THAT
3 YEAR FOR THE LATEST FIGURES WE HAVE, 1990, THAT WAS THE
4 ESTIMATED CAPACITY.

5 BOARD MEMBER RELIS: OKAY. WELL --

6 MR. DUNN: THIS IS THE BEST NUMBERS THAT OUR
7 STAFF WAS ABLE TO COME UP WITH.

8 BOARD MEMBER RELIS: I'M NOT QUARRELING WITH THE
9 NUMBER. I'M JUST REFERENCING IT WITH OTHER DOCUMENTS
10 THAT WE'RE PRODUCING. OKAY.

11 ON PAGE 5, UNDER LAST SENTENCE -- THE LAST
12 SENTENCE IN THE FIRST FULL -- SECOND PARAGRAPH THERE --
13 OH, I'M SORRY, YOU'RE RIGHT. I'M REFERRING TO THE REPORT
14 PAGE 5, NOT THE AGENDA ITEM PAGE 5.

15 THERE'S THIS REFERENCE TO HIGHER PRICE AND
16 SOMETIMES LOWER QUALITY, THESE PRODUCTS. WHILE I AGREE
17 THAT THAT'S PROBABLY TRUE, I WOULD LIKE TO SEE REFERENCE
18 OR SOURCE OF THAT. I THINK IT'S APPROPRIATE WHEN WE MAKE
19 A CLAIM LIKE THAT, UNLESS IT'S REFERENCED OR SOURCED IN
20 SOME WAY, IT COULD BE DISPUTED JUST AS AN OPINION.

21 SO I DON'T WANT TO BELABOR THAT, JUST
22 SIMPLY TO POINT IT OUT AND SEE WHAT YOU COULD DO WITH
23 THAT IF THERE IS A REFERENCE.

24 MR. DUNN: WE COULD INCLUDE AN ATTACHMENT FROM
25 DGS.



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1 BOARD MEMBER RELIS: THAT WOULD BE FINE.

2 MR. DUNN: BE MORE THAN HAPPY TO.

3 BOARD MEMBER RELIS: NOW, ON PAGE 13, AGAIN IN
4 THE REPORT, NOT THE PACKET, WE'VE GOT SOME RESEARCH
5 PROJECTS GOING ON AND COMPOST RESEARCH AT A NUMBER OF
6 LOCATIONS WHICH ARE NOT REFERRED TO HERE THAT COULD HAVE
7 A BEARING ON PROCUREMENT.

8 AND I'M WONDERING IF WE OUGHT TO INCLUDE
9 THOSE, THE PIA PROJECT, PRISON INDUSTRIES, THE COMPOSTING
10 PROJECT IN MY AREA FROM WHERE I'M FROM.

11 MR. DUNN: THE REASON THEY WEREN'T INCLUDED WAS
12 BECAUSE THIS WAS DRAFTED BACK IN OCTOBER. AND SINCE THIS
13 HAS GONE THROUGH REVIEW, NEW PROJECTS HAVE BEEN
14 IMPLEMENTED. AND SO WE'RE HITTING A MOVING TARGET -- OR
15 TRYING TO HIT A MOVING TARGET.

16 BE MORE THAN HAPPY TO AMEND THE REPORT.

17 BOARD MEMBER RELIS: OKAY. I THINK IT WOULD BE
18 A MORE CURRENT REFLECTION. I DON'T THINK IT WOULD TAKE
19 MUCH WORK AT ALL.

20 CHAIRMAN CHESBRO: THEN YOU COULD INCLUDE -- I
21 TAKE YOU'RE REFERRING IN GENERAL TERMS HERE, BUT YOU
22 COULD ALSO INCLUDE THE CALTRANS.

23 MR. DUNN: CALTRANS IS INCLUDED.

24 CHAIRMAN CHESBRO: MAYBE I'M LOOKING AT THE
25 WRONG PLACE, BUT WHAT I READ JUST SAYS THE BOARD IS



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1 COMPILING DATA REGARDING THE VARIOUS USES OF COMPOST. IS
2 THAT WHAT THAT'S REFERRING TO?

3 MR. DUNN: ON PAGE 13 IT SAYS IN THE MIDDLE
4 PARAGRAPH, IN ADDITION, THE BOARD --

5 CHAIRMAN CHESBRO: OKAY. I SEE IT. SORRY. GOT
6 THAT.

7 MR. DUNN: SO WE COULD EXPAND THAT TO IDENTIFY
8 THE DISTRICTS, IF NECESSARY.

9 BOARD MEMBER RELIS, YOU SAID PIA AND THE
10 COMPOST PROJECT DOWN IN SANTA BARBARA?

11 BOARD MEMBER RELIS: SANTA BARBARA AREA. THOSE
12 WERE BOTH DIRECTED TO DETERMINING WHAT KINDS OF COMPOST
13 WE MIGHT OR MIGHT NOT BE ABLE TO PRODUCE, AND BEARING
14 BOTH ON REGULATORY AND POTENTIAL PROCUREMENT DOWN THE
15 LINE. WE'RE NOT ANYWHERE NEAR THAT POINT. THEY'RE JUST
16 RESEARCH PROJECTS.

17 MR. DUNN: WE'LL DEFINITELY REFERENCE THOSE.

18 BOARD MEMBER RELIS: WITH THAT GOAL IN MIND.

19 LET'S SEE. THERE WAS ON PAGE 16 ONE LAST
20 QUESTION. THERE'S A REFERENCE TO THESE -- THE WAY I WAS
21 TRYING TO ADD THIS UP, OKAY, 283 MILLION GALLONS -- THIS
22 IS ON PAGE 16 OF THE REPORT UNDER OIL.

23 MR. DUNN: YES.

24 BOARD MEMBER RELIS: -- WERE SOLD. DEPARTMENT
25 ESTIMATES THAT THIS AMOUNT, FIVE MILLION WERE ILLEGALLY



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1 DISPOSED. AND THEN DOWN THE PAGE THERE'S A REFERENCE TO
2 115 MILLION GALLONS WERE COLLECTED BY USED OIL RECYCLING
3 FACILITIES. I'M MISSING 160 MILLION GALLONS SOMEWHERE IN
4 ALL THAT. I DON'T KNOW WHAT I'M DOING WRONG.

5 MR. DUNN: WELL, IT'S NOT NECESSARILY CONSUMED
6 IN THE STATE. WE COULD ADD A -- THERE'S NO TRACKING
7 MECHANISM FOR OIL, PETROLEUM PRODUCTS, IN THE STATE TO
8 WHERE IT GOES. WE COULD REFERENCE THAT.

9 BOARD MEMBER RELIS: WELL, SOMEONE MIGHT HAVE
10 THE SAME, YOU KNOW, NUMBER PERSON WHO LIKES TO LOOK AND
11 ASK WHERE IS THIS, SO JUST COVER OURSELVES THAT WAY. SAY
12 IT'S EXPORTED OR WE DON'T KNOW WHERE IT ENDS UP.

13 MR. DUNN: RIGHT.

14 BOARD MEMBER RELIS: THAT'S ALL.

15 CHAIRMAN CHESBRO: OKAY. I HAVE SEVERAL AS
16 WELL, BUT BEFORE I DO, I FORGOT TO ANNOUNCE THAT THE
17 WORKSHOP ON THE LOW-INTEREST LOAN PROGRAM REGULATIONS WAS
18 CONTINUED. SO IF THERE'S ANYBODY HERE FOR THAT SUBJECT,
19 I APOLOGIZE THAT THEY WERE UNABLE TO GET THAT OUT.

20 IT'S TO BE CONTINUED. IT'S A GREAT
21 FRUSTRATION AND WE CONTINUE TO SUFFER SOME DIFFICULTIES
22 IN FIGURING OUT SOME OF THE TECHNICAL AND LEGAL ISSUES,
23 AND SO THAT WILL NOT BE HEARD TODAY. I'M SORRY I DIDN'T
24 ANNOUNCE THAT AT THE OUTSET.

25 NOW, BACK TO THE AB 4 REPORT. I WAS



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1 SOMEWHAT CONFUSED IN READING THE STAFF REPORT AND THE
2 REPORT ITSELF ABOUT THE -- WHICH UNIVERSITY SYSTEM IS
3 TARGETED HERE.

4 THE STAFF REPORT MAKES REFERENCE TO THE
5 UNIVERSITY OF CALIFORNIA SEVERAL PLACES IN THE REPORT. I
6 FOUND REFERENCES TO THE STATE UNIVERSITY SYSTEM, AND THEN
7 ONE POINT I FOUND BOTH CSU AND U.C. REFERENCED. AND I
8 WANT TO TOTALLY UNDERSTAND WHAT THE RELATIONSHIP IS TO
9 THE UNIVERSITY SYSTEM WITH REGARDS TO THIS REPORT.

10 MR. DUNN: IT SHOULD BE CLARIFIED AND IT WILL
11 BE -- WE'LL ADD SOME TEXT. U.C. SYSTEM IS MENTIONED IN
12 THE AB 4 STATUTE; HOWEVER, IT IS AUTONOMOUS. AND THEY
13 ISSUE THEIR REPORTS SEPARATELY.

14 FOR EXAMPLE, UNIVERSITY OF CALIFORNIA
15 ISSUED A REPORT ON RECYCLED PAPER PRODUCT UTILIZATION ON
16 JANUARY THE 22D, 1991, DIRECTLY TO THE LEGISLATURE.

17 THE AB 4 RECOMMENDATIONS OR GOALS THAT ARE
18 IN AB 4 ARE NOT MANDATORY FOR THE U.C. SYSTEM. THEY ARE
19 JUST SUGGESTED, AND CLARIFICATION OF THAT POINT SHOULD BE
20 MADE IN THE --

21 CHAIRMAN CHESBRO: SO OUR REPORT ASSESSES THE
22 CSU SYSTEM?

23 MR. DUNN: PRIMARILY, ASSESSES THE CSU SYSTEM.

24 CHAIRMAN CHESBRO: AND THE U.C. SYSTEM WILL HAVE
25 A DIFFERENT ACCOUNTABILITY BECAUSE OF ITS LINE THROUGH



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1 LEGISLATION. IT'S NOT THROUGH US OR GENERAL SERVICES
2 THAT THEY WOULD BE REPORTING?

3 MR. DUNN: THEY REPORT DIRECTLY TO THE
4 LEGISLATURE WITHOUT US AS AN INTERMEDIARY.

5 CHAIRMAN CHESBRO: OKAY. MY NEXT COMMENT IS ON
6 THE EXECUTIVE SUMMARY. IT'S JUST A GENERAL COMMENT THAT
7 THERE'S SOME REALLY GREAT STUFF IN THIS REPORT. AND I
8 DON'T THINK THAT READING THE EXECUTIVE SUMMARY, THAT IT
9 COMES THROUGH AS CLEARLY AS POSSIBLE.

10 AND YOU CAN KEEP IN MIND THAT A LOT OF BUSY
11 PEOPLE READ THE EXECUTIVE SUMMARY AND SKIM THE REST OF
12 THE REPORT. AND SO -- I WON'T NAME ANYBODY IN PARTICULAR.
13 WHO WOULD DO THAT, BUT I THINK IT'S IMPORTANT TO BE
14 SENDING COPIES OUT TO GET THAT ACROSS.

15 AND SO I THINK, RATHER THAN HAVING THE
16 OPENING PARAGRAPH BE TECHNICAL IN NATURE, I THINK THE
17 BEGINNING OF THE EXECUTIVE SUMMARY SHOULD STATE THE MAIN
18 THRUST OF THE REPORT, THE MAIN POINT, PRINCIPLE OR
19 WHATEVER, AND SO I WOULD SUPPORT SOME REDRAFTING OF THE
20 EXECUTIVE SUMMARY TO SAY THAT. IT JUST, TO ME, DIDN'T
21 CAPTURE THE QUALITY AND THE VALUE OF THE REPORT AS A
22 WHOLE.

23 MR. DUNN: WE COULD INCLUDE THE -- SOME OF THE
24 CONCLUSION REMARKS FROM THE BACK, PUT IT IN THE EXECUTIVE
25 SUMMARY AT THE BEGINNING. THAT MAY SERVE THE BEST



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1 PURPOSE.

2 CHAIRMAN CHESBRO: YEAH. I WOULD ALMOST -- I
3 REALLY DON'T WANT TO GO INTO GREAT DETAIL AT THE
4 BEGINNING OF THE EXECUTIVE SUMMARY. I THINK YOU NEED TO
5 TRY TO PICK OUT THE STRONGEST STATEMENTS IN THE REPORT
6 AND MAKE THAT THE INTRO AND THEN MAYBE FLOW INTO THE
7 METHODS AND PROBLEM STATEMENT, AND THEN YOU COULD MAKE A
8 MORE COMPLETE DESCRIPTION ON THE RECOMMENDATIONS LATER
9 ON.

10 I'M TRYING TO REMEMBER WHICH PAGE SYSTEM I
11 WAS USING. I THINK I WAS USING THE AGENDA PAGING NUMBERS
12 HERE.

13 ON PAGE 13, AGAIN USING THE AGENDA NUMBER
14 SYSTEM, BOTTOM OF THE PAGE UNDER PRICE IMPEDIMENTS AND
15 GENERAL SERVICE PROCUREMENT EFFORTS, THE FINAL STATEMENT
16 THERE, I THINK, IS A LITTLE CONFUSING.

17 IT SAYS, "THE DEMAND FOR RECYCLED PAPER
18 SHOULD PROVIDE SIGNIFICANT MARKET DEVELOPMENT," AND I
19 THINK YOU SHOULD BE MORE SPECIFIC. I THINK YOU SHOULD
20 PROBABLY SAY ATTRACT SIGNIFICANT INVESTMENT IN PRODUCTION
21 CAPACITY OR BE MORE SPECIFIC ABOUT WHAT YOU MEAN, NOT
22 JUST USE THE BROAD TERM "MARKET DEVELOPMENT."

23 THE REASON THAT'S IMPORTANT, I THINK, IS
24 THAT IT NEEDS TO COME BACK TO WHAT DOES THIS MEAN FOR
25 PRICES. THAT'S WHAT THE PARAGRAPH IS ABOUT. SO IT LEFT



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1 A QUESTION IN MY MIND. I GOT TO THE END OF THE PARAGRAPH
2 AND I SAID, OKAY, THERE'S DEMAND THAT'S GOING TO CREATE
3 SIGNIFICANT MARKET DEVELOPMENT, BUT THE PARAGRAPH'S ABOUT
4 PRICES, SO WHAT'S GOING TO BE THE RESULT OF THOSE
5 CIRCUMSTANCES?

6 I'M TRYING TO FIND WHICH PAGE IT WAS ON. I
7 HAVE PAGE 15 WRITTEN DOWN HERE, BUT THERE'S A STATEMENT
8 IN HERE ABOUT CONTAMINATION.

9 MR. DUNN: THAT'S UNDER PAPER COLLECTION
10 SYSTEMS. I THINK IT WOULD BE 15 IN THE AGENDA ITEM
11 PACKAGE, 7 IN THE REPORT.

12 CHAIRMAN CHESBRO: YEAH, PAGE 15. IT SEEMS TO
13 ME THAT THERE -- AGAIN, THERE NEEDS TO BE SOME SORT OF A
14 FOLLOW-UP THERE. IT STATES THE PROBLEM OF CONTAMINATION,
15 BUT DOESN'T REALLY SAY WHAT POTENTIAL SOLUTIONS TO THAT
16 PROBLEM ARE. AND IT CLEARLY IS A PROBLEM THAT NEEDS TO
17 BE ADDRESSED IF CALIFORNIA'S RECYCLING SYSTEM IS GOING TO
18 SUCCEED.

19 WHILE I DON'T KNOW IT'S THE JOB OF THIS
20 REPORT TO MAKE DETAILED RECOMMENDATIONS, JUST A STATEMENT
21 ABOUT WHAT PROJECTED SOLUTIONS MIGHT BE TO THE
22 CONTAMINATION PROBLEM, I THINK, WOULD BE USEFUL.

23 AND THEN, FINALLY, IN THE RECOMMENDATIONS,
24 THE VERY END OF REPORT ON PAGE 43, IT SEEMS TO ME THAT
25 THE FINAL PARAGRAPH NEEDS TO BE FLUSHED OUT A LITTLE BIT



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1 MORE IN TERMS OF WHAT WE MEAN EXACTLY IN THE
2 RECOMMENDATIONS ABOUT PRICE PREFERENCES, SET ASIDES, AND
3 MINIMUM CONTENT REQUIREMENTS. THAT JUST NEEDS TO BE, I
4 THINK, DEFINED A LITTLE BIT MORE CLEARLY SINCE THAT'S THE
5 CONCLUDING PARAGRAPH. IT'S THE BIG WRAP-UP AT THE END OF
6 THE REPORT.

7 THOSE ARE SOME THOUGHTS.

8 MR. DUNN: APPRECIATE WHAT TYPE OF -- THAT GETS
9 INTO THE POLICY STATEMENTS RECOMMENDATIONS, AND STAFF
10 WOULD APPRECIATE SOME GUIDANCE IN THAT RESPECT.

11 CHAIRMAN CHESBRO: SURE. I JUST THINK THAT IF
12 YOU LEAVE IT WITH THOSE VERY BROAD TERMS, IT COULD BE --
13 THERE'S DIFFERENT WAYS THAT YOU CAN INTERPRET WHAT IS
14 MEANT BY IT, SO SOME SORT OF EXAMPLES OR MORE
15 DEFINITIONAL KIND OF LANGUAGE WOULD BE HELPFUL.

16 THOSE COMMENTS ASIDE, I THINK IT'S A VERY
17 GOOD REPORT. I'M HAPPY WITH IT, AND I THINK IT MEETS THE
18 REQUIREMENTS OF WHAT WE WERE ASKED TO DO BY THE
19 LEGISLATURE.

20 I WILL OPEN THE FLOOR AT THIS TIME. WE
21 DON'T HAVE ANY SPEAKER SLIPS THAT HAVE BEEN SUBMITTED;
22 BUT IF THERE'S ANYONE WHO HAS COME TO ADDRESS THE BOARD
23 ON THIS ITEM, I WOULD WELCOME YOUR COMMENTS. APPARENTLY
24 NOT.

25 SO MY RECOMMENDATION WOULD BE THAT WE VOTE



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1 TO REFER THIS TO THE FULL BOARD WITH A POSITIVE
2 RECOMMENDATION AND ASK STAFF TO, YOU KNOW, MAKE SOME OF
3 THE MODIFICATIONS DESCRIBED BETWEEN NOW AND THE BOARD
4 MEETING AND PLACE IT ON THE CONSENT AGENDA, YOU THINK.
5 IS THERE ANY ARGUMENT ABOUT NOT PLACING IT ON THE
6 CONSENT? IF NOT, I'LL ENTERTAIN THAT MOTION.

7 BOARD MEMBER RELIS: I WOULD MOVE THAT WE
8 RECOMMEND THAT THIS COMMITTEE APPROVE THE DOCUMENT AND
9 SEND IT ON TO FULL BOARD WITH CONSENT.

10 CHAIRMAN CHESBRO: AND DIRECT STAFF TO MAKE ANY
11 CHANGES.

12 BOARD MEMBER RELIS: WITH THE CHANGES WE
13 DISCUSSED.

14 CHAIRMAN CHESBRO: I'LL SECOND.

15 CALL THE ROLL, PLEASE.

16 COMMITTEE SECRETARY: BOARD MEMBER HUFF?
17 ABSENT.

18 RELIS?

19 BOARD MEMBER RELIS: AYE.

20 COMMITTEE SECRETARY: CHAIRMAN CHESBRO.

21 CHAIRMAN CHESBRO: AYE.

22 THANK YOU VERY MUCH.

23 NOW, WE WILL MOVE ON TO ITEM 4, WHICH HAS
24 BEEN A REPORT THAT'S BEEN A LONG TIME IN THE PROCESS. I
25 THINK I'LL CALL ON MARTHA GILDART TO REPRESENT THE



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1 DIVISION WHO'S BEEN WORKING ON THIS REPORT TO INTRODUCE
2 IT.

3 MS. GILDART: THANK YOU, CHAIRMAN. GOOD
4 AFTERNOON. I APOLOGIZE. I'VE GOT A COLD. I HOPE I CAN
5 BE HEARD.

6 WE'RE PRESENTING THE DRAFT REPORT ON
7 PLASTICS TO YOU TODAY FOR YOUR DIRECTION AND FOR COMMENT
8 FROM THE PUBLIC. IF THERE ARE ANY MEMBERS OF THE PUBLIC
9 HERE WISHING TO COMMENT, WE HAVE SLIPS IN THE BACK OF THE
10 ROOM THAT YOU CAN FILL OUT REQUESTING TO SPEAK.

11 THE PROCESS HERE IS THAT I'M GOING TO
12 PRESENT THE BACKGROUND ON THE REPORT, AND THEN INTRODUCE
13 EDGAR ROJAS, WHO IS THE TECHNICAL WRITER ON THE REPORT,
14 TO GIVE THE FINDINGS. THEN I'LL COME BACK TO DISCUSS THE
15 RECOMMENDATIONS THAT WE'VE MADE AND THEN REQUEST THE
16 COMMENTS AND QUESTIONS FROM BOARD MEMBERS OR THE PUBLIC.

17 THE STAFF WILL THEN TAKE THOSE COMMENTS AND
18 INCORPORATE THEM INTO THE REPORT AND BRING THE FINAL
19 DRAFT BACK TO THE COMMITTEE, I BELIEVE IT'S, MAY 7TH
20 SCHEDULED AT THE MOMENT, FOR FINAL CONSIDERATION AND
21 ADOPTION AND MOVING IT FORWARD TO THE BOARD.

22 THE REPORT WAS MANDATED BY PUBLIC RESOURCES
23 CODE SECTION 42380, WHICH DIRECTED THE BOARD TO EXAMINE
24 THE USE, DISPOSAL, AND RECYCLABILITY OF PLASTIC MATERIALS
25 NOT ALREADY COVERED BY THE PUBLIC RESOURCES CODE DIVISION



1 12.1, WHICH IS COMMONLY KNOWN AS THE BOTTLE BILL.

2 SPECIFICALLY, THE REPORT WAS TO INCLUDE A
3 DESCRIPTION OF THE BARRIERS TO COLLECTION, SEPARATION,
4 AND RECYCLING OF PLASTIC MATERIALS, METHODS THAT ARE USED
5 IN OTHER STATES OR OTHER COUNTRIES TO RECYCLE PLASTICS,
6 PROGRAMS NOW UNDER DEVELOPMENT OR POTENTIALLY AVAILABLE
7 FOR COLLECTION AND RECYCLING OF PLASTIC MATERIALS, AND A
8 DESCRIPTION OF THE DOMESTIC AND FOREIGN MARKETS.

9 THE REPORT WAS TO ALSO INCLUDE
10 RECOMMENDATIONS ON HOW CALIFORNIA COULD REDUCE AND
11 RECYCLE PLASTICS AND IMPROVE THEIR MARKETABILITY.

12 AS CHAIRMAN CHESBRO MENTIONED, THE REPORT
13 HAS A RATHER LONG HISTORY. THE INITIAL EFFORT, THE FIRST
14 DRAFT, WAS BEGUN IN OCTOBER OF 1990 TO MEET A JANUARY 1,
15 '91, DEADLINE. HOWEVER, DUE TO CHANGES IN THE DRAFTS,
16 SEVERAL DIFFERENT PEOPLE WORKING ON IT, AND ALSO THE
17 REORGANIZATION OF THE AGENCY WHERE THE REPORT WAS
18 TRANSFERRED FROM THE NOW DEFUNCT RESOURCE CONSERVATION
19 DIVISION TO OUR RESEARCH AND TECHNOLOGY DEVELOPMENT
20 DIVISION, THE REPORT IS A LITTLE BIT OVERDUE.

21 BACK IN DECEMBER, BILL ORR, WHO WAS THE
22 ACTING DIVISION CHIEF AT THE TIME, BROUGHT ON A TECHNICAL
23 EDITOR TO HELP IN IMPROVING THE WRITING, BRINGING IT
24 TOGETHER, ALL THE PIECES, AND HE'S BEEN WORKING ON IT NOW
25 FOR A COUPLE OF MONTHS, AND HE IS HERE TODAY IF WE HAVE



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1 ANY QUESTIONS OF HIM.

2 STAFF OF THE RESEARCH AND TECHNOLOGY
3 DEVELOPMENT DIVISION HAVE MET WITH SOME OF THE ADVISORS
4 TO DISCUSS THEIR INPUT ON THE REPORT, AND I THINK OUR
5 LAST MEETING WAS JUST YESTERDAY WHERE SOME CONCERNS WERE
6 EXPRESSED ON THE EXECUTIVE SUMMARY.

7 SO AT THIS POINT, WE'RE CONSIDERING MELDING
8 THE EXECUTIVE SUMMARY, CHAPTER 9, WHICH IS THE
9 CONCLUSIONS AND RECOMMENDATIONS CHAPTER, TOGETHER INTO
10 ONE LONGER CHAPTER UP FRONT. SO IF ANY OF YOUR REMARKS
11 WERE DIRECTED THERE, WE'RE HOPING TO ADDRESS SOME OF THEM
12 THROUGH COMBINING THE RECOMMENDATIONS IN THE EXECUTIVE
13 SUMMARY.

14 AT THIS POINT, I'D LIKE TO INTRODUCE EDGAR
15 ROJAS, WHO IS THE LEAD PERSON FOR THE RESEARCH AND
16 TECHNOLOGY DEVELOPMENT DIVISION'S CLEARINGHOUSE ON
17 PLASTICS RECYCLING, AND HE'S GOING TO GO OVER SOME OF THE
18 FINDINGS OF THE REPORT AND SOME OF THE TECHNICAL
19 BACKGROUND.

20 MR. ROJAS: THANK YOU. WHILE I WAS PREPARING MY
21 PRESENTATION THIS AFTERNOON, I CAME ACROSS WITH AN
22 INTERESTING STATEMENT THAT APPLIES TO MY SITUATION. THE
23 STATEMENT IS FROM EXPERTS IN PUBLIC SPEAKING, WHO
24 RECOMMEND NOT TO USE WORDS YOU CANNOT PRONOUNCE
25 CORRECTLY. I TRIED, BUT I FOUND THAT ONLY FEW OF THEM



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1 WERE EASY FOR ME TO PRONOUNCE. SO I RESPECT THE
2 LANGUAGE, AND PLEASE EXCUSE ME ABOUT MISTAKES IN
3 PRONUNCIATION.

4 THE EXPERTS ALSO SUGGEST TO START WITH A
5 QUESTION, AND I DECIDED TO USE A QUESTION TO START MY
6 PRESENTATION. THAT QUESTION IS WHAT CAN BE DONE TO
7 ENHANCE THE CURRENT RECYCLING AND SOURCE REDUCTION
8 PROGRAMS IN CALIFORNIA?

9 ONE ANSWER TO THAT QUESTION WOULD BE TO
10 LOOK TO WHAT HAS BEEN DONE BY OTHER STATES AND BY OTHER
11 COUNTRIES, ALSO BY OTHER COMMUNITIES.

12 WHAT WE HAVE DISCOVERED, THE AUTHORS OF
13 THIS REPORT, IS THAT IT'S VERY HARD TO COMPARE ONE
14 PROGRAM OR THE EFFICIENCY OF ONE PROGRAM WITH ANOTHER ONE
15 BECAUSE IT SEEMS LIKE EACH PROGRAM HAVE A DIFFERENT
16 ORIENTATION ACCORDING TO SOCIOECONOMIC AND POLITICAL
17 CONDITIONS OF EACH COMMUNITY OR EACH COUNTRY.

18 ALSO, THE LACK OF RELIABLE, UNIFORM, AND
19 ACCURATE DATA MAKES IT DIFFICULT TO DETERMINE HOW
20 ADVANCED IS A PROGRAM IN SOURCE REDUCTION OR IN
21 RECYCLING.

22 FOR INSTANCE, DOING AN ANALYSIS OR A
23 COMPARISON OF THE EXISTING PLASTIC RECYCLING CURBSIDE
24 PROGRAMS, WE HAVE TO TAKE INTO CONSIDERATION MORE THAN
25 TEN DIFFERENT VARIABLES, AND THEY SHOULD BE COMBINED IN



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1 ORDER TO DECIDE WHAT PROGRAM WOULD BE TAKEN AS A MODEL
2 FOR THE OTHER PROGRAMS, AND THIS IS VERY DIFFICULT.

3 THIS CAN BE DONE ON PAPER JUST TAKING ONE
4 OF THE VARIABLES AND LEAVING THE OTHER VARIABLES
5 CONSTANT. THIS IS NOT A GOOD APPROACH, OF COURSE. THE
6 BEST APPROACH WOULD BE TO USE SOPHISTICATED COMPUTER
7 PROGRAMS, BUT THEY ARE NOT WELL DEVELOPED YET.

8 BEFORE I SUMMARIZE THE MAJOR FINDINGS OF
9 THE REPORT, I WOULD LIKE TO REMIND YOU THAT BY THE YEAR
10 2000 THE AMOUNT OF PLASTICS PRODUCED IN THE UNITED STATES
11 WILL BE CLOSE TO 38 MILLION TONS. AND HALF OF IT, 90
12 MILLION TONS, WILL BE DISPOSED OF OR DISCARDED IN THE
13 UNITED STATES.

14 AND ACCORDING TO A PRELIMINARY STUDY
15 PREPARED BY THE BOARD, CALIFORNIANS DISCARDED ABOUT 2.97
16 MILLION TONS IN 1990. THIS REPRESENTS ABOUT 7.8 PERCENT
17 OF THE 40.5 MILLION TONS OF THE SOLID WASTE DISPOSED IN
18 THE STATE.

19 ANOTHER QUESTION IS HOW CAN WE REDUCE THE
20 AMOUNT OF PLASTICS ENTERING THE WASTESTREAM. TWO
21 SOLUTIONS WERE PROPOSED TO SOLVE THE PROBLEM. THOSE TWO
22 ALTERNATIVES WERE SOURCE REDUCTION AND RECYCLING.
23 HOWEVER, THESE TWO ALTERNATIVES PRESENT SOME OBSTACLES OR
24 BARRIERS, AND I WOULD LIKE TO DISCUSS THEM IN A LITTLE
25 BIT MORE DETAIL.



1 SOME OF THE MOST IMPORTANT BARRIERS TO
2 SOURCE REDUCTION ARE AMBIGUOUS DEFINITION. THERE IS SOME
3 CONFUSION ABOUT THE DEFINITION OF SOURCE REDUCTION AND
4 WASTE REDUCTION.

5 WASTE REDUCTION INCLUDES A SET OF WASTE
6 MANAGEMENT ALTERNATIVES FROM WHICH SOURCE REDUCTION IS
7 THE MOST IMPORTANT ONE, ALONG WITH REUSE AND RECYCLING.
8 LANDFILL IS ANOTHER ONE.

9 SOURCE REDUCTION, BY DEFINITION, IS THE SET
10 OF METHODS TO REDUCE THE VOLUME AND TOXICITY OF PLASTICS.

11 OF COURSE, THE MIXING OF THESE TWO CONCEPTS
12 MADE IT DIFFICULT FOR SOME PROPONENTS OF SOURCE
13 REDUCTION -- THOSE PROPONENTS OF SOURCE REDUCTION
14 POLICIES TO MAINTAIN A FIRM POSITION AND ALSO TO GAIN
15 SUPPORT.

16 SECOND BARRIER TO SOURCE REDUCTION IS THE
17 DIFFICULTY TO IMPLEMENT. IT IS HIGHLY RECOGNIZED THAT
18 SOURCE REDUCTION EFFORTS REQUIRE A LOT OF SOCIOECONOMIC
19 AND BEHAVIOR CHANGES, NOT ONLY BY CUSTOMERS, BUT MOSTLY
20 BY MANUFACTURERS OF PLASTIC PRODUCTS. SO THAT CAN HAVE A
21 TREMENDOUS ECONOMIC IMPACT FOR THE WHOLE NATION BECAUSE
22 SOURCE REDUCTION SHOULD BE APPLIED OR IMPLEMENTED ON A
23 NATIONAL SCALE, NOT AT A LOCAL SCALE.

24 THE THIRD BARRIER TO SOURCE REDUCTION IS
25 DIFFICULT TO QUANTIFY. THIS IS -- THIS NOT ONLY APPLIES



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1 TO PLASTIC, BUT ALL OTHER MATERIALS. FROM THE DIFFERENT
2 WASTE MANAGEMENT ALTERNATIVES, SOURCE REDUCTION IS THE
3 LESS TO ACKNOWLEDGE AND TO ASSESS THE POTENTIAL IMPACTS
4 OR BENEFITS OF SOURCE REDUCTION. IT'S GOING TO BE
5 DIFFICULT COMPARED TO RECYCLING OF PLASTICS WHERE THE
6 BENEFITS CAN BE EASILY NOTICED.

7 SO NOW I'M GOING TO TALK ABOUT THE BARRIERS
8 TO RECYCLING OF PLASTICS.

9 FIRST OF ALL, WE HAVE THE ECONOMIC AND
10 TECHNICAL BARRIERS. THE COMPLEX CHEMICAL COMPOSITION AND
11 THE LOW DENSITY OF PLASTICS MAKE THEM DIFFICULT TO
12 SEPARATE FROM OTHER WASTES AND ALSO DIFFICULT TO SEPARATE .
13 FROM OTHER RESINS. THERE ARE ABOUT MORE THAN 2,000
14 DIFFERENT FORMULATIONS IN PLASTICS, SO IT'S GOING TO BE
15 DIFFICULT TO IDENTIFY IT AND SEPARATE THEM.

16 THE COST OF LABOR AND TECHNOLOGY ARE HIGH.
17 FOR SOME A PLASTIC CONTAINERS, IT IS DIFFICULT TO
18 COMPRESS THEM, SO THE USE OF VERTICAL BALERS, WHICH COST
19 FROM 10 TO \$20,000, SHOULD BE REPLACED AND USE HORIZONTAL
20 BALERS, WHICH COST FROM 50 TO \$60,000.

21 THE RECYCLING -- THE RECYCLOPLAST
22 TECHNOLOGY, FOR INSTANCE, COSTS BETWEEN 5 AND \$6 MILLION,
23 AND THE EPY UNIT COST AROUND \$297,000.

24 CHAIRMAN CHESBRO: NOW, THOSE ARE PROCESSES FOR
25 CHEMICALLY --



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1 MR. ROJAS: COMMINGLED PLASTICS.

2 CHAIRMAN CHESBRO: I'M SORRY?

3 MR. ROJAS: FOR COMMINGLED PLASTICS.

4 CHAIRMAN CHESBRO: FOR SEPARATING THEM
5 CHEMICALLY OR --

6 MR. ROJAS: NOT CHEMICALLY. I'M TALKING MOSTLY
7 ABOUT MATERIAL SEPARATION.

8 CHAIRMAN CHESBRO: I SEE.

9 BOARD MEMBER RELIS: COULD YOU CLARIFY WHAT THE
10 RECYCLOPLAST TECHNOLOGY IS?

11 MR. ROJAS: RECYCLOPLAST TECHNOLOGY IS A
12 TECHNOLOGY FOR SEPARATION OF -- NOT SEPARATION -- FOR
13 RECYCLING OLEFINS. IT WAS DEVELOPED IN BELGIUM, AND IT'S
14 ONE OF THE MOST KNOWN FOR THE RECYCLING OF PLASTICS.
15 THAT'S WHY I MENTION THIS ONE.

16 BOARD MEMBER RELIS: THAT'S A MANUFACTURING?

17 MR. ROJAS: THAT'S A MANUFACTURING.

18 BOARD MEMBER RELIS: OKAY. SO IS THAT VIEWED AS
19 A -- WHEN WE REFERENCE, LIKE, VERTICAL BALERS OR
20 HORIZONTAL BALERS, RECYCLOPLAST, IS THAT A SPECIFIC
21 PATENT NAME?

22 MR. ROJAS: SPECIFIC EQUIPMENT, MORE SPECIALIZED
23 EQUIPMENT FOR THE BALING OF THE MATERIAL.

24 FOR MANY OTHER MATERIALS, WE MIGHT USE
25 VERTICAL BALERS. BUT BECAUSE OF THE DIFFICULTY IN



1 COMPRESSING CERTAIN PLASTIC BOTTLES, WE'RE SUPPOSED TO
2 USE HORIZONTAL BALERS, WHICH ARE MORE EXPENSIVE THAN THE
3 VERTICAL ONES. THAT'S WHAT I'M TRYING TO POINT OUT.

4 INSUFFICIENT MARKETS FOR RECYCLED RESINS.
5 SUPPLY IS VERY SELDOM STABLE, AND THIS IS DUE TO
6 FLUCTUATIONS IN THE SUPPLY BECAUSE OF THE SEASONAL
7 VARIATIONS. THE DEMAND IS ALSO HARD TO FIND.

8 LACK OF QUALITY STANDARDS IN
9 SPECIFICATIONS. IT'S HARD TO DECIDE ABOUT THE QUALITY OF
10 THE RECYCLING RESINS BECAUSE OF THIS INCONVENIENCE.
11 THERE ARE CERTAIN COMPLAINTS FROM MANUFACTURERS ABOUT
12 CONTAMINATION AND QUALITY OF THE RECYCLED RESINS. AND
13 ALSO SOME OF THE MATERIALS MAY PROVOKE SOME DAMAGE TO THE
14 PROCESSING EQUIPMENT.

15 BOARD MEMBER RELIS: I HAVE A QUESTION ON THE
16 REFERENCE TO INSUFFICIENT MARKETS FOR RECYCLED RESINS.

17 IT'S MY UNDERSTANDING, AND I DON'T KNOW HOW
18 ACCURATE THIS IS, BUT THAT THE SUPPLY OF THE SECONDARY
19 RESINS ISN'T SO MUCH THE ISSUE. IT'S MUCH MORE THE
20 DEMAND NOW. AND THE PRICE, THAT IS, THERE ISN'T A COST
21 ADVANTAGE TO USING SECONDARY RESINS, THAT THE VIRGIN
22 RESIN PRICE HAS COME WAY DOWN, AND INTERMITTENTLY TO
23 SOMETIMES A POINT WHERE THE VIRGIN IS LESS EXPENSIVE THAN
24 THE SECONDARY.

25 MR. ROJAS: IT'S HARD FOR SECONDARY RECYCLED



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1 RESINS TO COMPETE WITH VIRGIN RESINS. THERE IS A
2 TENDENCY TO BELIEVE, THE MANUFACTURERS AND THE PUBLIC, IN
3 GENERAL, THAT THE RECYCLED RESINS ARE OF LOWER QUALITY.

4 BOARD MEMBER RELIS: I'M JUST TRYING TO THINK,
5 THEN, IF THAT INSUFFICIENT MARKETS FOR RESINS FULLY
6 STATES THE CASE WITH THOSE TWO STATEMENTS, WHETHER IT
7 NEEDS TO BE DEVELOPED JUST A BIT MORE TO GET OUT WHAT THE
8 MARKET PROBLEM IS, WHICH, SEEMS TO ME, ONE IS SUPPLY IS
9 VERY SELDOM STABLE. BUT THE REASON WHY THE SUPPLY IS
10 UNSTABLE IS THAT THE DEMAND IS UNCERTAIN.

11 AND WE'VE BEEN CAUGHT IN A CHICKEN AND EGG
12 SITUATION HERE IN CALIFORNIA OR ELSEWHERE WHERE
13 MANUFACTURERS DON'T WANT TO GET IN THE MARKET UNLESS TWO
14 THINGS HAPPEN.

15 ONE IS THAT THE SUPPLY IS AMPLE TO MEET THE
16 DEMAND, BUT THEN MORE RECENTLY WHAT I'VE BEEN HEARING IS
17 THAT IT'S LESS A QUESTION OF SUPPLY AND MORE A QUESTION
18 OF DEMAND FOR THE END USE.

19 WOULD YOU AGREE WITH THAT?

20 MR. ROJAS: NOT EXACTLY. WHAT WE FOUND IS
21 THE -- WITH SUPPLY, THE PROBLEM WITH DEMAND IS TO FIND
22 THE MARKETS FOR THE PRODUCTS. I DON'T KNOW IF I'M ENOUGH
23 CLEAR.

24 MY POINT OF VIEW IS THAT, ONCE WE DEVELOP A
25 PRODUCT ABLE TO -- A SECONDARY PRODUCT ABLE TO COMPETE



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1 WITH VIRGIN RESINS, THE MARKET FOR RECYCLED RESINS IS
2 GOING TO IMPROVE. SO IMPROVING THE QUALITY OF THE
3 RECYCLED RESINS MEANS THAT WE HAVE TO IMPROVE ALSO THE
4 PROCESSING, AND THAT'S GOING TO BE VERY EXPENSIVE.

5 THAT'S MY POSITION.

6 BOARD MEMBER RELIS: THANK YOU.

7 MR. ROJAS: ALSO, WE HAVE BARRIERS TO PLASTIC
8 RECYCLING, INFORMATIONAL BARRIERS. THERE ARE STILL SOME
9 PEOPLE WHO DON'T KNOW THAT PLASTICS ARE RECYCLABLE, AND
10 MANY PEOPLE ALSO RESIST THE IDEA OF SEGREGATING OR
11 PREPARING PLASTICS FOR RECLAMATION PURPOSES.

12 ALSO, THERE IS LITTLE EXCHANGE OF
13 INFORMATION AMONG REPROCESSORS. THEY ARE RELUCTANT TO
14 DISCLOSE INFORMATION ABOUT PRICES, ABOUT METHODS, AND
15 ABOUT ECONOMIC BENEFITS OF RECYCLING. THAT MADE THE
16 WRITING OF THIS REPORT A LITTLE DIFFICULT.

17 FINALLY, WE HAVE THE REGULATORY BARRIERS.
18 EXISTING REGULATIONS MAKE GOOD RECYCLING A DISADVANTAGE.
19 ZONING LAWS, FOR EXAMPLE, CAN DISCOURAGE RECYCLING
20 EFFORTS BY REQUIRING RECYCLING CENTERS TO MOVE FAR AWAY
21 FROM THE SURFACE OF WASTE.

22 ALSO, POLICY MAKERS REACTING TO PUBLIC
23 CONCERNS SOMETIMES PROMOTE REGULATORY MEASURES SUCH AS
24 MANDATING THE USE OF DEGRADABLES THAT INHIBIT THE
25 ECONOMICS OF RECYCLING.



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1 TO END UP WITH MY PRESENTATION, I'M GOING
2 TO READ THE MAJOR FINDINGS OF THE REPORT.

3 THIS REPORT ALREADY DISCUSSED THE SOURCE
4 REDUCTION. IT'S DIFFICULT TO UNDERSTAND AND IMPLEMENT.
5 THE LOGIC OF SOURCE REDUCTION IS VERY ATTRACTIVE, BUT THE
6 IMPLEMENTATION IS ALSO VERY DIFFICULT. AND WE HAVE TO BE
7 VERY CAREFUL WHEN SUBSTITUTING A PLASTIC FOR OTHER
8 PRODUCTS BECAUSE OF THE IMPLICATION IN THE FINAL QUALITY
9 OF THE PRODUCT.

10 SECOND, CHEMICAL RECYCLING CAN BE VERY
11 PROMISING. AND CHEMICAL RECYCLING MIGHT BE BROADENING
12 OPPORTUNITIES FOR THE MARKET OF PLASTICS, ESPECIALLY IN
13 APPLICATIONS OF FOOD CONTAINERS AND MEDICAL WASTE
14 PLASTICS.

15 THIRD, IN THE FINDINGS WE HAVE FEW RELIABLE
16 PRODUCTION OR MARKET STATISTICS FOR POSTCONSUMER
17 PLASTICS. ADDITIONAL RESEARCH IS NEEDED TO IDENTIFY AND
18 DEVELOP POTENTIAL MARKETS FOR RECYCLED PLASTICS WITHIN
19 THE STATE.

20 FIFTH, THE PLASTIC INFRASTRUCTURE IS
21 IMPROVING, BUT CALIFORNIA IS STILL BEHIND EASTERN STATES
22 IN RECYCLING ACTIVITIES, BUT WE ARE IMPROVING. AND WE
23 CAN SEE THAT FROM THE NUMBER OF CURBSIDE RECYCLING
24 PROGRAMS IN THE STATE.

25 ACCORDING TO THE SURVEY PERFORMED BY THE



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1 DEPARTMENT OF CONSERVATION RECYCLING DEPARTMENT FROM 280
2 CURBSIDE RECYCLING PROGRAMS IN 1991, 269 ACCEPTED PET,
3 122 ACCEPTED HIGH DENSITY POLYETHYLENE, AND 69 ACCEPTED
4 ALL TYPE OF PLASTICS.

5 PET AND HIGH DENSITY POLYETHYLENE WILL
6 CONTINUE TO DOMINATE THE MARKET, NOT ONLY IN THE UNITED
7 STATES, BUT ALSO IN CALIFORNIA. THE PRIMARY MARKET FOR
8 PET EXCEEDED 25 MILLION TONS IN 1990. THERE IS STILL
9 SOME SMALL GROWING MARKETS FOR POLYSTYRENE, LOW DENSITY
10 POLYETHYLENE, AND PLASTIC LUMBER.

11 FINALLY, CALIFORNIA IS EXPORTING A GROWING
12 PROPORTION OF PLASTIC WASTE. IT IS CONSIDERED THAT
13 THE -- ABOUT 60 PERCENT OF UNITED STATES WASTE PLASTIC
14 EXPORTS ORIGINATE FROM WEST COAST PORTS, MOSTLY FROM THE
15 CITY OF LOS ANGELES. AND THE MAJORITY OF CALIFORNIA
16 EXPORTS ARE BEING SENT TO FAR EAST, SPECIFICALLY TO THE
17 PACIFIC RIM COUNTRIES. ALSO, THERE ARE SOME SHIPMENT AT
18 THIS TIME TO WASHINGTON, TEXAS, AND MIDWEST.

19 THANK YOU.

20 AND MARTHA IS COMING TO TALK ABOUT THE
21 RECOMMENDATIONS OF THE REPORT.

22 CHAIRMAN CHESBRO: ANY QUESTIONS AT THIS POINT?

23 I CERTAINLY HAVE SOME, BUT I'LL HOLD THEM
24 UNTIL THE PRESENTATION HAS BEEN COMPLETED.

25 MS. GILDART: THE RECOMMENDATIONS, AS I SAID



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1 EARLIER, WERE ORIGINALLY LISTED IN CHAPTER 9. AND WE'RE
2 GOING TO BE RESTRUCTURING THE REPORT TO TRY AND FOLD
3 THOSE IN WITH THE EXECUTIVE SUMMARY, MOVE THEM UP FRONT.
4 BUT OVERALL, THE RECOMMENDATIONS FALL INTO TWO MAIN
5 CATEGORIES.

6 THE FIRST CATEGORY HAS IDENTIFIED THE NEED
7 TO DEVELOP INFORMATION. THIS INCLUDES THE ESTABLISHMENT
8 OF A SOURCE REDUCTION CLEARINGHOUSE SIMILAR TO THE
9 PLASTICS RECYCLING CLEARINGHOUSE.

10 THE NEED TO DEVELOP COMPUTER MODELS ON
11 COLLECTION OPTIONS FOR LOCAL GOVERNMENTS TO IDENTIFY HOW
12 THEY MIGHT INSTITUTE SOURCE REDUCTION AND RECYCLING
13 PROGRAM.

14 NEED TO IDENTIFY BUSINESSES WHICH COULD USE
15 POSTCONSUMER RECYCLED PLASTICS. DO SOMETHING MAYBE
16 SIMILAR TO THE CALMAX WHERE THERE'S AN INFORMATION
17 EXCHANGE OF WHO COULD USE WHAT KIND OF MATERIAL.

18 THE SECOND BROAD GROUP IS IN THE WAY OF
19 FINANCIAL ASSISTANCE WHERE WE'VE IDENTIFIED THAT GRANTS
20 AND LOANS TO EITHER LOCAL GOVERNMENTS OR NONPROFIT
21 ORGANIZATIONS COULD BE MADE AVAILABLE FOR SOURCE
22 REDUCTION PROGRAMS.

23 RESEARCH AND DEVELOPMENT GRANTS FOR RESINS
24 SEPARATION AND CHEMICAL RECYCLING PROGRAMS.

25 GRANTS AND LOANS TO PURCHASE BALERS AND



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1 OTHER KINDS OF PREPARATION AND SHIPPING EQUIPMENT.

2 INCENTIVES TO USE POSTCONSUMER PLASTICS,
3 SUCH AS TAX BREAKS TO BUSINESSES THAT USE THESE MATERIALS
4 OR TO REDESIGN THEIR PRODUCTS.

5 AND THEN LOW-INTEREST LOANS TO BUSINESSES
6 WHICH PURCHASE EQUIPMENT TO USE RECYCLED PLASTICS.

7 THE REPORT ALSO CONTAINED TWO
8 RECOMMENDATIONS THAT WOULD REQUIRE LEGISLATIVE MANDATE.
9 ONE WAS TO STUDY THE FEASIBILITY OF MANDATING COLLECTION
10 OF PLASTICS. AND I BELIEVE THAT'S ONE OF THE ISSUES WE
11 MAY WISH TO DISCUSS TODAY. THE OTHER IS TO REQUIRE THE
12 REDUCTION OF HEAVY METALS USED IN PACKAGING OR PLASTICS
13 MATERIAL.

14 SO AT THIS POINT, I WOULD LIKE TO ASK FOR
15 QUESTIONS OR COMMENTS FROM THE BOARD OR FROM THE PUBLIC
16 IF THERE'S ANYONE WHO'S COME TO SPEAK.

17 CHAIRMAN CHESBRO: OKAY. WHY DON'T YOU STAND BY
18 AND I WILL -- I THINK, RATHER THAN TAKE OUR QUESTIONS
19 NOW, SINCE THIS IS A WORKSHOP AND NOT WE'RE FORMALLY
20 ACTING TODAY, I'LL OPEN TO PUBLIC FIRST AND THEN
21 QUESTIONS.

22 BOARD MEMBER RELIS: THAT'S FINE. I JUST WOULD
23 LIKE TO GET MY -- WELL, I'D LIKE TO SAY SOMETHING FIRST.
24 THESE COMMENTS ARE MORE DIRECTED AT THE WAY THE REPORT IS
25 DEVELOPED AND PARTICULARLY THE EXECUTIVE SUMMARY WHICH



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1 YOU'VE TOUCHED ON. I BELIEVE THAT WE'VE PREPARED
2 COMMENTS FOR YOU, AND I THINK YOU HAVE SOME OF THESE, BUT
3 IF NOT, WE'LL GET THEM TO YOU.

4 THE CONCERN OVERALL IS THAT AS THE
5 PRESENTATION THAT I'VE JUST HEARD GIVES A LITTLE MORE
6 DIRECTION IN PRIORITY THAN THE EXECUTIVE SUMMARY THAT WE
7 RECEIVED. AND I WOULD LIKE TO SEE THE REPORT STRUCTURED.

8 AND I REALIZE THIS WILL TAKE SOME WORK, BUT
9 IT NEEDS TO BE STRUCTURED SO THAT IT GIVES US A BETTER --
10 THE BOARD, A BETTER SENSE OF DIRECTION AND PRIORITIES FOR
11 US TO CONSIDER IN OUR POLICYMAKING ROLE. AND IT IS NOT
12 STRUCTURED WELL TO DO THAT AT ITS PRESENT FORM.

13 SO THIS IS AN OVERVIEW STATEMENT. AND WE
14 NEED IT FOR POLICY CONSIDERATION. AND THEN THOSE WHO ARE
15 ALSO READING IT WILL BE ABLE TO GET QUICKLY ORIENTED TO
16 WHAT ARE THE PRIORITIES FOR PLASTICS. SORT OF BOTTOM
17 LINE, WHAT IS IT THAT WE --

18 AND THEN THE REST I'LL JUST SUBMIT IT AS
19 THEY ARE MORE DETAILED IN NATURE, AND I DON'T THINK I
20 WANT TO TAKE THE TIME HERE. THAT'S JUST THE GENERAL
21 THRUST.

22 CHAIRMAN CHESBRO: THANK YOU, PAUL. I'LL HOLD
23 MINE FOR THE MOMENT. AND WHY DON'T YOU STAND BY IN CASE
24 THERE'S QUESTIONS FOR STAFF, MARTHA. AND LET ME ASK IF
25 THERE'S MEMBERS OF THE PUBLIC WHO WOULD LIKE TO ADDRESS



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1 THE COMMITTEE.

2 MR. SCHWENT: GOOD AFTERNOON. I ACTUALLY DIDN'T
3 COME TODAY INTENDING TO SAY ANYTHING, BUT THE
4 PRESENTATION TRIGGERED A FEW THOUGHTS OF MINE, AND I
5 THOUGHT I WOULD SHARE THOSE WITH YOU.

6 I'M CHAIRMAN OF THE BOARD OF GREEN TREE
7 PLASTICS TECHNOLOGY, AND WE ARE A NEW COMPANY. WE HAVE
8 DEVELOPED A TECHNOLOGY THAT I THINK -- I DON'T KNOW IF IT
9 WAS INCLUDED IN THAT REPORT, BUT I THINK IT'S VERY
10 SIGNIFICANT WHAT WE'VE DONE AND THE PHILOSOPHY THAT WE
11 HAVE TAKEN BECAUSE IT REALLY ADDRESSES, I THINK, HEAD-ON
12 THE PROBLEMS OF PLASTICS RECYCLING.

13 I HAVEN'T HAD A CHANCE TO REVIEW THE REPORT
14 IN ITS ENTIRETY, JUST HEARD THE PRESENTATION TODAY. BUT
15 HAVING SPENT A LOT OF TIME OVER THE LAST YEAR THINKING
16 ABOUT THE PROBLEMS OF PLASTIC RECYCLING, IT SEEMS TO ME
17 WE HAVE A DICHOTOMY.

18 ONE ASPECT OF PLASTIC RECYCLING IS THE
19 NOTION OF TRYING TO TAKE EXISTING PLASTIC MATERIALS AND
20 PROCESS THEM, SEPARATE THEM INTO INDIVIDUAL RESINS. TAKE
21 YOUR MILK JUG, GRIND THEM UP, REPELLETIZE THEM, REPROCESS
22 THEM, AND SEED THEM INTO THE TRADITIONAL PLASTIC
23 MATERIALS STREAM, IF YOU WILL, SO THAT PEOPLE CAN ADD
24 SOME RECYCLED PLASTIC TO AN OTHERWISE VIRGIN PLASTIC
25 PRODUCT AS A WAY OF RECYCLING. FOR EXAMPLE, THE TIDE



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1 BOTTLES WOULD BE ONE EXAMPLE.

2 THERE ARE SOME FUNDAMENTAL TECHNICAL
3 PROBLEMS, THOUGH, IN OUR ABILITY TO DO MORE THAN,
4 FRANKLY, RECYCLE A DROP IN THE BUCKET OF THE TOTAL
5 PLASTIC WASTESTREAM OUT THERE WITH THAT KIND OF APPROACH.

6 THE TECHNICAL PROBLEMS ARE ESSENTIALLY TWO
7 IN NATURE. ONE IS THE FACT THAT, I THINK AS EDGAR MAY
8 HAVE TOUCHED UPON, CURRENTLY THERE EXISTS NO
9 COST-EFFECTIVE TECHNOLOGY TO SEPARATE A MIXTURE OF
10 PLASTIC RESINS. ONCE YOU THROW IT OUT IN THE GARBAGE AND
11 YOU'VE GOT POLYETHYLENE AND POLYPROPYLENE AND POLYSTYRENE
12 AND PVC AND PET AND GOODNESS KNOWS WHAT OTHER RESINS IN
13 THERE, THERE'S NO WAY TO SEPARATE THESE.

14 OF COURSE, THE EXPORTS THAT WERE MENTIONED
15 IN EDGAR'S REPORT, WHAT THAT IS TO A LARGE MEASURE IS
16 PLASTICS GOING OVER TO COMMUNIST CHINA WHERE THE LABOR IS
17 SO CHEAP THAT THEY CAN SIT THERE AND HAND SORT IT, BUT
18 THAT'S NOT THE SOLUTION TO OUR PLASTICS PROBLEM.

19 SO ON ONE HAND, YOU'VE GOT A PROBLEM WITH
20 SEPARATING THESE RESINS. THE OTHER ASPECT OF IT IS EVEN
21 WHERE YOU'RE ABLE TO SEPARATE THESE RESINS, IF YOU HAD A
22 PILE OF HIGH DENSITY POLYETHYLENE, FOR INSTANCE, THAT
23 PILE MAY CONTAIN 80 DIFFERENT GRADES OF HIGH DENSITY
24 POLYETHYLENE. THEY'RE NOT ALL THE SAME.

25 YOU CAN CALL THEM HIGH DENSITY



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1 POLYETHYLENE, BUT THEY'RE NOT ALL THE SAME POLYETHYLENE.
2 AND SO THERE'S GOING TO BE VERY REAL PHYSICAL LIMITS
3 THERE IN TERMS OF WHAT PLASTICS PROCESSORS CAN DO WITH A
4 PILE THAT HAS MIXED GRADES, EVEN IF IT IS JUST HIGH
5 DENSITY POLYETHYLENE.

6 THE OTHER SIDE TO THE PROBLEM OR ONE OF THE
7 OTHER WAYS OF LOOKING AT IT ARE APPROACHES THAT ARE BEING
8 EXPLORED, AS EDGAR MENTIONED, IS THE CHEMICAL
9 REPROCESSING. NOW, HE DIDN'T DEFINE THAT, AND WHAT I'M
10 PRESUMING HE'S TALKING ABOUT IS SOME METHOD OF TAKING --
11 AND TAKING PLASTIC WASTE AND CHEMICALLY BREAKING IT DOWN
12 INTO ITS CONSTITUENT MOLECULES, NOT POLYMERS, BUT
13 MONOMERS, AND THEN BUILDING IT BACK UP INTO NEW PLASTICS
14 OR NEW OTHER PRODUCTS THAT WE NORMALLY MAKE OUT OF
15 HYDROCARBONS.

16 THIS IS AN INTERESTING AND INTRIGUING
17 POSSIBILITY; HOWEVER, I WOULD URGE YOU TO LOOK AT THE
18 ENERGY BUDGET ON THIS KIND OF APPROACH BECAUSE I THINK
19 YOU WILL FIND THAT SO MUCH ENERGY GOES INTO MAKING
20 PLASTIC FROM ITS RAW FEED STOCKS, PETROCHEMICALS
21 TYPICALLY, OF COURSE, AND THAT THE PROCESS THAT BREAKS
22 THEM BACK DOWN AND THEN BUILDS THEM BACK UP LOSES A LOT
23 OF THAT ENERGY. YOU SPEND A LOT OF THAT ENERGY BREAKING
24 THEM BACK DOWN SO YOU CAN BUILD THEM BACK UP AGAIN.

25 WHAT MY COMPANY HAS DONE IS IN BETWEEN



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1 THOSE TWO APPROACHES. WHAT WE'VE DONE IS FIND A CHEMICAL
2 APPROACH THAT ALLOWS US TO BIND ALL THE DIFFERENT PLASTIC
3 RESINS TOGETHER.

4 RIGHT NOW IF YOU MIX TOGETHER POLYETHYLENE,
5 POLYPROPYLENE, POLYSTYRENE IN A PLASTIC LUMBER OR SOME
6 PRODUCT LIKE THAT, YOU DON'T GET ANY CHEMICAL BONDING
7 BETWEEN THE DIFFERENT RESINS; AND, THEREFORE, YOU CAN'T
8 REALLY ACCEPT 100 PERCENT OF THE WASTESTREAM AND MAKE A
9 COMMINGLED PLASTIC PRODUCT FROM IT. YOU HAVE TO BE VERY
10 SELECTIVE. YOU JUST TAKE YOUR MILK JUGS OR YOU JUST TAKE
11 SOME VERY SELECTIVE PORTION OF THE WASTESTREAM, MAINLY A
12 HIGH DENSITY POLYETHYLENE.

13 OUR PROCESS ALLOWS US TO TAKE EVERYTHING IN
14 THE WASTESTREAM AND DO IT WITH A CHEMICAL APPROACH.

15 I'M NOT PARTICULARLY HERE TO TELL YOU ABOUT
16 OUR COMPANY, BUT JUST THE NATURE OF THE PHILOSOPHICAL
17 APPROACH THAT WE'VE TAKEN. BECAUSE WITH OUR KIND OF
18 APPROACH, IT IS POSSIBLE TO RECYCLE 100 PERCENT OF
19 EVERYTHING IN THE WASTESTREAM. IT DOESN'T REQUIRE THE
20 ENERGY OF SOME KIND OF CHEMICAL PYROLYSIS OR SOME KIND OF
21 CHEMICAL PROCESS WHERE YOU ACTUALLY DECOMPOSE THE PLASTIC
22 TO BUILD IT BACK UP AGAIN.

23 YOU DON'T DEGRADE. YOU DON'T DECOMPOSE THE
24 PLASTIC. YOU SIMPLY FIND A WAY OF CHEMICALLY ALLOWING
25 THE POLYETHYLENE TO BOND AND THE POLYSTYRENE TO BOND AND



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1 THE POLYPROPYLENE TO BOND TO THE POLYVINYL CHLORIDE, ETC.

2 I SUSPECT THAT IN THE LONG TERM, WE'RE
3 GOING TO FIND THAT THE BEST WAY TO MAKE A MARKET IS TO
4 RECYCLE PLASTIC. AS YOU MENTIONED, THE REAL CRUX OF IT
5 IS IS THE MARKETS. THE MARKETS ARE NOT THERE. THE
6 SUPPLY WILL COME WHEN THE MARKETS ARE THERE. IS TO A
7 WHOLE APPROACH THAT SAYS DON'T THINK NECESSARILY
8 RECYCLING PLASTIC OR, AT LEAST, RECYCLING THE BULK OF OUR
9 PLASTIC WASTE BACK INTO THE SAME KIND OF PLASTIC PRODUCTS
10 IT WAS ORIGINALLY.

11 DON'T THINK OF MAKING MILK -- YOU MAY BE
12 ABLE TO MAKE MILK JUGS BACK INTO MILK JUGS AND POP
13 BOTTLES BACK INTO POP BOTTLES, BUT THE BULK OF THE
14 PLASTIC WASTE YOU'RE NOT GOING TO BE ABLE TO MAKE BACK
15 INTO THE PACKAGING OR THE FOOD CONTAINER OR WHATEVER IT
16 WAS ORIGINALLY FOR PHYSICAL AND CHEMICAL REASONS. LET
17 ASIDE THE REGULATORY REASONS THAT PRESENTLY PREVENT YOU
18 FROM DOING THAT.

19 THINK IN TERMS OF TAKING THE PLASTIC AND
20 TURNING IT INTO A NEW MATERIAL, IF YOU WILL, THAT WILL
21 COMPETE WITH PRESSURE TREATED WOOD, WITH REDWOOD, WITH
22 CEMENT, WITH METAL IN PRODUCTS THAT CURRENTLY AREN'T EVEN
23 MADE OUT OF PLASTIC. THAT, OF COURSE, HAS ITS OWN
24 OBVIOUS ENVIRONMENTAL BENEFITS IF WE CAN SUPPLY THE NEED
25 FOR PRESSURE TREATED WOOD OR REDWOOD TO A SIGNIFICANT

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1 EXTENT THAT HAS OBVIOUS ENVIRONMENTAL BENEFITS.

2 THOSE ARE MY COMMENTS. I HOPE THAT GETS
3 INCORPORATED IN THE REPORT. BUT I THINK YOU REALLY NEED
4 TO TAKE ANOTHER LOOK AT THE WHOLE PHILOSOPHY OF WHERE YOU
5 THINK PLASTIC RECYCLING WILL GO OR WHERE IT SHOULD GO AND
6 WITH PERHAPS PROPER INCENTIVES FROM THE STATE IN THE WAY
7 OF GRANTS OR FUNDS, LOAN PROGRAMS, ETC.

8 THANK YOU VERY MUCH.

9 CHAIRMAN CHESBRO: SO IF I UNDERSTAND YOU
10 CORRECTLY, WHAT YOU ARE SAYING IS THAT THERE MAY BE SOME
11 MATERIALS THAT CAN BE CLOSED-LOOP RECYCLED
12 COST-EFFECTIVELY, BUT THAT THE REMAINDER OF THE
13 WASTESTREAM, THAT YOU SEE IT -- THE COST-EFFECTIVENESS
14 BEING IN A MIXED PLASTICS TECHNOLOGY OF SOME SORT.

15 MR. SCHWENT: RIGHT. I SUSPECT IT'S PROBABLY
16 GOING TO BE 10 PERCENT OR 20 PERCENT OF THE PLASTIC
17 WASTESTREAM THAT COULD REALLY EVER BE PRIMARILY RECYCLED,
18 CLOSE THE LOOP BACK INTO THE SAME KIND OF PLASTIC
19 CONTAINERS.

20 UNLESS WE COME UP WITH SOME TECHNOLOGY THAT
21 ALLOWS US TO DO A MUCH BETTER JOB OF SEPARATION THAN WE
22 CAN DO NOW MECHANICALLY, AND EVEN IF WE CAN SEPARATE,
23 AGAIN, ALL THE POLYETHYLENE FROM THE POLYSTYRENE, FOR
24 INSTANCE, THAT'S ONLY HALF THE PROBLEM.

25 NOW WE'VE GOT TO BE ABLE TO TAKE THE PILE



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1 OF POLYETHYLENE AND SEPARATE IT INTO ALL THE VARIOUS
2 DIFFERENT GRADES OF POLYETHYLENE REPRESENTED IN THAT
3 PILE; IN OTHER WORDS, DIFFERENT GRADES OF MATERIAL.

4 ONE GRADE OF POLYETHYLENE MAY HAVE A
5 DIFFERENT ABILITY TO STRETCH, ELONGATION. ANOTHER ONE
6 MAY HAVE A DIFFERENT RIGIDITY WHEN ITS SOLID. THE HIGH
7 DENSITY POLYETHYLENE THAT YOU MAKE A MILK JUG FROM IS NOT
8 THE SAME HIGH DENSITY POLYETHYLENE THAT YOU MAKE A
9 GROCERY BAG FROM, AND IT'S NOT THE SAME HIGH DENSITY
10 POLYETHYLENE THAT YOU MAKE A TOY FROM.

11 SO THERE'S SOME REAL INTERESTING PHYSICAL
12 AND CHEMICAL ASPECTS TO THIS PROBLEM THAT SAY IT MAY BE
13 DIFFICULT TO CLOSE THE LOOP ON THE BULK OF PLASTICS. IT
14 MEANS STARTING TO THINK OF WHOLE DIFFERENT PROCESSES TO
15 USE THESE MATERIALS.

16 CHAIRMAN CHESBRO: WHAT KIND -- I KNOW YOU'RE
17 NOT HERE TO TALK SPECIFICALLY ABOUT YOUR TECHNOLOGY, BUT
18 WHAT KIND OF QUALITY CONSISTENCY OF A PRODUCT CAN YOU GET
19 IF YOU'VE GOT VARIOUS MIXES OF DIFFERENT KINDS OF
20 PLASTICS?

21 MR. SCHWENT: WELL, PART OF THE KEY, I THINK, IS
22 TO RELY ON THE STATISTICS OF RECYCLING. IF YOU'VE GOT A
23 BIG ENOUGH SOURCE, IF YOU'RE GATHERING FROM THOUSANDS OF
24 PEOPLE, YOU SHOULD FIND THAT DAY IN AND DAY OUT
25 STATISTICALLY YOU'RE GOING TO GET ABOUT THE SAME MIXTURE,



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1 THE SAME RELATIVE PROPORTIONS OF DIFFERENT RESINS.

2 SO IF YOU DEVELOP A PROCESS THAT CAN HANDLE
3 THAT COMMINGLED RESINS STREAM, AND YOU CAN GET GOOD
4 QUALITY, WHICH WE THINK WE CAN IN OUR CASE, YOU SHOULDN'T
5 HAVE A PROBLEM WITH VARIATION OF QUALITY FROM DAY TO DAY
6 OR WEEK TO WEEK. RELY ON THE STATISTICS, I'D SAY, IS ONE
7 APPROACH.

8 CHAIRMAN CHESBRO: NOW, IT ALSO SOUNDS LIKE THE
9 KIND OF THING YOU'RE TALKING ABOUT MIGHT -- I'D BE
10 INTERESTED IN YOUR COMMENT ON THIS -- MIGHT LEND ITSELF
11 TO SOLVING ANOTHER PROBLEM WITH PLASTICS RECYCLING, WHICH
12 IS THE QUESTION OF THE FACT THAT NOT ONLY SEPARATION, BUT
13 TRANSPORTATION IS A PROBLEM.

14 IS IT A TECHNOLOGY THAT CAN BE
15 COST-EFFECTIVELY APPLIED ON A SMALLER SCALE SO THAT
16 MARKETS CAN BE CLOSER TO THE SOURCE OF THE -- I MEAN, THE
17 MANUFACTURING PROCESS CAN BE CLOSE TO THE SOURCE OF THE
18 GENERATION OF THE MATERIAL?

19 MR. SCHWENT: YES, WE BELIEVE SO. OUR
20 PRELIMINARY LOOK AT THAT WOULD INDICATE THAT, YES, YOU
21 CAN APPLY ON A SMALLER SCALE, PERHAPS AS SMALL AS A
22 COUPLE HUNDRED THOUSAND PERSON LEVEL.

23 CERTAINLY IN THE SIZE OF A CITY OF ANY
24 SIZE, 500,000 PEOPLE OR MORE, YOU CAN HAVE A PLANT RIGHT
25 AT THE MRF OR RIGHT AT THE COLLECTION POINT. ABSOLUTELY,



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1 I THINK IT IS THAT KIND OF TECHNOLOGY.

2 BOARD MEMBER RELIS: IS IT SCHWENT?

3 MR. SCHWENT, MY SENSE IS -- ARE YOU
4 INVOLVED MORE IN THE RESEARCH SIDE? I MEAN, WHAT YOU'VE
5 PRESENTED IS A CONCEPTUAL WAY OF THINKING ABOUT HOW WE
6 MIGHT MANAGE THE PLASTICS WASTESTREAM.

7 I ASSUME ON YOUR ASSESSMENT, LOOKING AT
8 DIFFERENT ATTEMPTS TO BOTH SEPARATE MATERIAL AND DEVELOP
9 PRODUCTS FROM THESE WASTESTREAMS OR THESE SEPARATED
10 PLASTIC STREAMS, THE COST BENEFIT OF DOING THAT, YOU'RE
11 SAYING THE COSTS ARE HIGH, THE TECHNOLOGY ISN'T THERE,
12 AND THAT SOMEHOW WE COULD COME UP WITH A COMMINGLED
13 PRODUCT STREAM THAT COULD REPLACE BASIC CONSTRUCTION
14 MATERIALS? OR IS THAT THE DIRECTION YOU'RE GOING IN? IS
15 YOUR FIRM -- I DON'T WANT A REAL DETAILED DESCRIPTION OF
16 YOUR FIRM AT THIS POINT, BUT ARE YOU INTENDING TO
17 IDENTIFY MORE THE PROCESS THAN THE PRODUCT? OR WHAT IS
18 IT?

19 MR. SCHWENT: WELL, THE PROCESS COMES BEFORE THE
20 PRODUCT, BUT BOTH, I THINK, IS THE ANSWER. WE HAVE JUST
21 FINISHED THREE YEARS OF R & D. WE WILL BE GOING INTO
22 PRODUCTION SHORTLY.

23 NOW, WE WILL -- THE INITIAL PRODUCT WILL BE
24 A PLASTIC LUMBER. THERE ARE COMPANIES MAKING PLASTIC
25 LUMBER OUT THERE ON THE MARKET. WHILE WE THINK OUR



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1 APPROACH HAS ADVANTAGES, OBVIOUSLY, IN TERMS OF PRODUCT
2 QUALITY, MY REAL THRUST TODAY IS THE FACT THAT DON'T
3 OVERLOOK THE WHOLE IDEA OF PRODUCTS MADE FROM COMMINGLED
4 PLASTIC, WHETHER THEY'RE A LUMBER. AND THE LUMBER IS
5 JUST THE EASIEST PRODUCT TO MAKE BECAUSE IT'S EASY
6 ACCEPTANCE. BUT THERE ARE JUST HUNDREDS OF PRODUCTS THAT
7 ONE CAN MAKE. THEY DON'T HAVE TO BE A LUMBER, OR THEY
8 CAN, IN TURN, BE PRODUCTS FABRICATED FROM LUMBER. THE
9 WHOLE NOTION --

10 BOARD MEMBER RELIS: WE'LL JUST TAKE LUMBER, FOR
11 INSTANCE. WHAT I TAKE IT YOU'RE REFERENCING IS NOT THE
12 PLASTIC LUMBER, SAY, THAT LET'S BUILD A BENCH AND MAKE IT
13 LOOK LIKE WOOD, PER SE, BUT STRUCTURAL LUMBER FOR HOUSES,
14 FOR -- IS THAT WHAT YOU ARE REFERRING TO?

15 MR. SCHWENT: NO. THE PLASTIC LUMBER YOU'RE
16 FAMILIAR WITH IS PROBABLY WHAT I'M REFERRING TO IN TERMS
17 OF PLASTIC THAT WOULD REPLACE REDWOOD, FOR INSTANCE. SO
18 IT WOULD BE DECKING -- NOW, YOU CAN CALL THAT STRUCTURAL,
19 BUT I DIFFERENTIATE THAT FROM, SAY, A TWO BY FOUR IN A
20 HOUSE WHERE IT'S UNDER A LARGE STATIC LOAD.

21 DECKING, DOCKING, FENCING, CORRALS, ANIMAL
22 PENS, THE BENCHES, THE PICNIC TABLES, COMPOST BINS, AND
23 THEN YOU CAN GET INTO THINGS LIKE SOUND WALL BARRIERS AND
24 THERE'S -- IT SPECIAL PURPOSE FORMS, PALLETS.

25 ONCE ONE STARTS THINKING ABOUT THIS, THERE



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1 ARE A LOT OF APPLICATIONS FOR THE MATERIAL. AND SO I
2 THINK THIS IS GOING TO BE AN IMPORTANT WAY TO DIVERT A
3 LOT OF THIS PLASTIC.

4 CHAIRMAN CHESBRO: I'VE GOT SORT OF A TWO-PART
5 QUESTION.

6 IS THE PROCESS THAT YOU'RE ENVISIONING A
7 PROPRIETARY ONE; AND, IF SO, CAN WE APPLY WHAT YOU ARE
8 SAYING BROADLY TO TRY TO DEVELOP POLICY IN THIS STATE IN
9 TERMS OF EXPECTING THAT IT'S AN IDEA OR AN APPROACH THAT
10 IS GOING TO BE COST-EFFECTIVE FOR A NUMBER OF COMPANIES
11 TO TAKE IN VARIOUS LOCATIONS, OR IS THIS SOMETHING THAT
12 WILL COME THROUGH ONE PARTICULAR COMPANY BECAUSE THEY
13 HAVE A CORNER ON THE TECHNOLOGY THAT IS JUST EMERGING?

14 MR. SCHWENT: OBVIOUSLY, EVERY COMPANY WOULD
15 LIKE TO FEEL THEY HAVE SOMETHING SPECIAL PROPRIETARY
16 ABOUT THEIR PRODUCT, AND WE THINK WE DO ABOUT OURS. BUT
17 I THINK IN GENERAL TERMS, THE NOTIONS OF MAKING PLASTIC
18 PRODUCTS FROM COMMINGLED WASTE, THERE ARE, AT LEAST, A
19 DOZEN PLASTIC LUMBER COMPANIES TODAY THAT DON'T HAVE
20 ANYTHING PROPRIETARY ABOUT --

21 CHAIRMAN CHESBRO: I UNDERSTAND THAT. BUT YOU
22 DIFFERENTIATED BETWEEN -- I THINK BETWEEN WHAT YOU SAID
23 WAS THE PLASTIC LUMBER AS WE'VE SEEN IT AND ONE THAT HAS
24 A BETTER BONDING -- SOME KIND OF BETTER BONDING PROCESS
25 THAT MAKES IT A BETTER PRODUCT. THAT'S WHAT I --



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1 MR. SCHWENT: THAT'S WHAT WE THINK, FOR
2 INSTANCE, THAT OUR COMPANY CAN DO. BUT I EXPECT THERE'S
3 GOING TO BE LOTS OF OTHER INNOVATIONS ONCE PEOPLE START
4 THINKING ALONG THE LINES. THE CRUX OF IT IS, INSTEAD --
5 THE TRADITIONAL PLASTICS INDUSTRY NEVER THINKS OF
6 COMMINGLING PLASTICS. IF YOU MIX TWO RESINS, THAT'S
7 FORBIDDEN.

8 I MEAN, IN THE TRADITIONAL PLASTICS
9 INDUSTRY YOU NEVER WANT TO DO THAT, BUT I THINK IF
10 TECHNOLOGY STARTS THINKING ABOUT HOW CAN WE DEAL WITH THE
11 FEEDSTOCK SUCH AS IT IS, HOW DO WE START DEALING THE
12 COMMINGLED FEEDSTOCK WITHOUT HAVING TO SEPARATE IT? IF
13 WE CAN ATTACK THAT PROBLEM, SAVE THE PROBLEM OF HAVING TO
14 SEPARATE IT, WHICH WE CAN'T TECHNICALLY DO NOW ANYWAY, I
15 THINK IT MAKES A LOT MORE ECONOMIC SENSE.

16 SO WHETHER IT'S OUR APPROACH OR WHETHER
17 IT'S SOMEONE ELSE'S, THE CHEMICAL ASPECTS OR THE CHEMICAL
18 APPROACHES THAT USE PYROLYSIS WILL ALSO PROBABLY BE
19 PROPRIETARY, BUT THAT'S ANOTHER OPTION. THAT'S ANOTHER
20 APPROACH THAT SHOULD BE LOOKED AT.

21 CHAIRMAN CHESBRO: BUT YOU DO ENVISION SIMILAR
22 APPROACHES COMING ON INTO THE MARKETPLACE TO RECYCLE
23 MIXED COMMINGLED PLASTICS?

24 MR. SCHWENT: SURE. I DON'T THINK YOU CAN STOP
25 IT.



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1 BOARD MEMBER RELIS: WHERE ARE YOU JUST IN YOUR
2 PRODUCT DEVELOPMENT?

3 MR. SCHWENT: IN OUR PARTICULAR CASE THE PROCESS
4 IS DEVELOPED. AS I SAY, WE HOPE TO BE ON-LINE BY LATE
5 SUMMER WITH OUR FIRST PRODUCTION OF THE MATERIAL. SO
6 THIS IS -- AND ALL THESE TECHNOLOGIES, THE CHEMICAL
7 PYROLYSIS PROJECT IS STILL R & D, THE SOURCE SEPARATION
8 TECHNOLOGIES ARE STILL R & D, SO THERE'S A LOT OF THINGS
9 ALL ABOUT THE SAME LEVEL.

10 CHAIRMAN CHESBRO: THANK YOU. ARE THERE OTHER
11 MEMBERS OF THE PUBLIC WHO WOULD LIKE TO ADDRESS US? I
12 KNOW THERE'S SOME PEOPLE IN THE AUDIENCE WHO KNOW A THING
13 OR TWO ABOUT PLASTICS, BUT I DON'T KNOW WHETHER THEY WANT
14 TO TALK TO US TODAY OR NOT. OFFER THE OPPORTUNITY.

15 MR. MARSHALL: GOOD AFTERNOON. MY NAME IS JOHN
16 MARSHALL. I REALLY HAVEN'T HAD A CHANCE TO READ THIS. I
17 WAS GETTING PUMPED ON SOME INFORMATION HERE JUST AS I
18 WALKED IN.

19 BUT ONE OF THE CONCERNS I DO HAVE, IT TALKS
20 A LITTLE BIT ABOUT BANS AS BEING A METHOD OF CONTROLLING
21 THIS WASTE, AND I'VE GOT A PROBLEM WITH THAT. I JUST
22 DON'T THINK THAT'S GOING TO SOLVE THE PROBLEM.

23 CHAIRMAN CHESBRO: LET ME ASSURE YOU I HAVE READ
24 IT. IT DOESN'T ADVOCATE BANS. IT CITES BANS AS A FACTOR
25 THAT EXISTS OUT THERE, BUT IT DOES NOT ADVOCATE THEM THAT



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1 I CAN FIND ANYWHERE IN HERE.

2 MR. MARSHALL: YOU'RE CORRECT IN THAT. IT DOES
3 POINT TO SEVERAL EXAMPLES THAT HAVE BEEN USED. AND IT
4 SAID THAT, PAGE 127, THERE IS ONE STATEMENT THAT SAID
5 THEY WERE DONE BECAUSE OF DOCUMENTED ENVIRONMENTAL
6 IMPACTS, IN THE SECOND PARAGRAPH THERE.

7 I THINK ONE OF THE THINGS WE HAVE FOUND
8 WITH PLASTICS IS ENVIRONMENTALLY THEY'RE QUITE FAVORABLE
9 FROM A NUMBER OF STANDPOINTS WHEN YOU LOOK AT ENERGY
10 CONSUMPTION, WATER USE, AIR POLLUTION, AND THE LIKE. SO
11 I THINK THERE ARE A LOT OF ENVIRONMENTAL POSITIVES WHEN
12 YOU LOOK AT THE MATERIALS.

13 WHAT WE'LL DO IS I'LL MAKE SOME WRITTEN
14 COMMENTS TO THAT. I GUESS WE'LL HAVE A CHANCE TO DO
15 THAT, AND COMMENT MORE FULLY ON THAT.

16 CHAIRMAN CHESBRO: OKAY. SINCE I KNOW YOU
17 REPRESENT POLYSTYRENE, CAN I PUT YOU ON THE SPOT ABOUT
18 THAT?

19 MR. MARSHALL: SURE.

20 CHAIRMAN CHESBRO: ONE THING THE REPORT DOESN'T
21 ADDRESS, I WAS GOING TO ASK OUR STAFF ABOUT, I KNOW IT'S
22 ONLY ONE PART OF THE POLYSTYRENE WASTESTREAM, BUT THE
23 BLOWN FOAM. THE PROBLEM OF -- THE FACT THAT IT'S NOT
24 DURABLE THE WAY MANY OTHER TYPES OF POLYSTYRENE, OTHER
25 TYPES OF PLASTICS ARE, SO THAT IN TERMS OF THE COLLECTION



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1 PROCESS, FOR EXAMPLE, THROUGH CURBSIDE OR OTHER THINGS,
2 IT REPRESENTS SOME SPECIAL PROBLEMS.

3 IS THERE ANY WAY THAT THE INDUSTRY IS
4 ADDRESSING THAT RELATIVE TO TRYING TO INCREASE THE
5 RECYCLING OF THOSE MATERIALS?

6 I KNOW THERE ARE OTHER THINGS THAT THE
7 POLYSTYRENE INDUSTRY HAS DONE, RIGHT, BUT THIS SEEMS LIKE
8 IT MIGHT BE THE WEAK LINK IN TERMS OF ONE PART OF YOUR
9 WASTESTREAM.

10 MR. MARSHALL: WELL, I THINK THE JURY IS STILL
11 OUT ON CURBSIDE WITH THE MATERIAL. WE DO HAVE A COUPLE
12 OF TRIAL PROGRAMS GOING, ONE IN SIMI VALLEY,
13 SPECIFICALLY, WHERE WE HAVE A WASTE HAULER DOWN THERE
14 THAT IS INCORPORATING AND HAS BEEN DOING SO FOR ABOUT
15 THREE OR FOUR MONTHS NOW. AND IT'S ALL POLYSTYRENE TYPES
16 OF MATERIAL.

17 WE ARE LOOKING AT OTHER COMMUNITIES. WE
18 ARE TALKING TO OTHER PEOPLE. AS I UNDERSTAND, HAYWARD
19 PLANS TO INCORPORATE IT IN THEIR PROGRAM. I THINK THE --
20 WE CAN LOOK AT THOSE KIND OF THINGS WHEN THEY'RE CLOSER
21 TO A RECYCLING PLANT. IT MAKES SOME SENSE TO
22 LOGISTICALLY MOVE IT.

23 OBVIOUSLY, THE FURTHER YOU GO AWAY FROM THE
24 PLANT, THE LONGER THE HAUL, AND IT'S A FAIRLY LIGHTWEIGHT
25 MATERIAL AND IT WILL POSE GREATER PROBLEMS. BUT WE ARE



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1 LOOKING AT DENSIFICATION TECHNOLOGY, AND THAT IS AN AREA
2 OF COMPACTION TECHNOLOGY TO MAKE IT HEAVIER.

3 CHAIRMAN CHESBRO: WELL, I THINK THE OBVIOUS
4 APPLICATION WHERE IT MAKES THE MOST SENSE FOR YOU IS
5 WHERE YOU HAVE A CENTRALIZED AMOUNT OF PRODUCTION OF IT
6 AT AN INSTITUTIONAL SETTING OR WHATEVER, AS OPPOSED TO
7 THE DISPERSED USE OF IT WHERE YOU HAVE TO TRY TO PULL IT
8 ALL BACK TOGETHER AGAIN.

9 MR. MARSHALL: I THINK POTENTIALLY YOU COULD BE
10 LOOKING AT CENTERS IN AREAS THAT MIGHT BE COLLECTION
11 POINTS WHERE YOU COULD COMPACT IT AND THEN DELIVER IT TO
12 A MAIN PROCESSING PLANT. I MEAN, THERE COULD BE AN
13 INTERMEDIATE STEP WHERE YOU TAKE AND DENSIFY IT, TOO.
14 AND I THINK SOME OF THAT IS BEING LOOKED AT. IN FACT, ON
15 THE EAST COAST, THAT IS WHAT'S BEING DONE. THEY'RE
16 COMPACTING OR THEY'RE DENSIFYING IT IN A REGION CENTER,
17 AND THEN THEY HAUL IT INTO PHILADELPHIA TO BE
18 REPROCESSED, WASHED, AND REMELTED DOWN.

19 CHAIRMAN CHESBRO: OKAY. THANK YOU.

20 MR. HAYES: MY NAME IS JERRY HAYES. I'M WITH
21 SONOCO PRODUCTS COMPANY. MR. CHAIRMAN, GOOD TO SEE YOU
22 AGAIN. LET ME FIRST TELL YOU THAT SONOCO HAS NO
23 RELATIONSHIP TO THE OIL COMPANY.

24 WE ARE A PACKAGING MANUFACTURER. WE DO
25 PAPER, PLASTIC, METAL, AND WOOD. SO WE'VE GOT A VERY GOOD



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1 EXPERIENCE IN THE RECYCLING BUSINESS. WE HAVE BEEN DOING
2 IT FOR 70 YEARS IN THE PAPER, AND WE'RE NOW DOING IT IN
3 OTHER MATERIALS.

4 LET ME GIVE YOU AN EXAMPLE OF A MARKET
5 DEVELOPMENT THAT WE'VE DONE ON OUR OWN WITHOUT MANDATED
6 OR WITHOUT ASSISTANCE FROM GOVERNMENT. WE, ABOUT THREE
7 YEARS AGO, WORKED WITH OUR -- WE MAKE -- WE'RE THE
8 LARGEST PRODUCERS OF RETAIL AND GROCERY T-SHIRT BAGS IN
9 THE COUNTRY. AND ABOUT THREE YEARS AGO WE BEGAN A
10 PROGRAM WITH OUR RETAIL CUSTOMERS OF COLLECTING
11 SUPERMARKET BAGS IN THE STORE.

12 CHAIRMAN CHESBRO: MAY I INTERRUPT YOU?

13 MR. HAYES: SURE.

14 CHAIRMAN CHESBRO: FOR LAY PEOPLE, YOU'RE
15 TALKING ABOUT THE SUPERMARKET --

16 MR. HAYES: TALKING ABOUT THE BAGS THAT YOU TAKE
17 YOUR GROCERIES HOME IN FROM THE CHECK-OUT COUNTER.

18 CHAIRMAN CHESBRO: FIRST TIME I HEARD IT I WAS
19 THINKING ABOUT GOING DOWN TO MERVYN'S AND BUYING A
20 T-SHIRT. DID IT COME IN A BAG OR NOT.

21 MR. HAYES: THERE'S SEVERAL TYPES. THE T-SHIRT
22 BAG IS WHAT YOU GET AT THE GROCERY STORE OR YOU GET IN
23 THE RETAIL AREA WITH THE DRAW STRING, A DIFFERENT
24 TERMINOLOGY BASICALLY.

25 WE MAKE OUR BAGS OUT OF HIGH DENSITY



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1 POLYETHYLENE. AS I SAID, WE ARE THE LARGEST
2 MANUFACTURER. WE SET THE PROGRAM UP, BASICALLY, AS A
3 TEST PROGRAM TO SEE IF, IN FACT, THE BAGS WERE
4 RECYCLABLE, AND WE THOUGHT THEY WERE.

5 WE STARTED WITH A 23-STORE TEST BACK EAST
6 IN DECEMBER OF 1989. AND IN MARCH OF 1990, WE EXPANDED
7 IT ON A NATIONWIDE BASIS. TODAY WE HAVE OVER 10,000
8 OUTLETS THAT ARE COLLECTING RETAIL BAGS.

9 NOW, IN THOSE OUTLETS WE'RE NOT ONLY
10 GETTING THE BAGS THAT YOU TAKE YOUR GROCERIES HOME IN,
11 WE'RE ALSO GETTING THE BAGS THAT YOU TAKE THE PRODUCE
12 HOME IN. WE'RE GETTING THE BAGS THAT YOU TAKE YOUR
13 LAUNDRY OR DRY CLEANING HOME IN. WE'RE GETTING THE BAGS
14 THAT YOU HAVE NEWSPAPERS DELIVERED IN. AND WE'RE ALSO
15 GETTING OTHER ITEMS THAT WE WISH WE DIDN'T GET, BUT WE'RE
16 GETTING A MIXTURE OF MATERIAL.

17 WE ARE NOW ALSO PRODUCING A GROCERY BAG
18 THAT HAS OVER 25 PERCENT POSTCONSUMER MATERIAL IN IT. WE
19 SET THIS UP AS A BUSINESS OPPORTUNITY FROM SONOCO'S
20 STANDPOINT.

21 YOU KNOW, WE HAVE INDIVIDUALS THAT ARE
22 LOOKING FOR MATERIALS. OUR BIGGEST PROBLEM IS THE FACT
23 THAT WE WANT A CONSTANT SUPPLY OF MATERIAL, AND WE WANT
24 CLEAN MATERIAL. AND THAT'S THE SECRET, AS THE GENTLEMAN
25 PRIOR SAID, THAT THE WHOLE THING IS HAVING CLEAN MATERIAL



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1 AVAILABLE.

2 AND -- BUT WE ARE PRODUCING A PRODUCT NOW
3 THAT CONTAINS POSTCONSUMER MATERIAL. THE REASON THERE'S
4 A DISCREPANCY, I THINK, AT THIS POINT IN TIME, AND I
5 DON'T KNOW IF IT'S INSUFFICIENT MARKETS OR KIND OF A
6 CHANGING MARKET SITUATION, BUT THE ECONOMIC TIMES RIGHT
7 NOW MAKE THE POSTCONSUMER MATERIAL THAT WE'RE USING
8 SOMEWHAT 15 TO 20 PERCENT HIGHER THAN VIRGIN. VIRGIN
9 PRICES ARE DOWN RIGHT NOW.

10 IF, IN FACT, YOU KNOW, IF YOU WANT TO BE
11 REALISTIC AND SAID THERE WAS AN EMBARGO ON OIL OR
12 SOMETHING, IT MIGHT GO BACK UP IF YOU WANT TO GET
13 REALISTIC.

14 BUT I THINK YOU'VE GOT TO GET THAT BALANCE.
15 IT'S A COMMODITY BUSINESS. AND IT'S GOING TO BE AFFECTED
16 BY SUPPLY AND DEMAND. I DON'T KNOW IF THERE'S A CLEAR
17 ANSWER. I'M NOT SURE YOU CAN DICTATE A MARKET FOR IT.
18 I'M NOT SURE THERE'S A SINGLE MARKET FOR IT. WE ALSO USE
19 SOME OTHER MATERIALS IN MANUFACTURING OUR BAG FROM THE
20 POSTCONSUMER PART.

21 CHAIRMAN CHESBRO: ARE THE FEEDSTOCKS EQUIVALENT
22 IN TERMS OF YOUR TECHNOLOGY SO THAT YOU CAN EASILY SWITCH
23 BACK AND FORTH?

24 MR. HAYES: THAT DEPENDS. THAT'S NOT JUST A
25 SIMPLE ANSWER EITHER. IF WE COULD GET POSTINDUSTRIAL



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1 MATERIAL, THAT'S MATERIAL THAT -- THAT'S NOT OUR IN-PLANT
2 SCRAP THAT THE PEOPLE KEEP SAYING WE DON'T WANT TO GIVE
3 YOU CREDIT FOR THAT. THAT'S MATERIAL THAT WE HAVE FOUND
4 FROM ANOTHER PRODUCER OF MATERIAL THAT NORMALLY WOULD
5 EITHER THROW IT AWAY BECAUSE HE DIDN'T HAVE ENOUGH TO
6 SELL TO A MAJOR PRODUCER, OR HE WOULD -- IF HE HAD
7 ENOUGH, HE MIGHT SELL TO SOMEONE ELSE. WE KNOW WHAT THE
8 QUALITY OF THAT MATERIAL ARE. I MEAN, THEY'RE ALL
9 BASICALLY THE SAME.

10 AS I SAY, WHEN YOU GET THE IN-STORE
11 MATERIAL, THERE'S SEVERAL TYPES OF PLASTIC IN THERE. YOU
12 GET LOW DENSITY, HIGH DENSITY, ETC. SO IT'S A BLENDING
13 MECHANISM. AND ONCE YOU GET IT DOWN AND GET THE
14 INGREDIENTS, THEN, YES, YOU CAN RUN IT. THERE'S A LOT OF
15 SENSITIVITY IN RUNNING FILM.

16 I MEAN, WE'RE PROBABLY THE EPITOME OF
17 SOURCE REDUCTION. I MEAN, OUR BAGS ARE -- YOU CAN SEE
18 THROUGH THEM, BUT THEY WILL HOLD, YOU KNOW, QUANTITIES OF
19 GROCERIES AND RETAIL ITEMS WITHOUT FALLING APART.

20 AND THE SECRET OF ANY PACKAGE, OF COURSE,
21 IS TO PROTECT THE CONTENT OF THAT. AND THAT'S WHAT -- WE
22 START WITH WHAT THE STANDARDS THAT WE NEED. WE NEED TO
23 PRODUCE THAT, AND THEN WE BACK INTO WHAT WE CAN USE IT
24 FOR.

25 WE'VE MADE A BAG WITH -- WE'VE BEEN MAKING



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1 A BAG NOW FOR LUCKY'S IN THE STATE OF CALIFORNIA FOR OVER
2 A YEAR WITH 10 PERCENT POSTCONSUMER, AND WE'VE NOT WAVED
3 THE FLAG. WE HAVE NOW -- WE GOT A LITTLE SMARTER. WE'RE
4 ABLE TO PUT 25 PERCENT IN IT. WE CAN GUARANTEE WHERE IT
5 COMES FROM.

6 I DON'T KNOW IF WE CAN GO MUCH BEYOND THE
7 30 OR 32 PERCENT OR SO POSTCONSUMER WITHOUT THEN
8 MANUFACTURING A BAG THAT IS MUCH HEAVIER THAN THE BAG WE
9 HAVE NOW.

10 AS I SAY, IT'S NOT BLUE SKY. WE'RE DOING
11 IT NOW. WE HAVE --

12 BOARD MEMBER RELIS: IS THIS IN A PRODUCTION
13 FACILITY HERE IN CALIFORNIA?

14 MR. HAYES: NO. WE HAVE -- THE BAG THAT WE'RE
15 PRODUCING FOR LUCKY'S IS MANUFACTURED IN OUR SANTA MARIA
16 FACILITY, SOUTH OF THE SAN FRANCISCO AREA.

17 BOARD MEMBER RELIS: SANTA WHERE?

18 MR. HAYES: SANTA MARIA, YES.

19 WE DO HAVE A BAG FACILITY THERE. WE DO
20 HAVE A FACILITY THERE MANUFACTURES RETAIL GROCERY BAGS.
21 BUT THE FACILITY THAT'S MANUFACTURING THE 25-PERCENT BAG
22 IS LOCATED BACK EAST BECAUSE IT'S A NEWER FACILITY. AND
23 THE NEWER EXTRUDERS AND STUFF, MACHINERY THAT WE USE, HAS
24 BETTER TOLERANCES THAN SOME OF THE OLDER.

25 CHAIRMAN CHESBRO: I DIDN'T CLEARLY UNDERSTAND.



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1 DO YOU USE THE MIXED PLASTICS FROM THE DIFFERENT TYPES OF
2 RESINS THAT ARE IN THE DIFFERENT KINDS OF BAGS, OR DO YOU
3 SEPARATE THAT AND JUST USE THE ONES THAT ARE OF THE SAME
4 TYPE?

5 MR. HAYES: WE USE A COMBINATION. YOU CAN UP TO
6 A CERTAIN POINT. AGAIN, THAT'S -- THE CRITICAL PART IS
7 WHAT IS THAT POINT.

8 CHAIRMAN CHESBRO: I'M ONE OF THOSE GUYS, YOU
9 KNOW, WHO SAVES ALL THE DIFFERENT PLASTIC BAGS AND THEN
10 TAKES THEM DOWN TO THE GROCERY STORE AND SHOVES THEM IN
11 THE LITTLE BOX.

12 MR. HAYES: WELL, I'LL TELL YOU ONE OF THE
13 BIGGEST PROBLEMS WE'VE HAD INITIALLY IN THE MATERIAL WE
14 COLLECTED IN STORE WERE THE PAPER RECEIPTS IN THE BAGS.
15 THAT PRESENTED US WITH A MAJOR PROBLEM.

16 YOU GET CONTAMINATION. YOU'VE GOT TO
17 REALIZE THAT ANY TIME YOU GATHER MATERIAL BACK THAT'S
18 BEEN USED, IT'S NOT ALWAYS THE CLEANEST MATERIAL THAT YOU
19 CAN FIND. BUT THAT'S ONE OF THE BIGGER PROBLEMS THAT
20 WE'VE HAD, AND I THINK IT BUBBLES WHEN THE BAG -- WHEN
21 YOU PRODUCE A FILM BAG, IT'S LIKE A BUBBLE, A CONSTANT
22 BUBBLE THAT YOU'RE BLOWING. AND ANYTHING THAT WILL BREAK
23 THAT THEN INTERFERES WITH THE EFFICIENCY OF IT.

24 CHAIRMAN CHESBRO: WELL, APPRECIATE YOU BEING
25 HERE WITH YOUR COMMENTS. THANK YOU.



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1 MR. HAYES: THANK YOU.

2 CHAIRMAN CHESBRO: ANY OTHER MEMBERS OF THE
3 PUBLIC WHO WOULD LIKE TO ADDRESS THE BOARD? THIS IS A
4 WORKSHOP. THIS IS YOUR CHANCE TO TALK TO US ABOUT THIS
5 REPORT. WE'RE NOT ADOPTING IT TODAY, BUT WE ARE GIVING
6 THE STAFF FEEDBACK ABOUT IT.

7 I'M NOT GOING TO CLOSE IT OFF. I'M GOING
8 TO GO THROUGH MINE; AND THEN IF SOMEBODY THINKS OF
9 SOMETHING ELSE THEY WANT TO SAY, THEY CAN FEEL FREE TO
10 LET ME KNOW.

11 MY FIRST QUESTION IS WHAT LEVEL OF REVIEW
12 THIS REPORT MIGHT HAVE HAD BY THE MARKET DEVELOPMENT
13 SECTION. I KNOW IT'S A LITTLE AWKWARD BECAUSE IT'S BEEN
14 OVER IN THIS SECTION AND WE'VE HAD ONGOING CHANGES, BUT
15 HAS THERE BEEN ANY ATTEMPT OR WILL THERE BE ANY ATTEMPT
16 TO HAVE SOME REVIEW TO JUST CROSS-REFERENCE AND MAKE SURE
17 THAT THE WISDOM OF BOTH DIVISIONS IS SUPPLIED?

18 MR. DIER: THAT IS ONE OF THE THINGS THAT WILL
19 BE GOING ON BETWEEN NOW AND WHEN WE BRING IT BACK TO YOU
20 ON MAY 7TH.

21 CHAIRMAN CHESBRO: OKAY. GOOD.

22 ANOTHER THING WAS THAT I CAME ACROSS IN
23 LOOKING AT IT, THERE'S A LOT OF REFERENCE TO PROGRAMS IN
24 OTHER STATES, IN OTHER COUNTRIES, HERE IN CALIFORNIA.
25 BUT I DIDN'T SEE A LOT OF REFERENCE, AND IT SEEMED LIKE



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1 THERE WERE SOME GAPS IN REFERENCE TO OTHER THINGS GOING
2 ON AT THE BOARD, OUR PROGRAMS AND OUR LEGISLATIVE
3 MANDATES.

4 AND THE THREE EXAMPLES THAT JUMPED OUT AT
5 ME WERE THE FACT THAT WE HAVE DONE AN ADVANCE DISPOSAL
6 FEE, MANDATED ADVANCE DISPOSAL FEE REPORT AND LEGISLATIVE
7 RECOMMENDATION, ALTHOUGH AT THE MOMENT IT'S NOT ACTIVE IN
8 THE LEGISLATURE.

9 NONETHELESS, THERE IS REFERENCE MADE TO
10 TAXES AS AN INCENTIVE, WHICH MAY BE WHAT THEY CALLED IT
11 IN HOW THEY APPROACHED IT SOMEWHERE ELSE, BUT IN
12 CALIFORNIA WE HAVE HAD A VERY SPECIFIC DISCUSSION ABOUT
13 HOW FEES MIGHT BE USED AS AN INCENTIVE.

14 AND SO I THINK THAT NEEDS TO BE BROUGHT UP
15 IN THAT DISCUSSION WHAT -- JUST, AGAIN, VERY BRIEFLY, BUT
16 A BRIEF DESCRIPTION ABOUT THE FACT THAT THERE HAS BEEN
17 THIS PROCESS GOING ON.

18 SECONDLY, THE MARKET DEVELOPMENT STRATEGY
19 THAT WE ARE DEVELOPING, THIS COMMITTEE IS DEVELOPING, IN
20 CONJUNCTION WITH THE MARKET DEVELOPMENT STAFF, NEEDS TO
21 BE CITED.

22 AND THE THIRD THING IS CALMAX, WHICH I
23 THINK HAS SOME APPLICATION TO PLASTIC DISCARDS, PLASTIC
24 MATERIALS, AND PROBABLY SHOULD BE CITED AS ANOTHER
25 EXAMPLE OF AN AREA WHERE THE BOARD HAS TAKEN SOME STEPS.

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1 IN BOTH THE EXECUTIVE SUMMARY AND CHAPTER
2 7, THERE'S A FOCUS ON MANDATORY COLLECTION AND
3 SEPARATION, WHICH I FIND INAPPROPRIATE. AND THE REASON
4 IS THAT OUR PROBLEM IS, AS WE'VE HEARD DESCRIBED BOTH BY
5 EDGAR AND MARTHA AND ALSO THE -- I THINK EACH OF THE
6 SPEAKERS WE'VE HAD, THE PROBLEM IS WITH SEPARATION,
7 PROCESSING, AND MARKETS, NOT COLLECTION AT THIS POINT.

8 I THINK WE CAN GET PEOPLE TO PARTICIPATE IN
9 COLLECTION SYSTEMS. WE HAVE TO FIGURE OUT WHAT TO DO
10 WITH THE STUFF.

11 AND SO THERE MIGHT COME A TIME WHEN WE NEED
12 TO TRY TO PIN DOWN EVERY CORNER OF THE WASTESTREAM THAT
13 HASN'T BEEN PINNED DOWN, BUT THAT'S NOT OUR PROBLEM
14 TODAY. SO I DON'T THINK POLITICALLY, IN TERMS OF
15 PRIORITIES FOR US, TO ESTABLISH THAT AS A HIGH PRIORITY
16 RECOMMENDATION AT THIS POINT IN THE PROCESS IS LOGICAL.
17 I THINK IT'S BETTER FOR US TO ADDRESS THE MORE IMPORTANT
18 OBSTACLES THAT HAVE BEEN MENTIONED IN THE REPORT AND BY
19 THE DISCUSSION TODAY.

20 I ALSO THINK THAT WITH ADEQUATE
21 QUALIFICATIONS, WHEN WE HAD THIS DISCUSSION A FEW MINUTES
22 AGO WITH REGARDS TO THE OTHER REPORT, THE AB 4 REPORT,
23 MINIMUM CONTENT LEGISLATION NEEDS A MORE OBJECTIVE
24 CONSIDERATION. IT SHOULDN'T BE REJECTED OUT OF HAND.

25 ADMITTEDLY, SOME OF THE -- I DON'T WANT TO



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1 SAY EASIER, BUT THE MORE COST-EFFECTIVE MATERIALS FOR
2 MINIMUM CONTENT LEGISLATION HAVE ALREADY BEEN LEGISLATED.
3 SO IT'S NOT CLEAR HOW MANY REMAINING COMPONENTS OF THE
4 WASTESTREAM THAT YOU CAN HAVE COST-EFFECTIVE MINIMUM
5 CONTENT LEGISLATION.

6 BUT I THINK THAT WE NEED TO ENCOURAGE THE
7 LEGISLATURE TO -- AND TO SAY THAT THE BOARD WILL CONTINUE
8 TO ANALYZE THESE MATERIALS ON A MATERIAL-BY-MATERIAL
9 BASIS.

10 MS. GILDART: SO WOULD THE RECOMMENDATION BE
11 THAT THE BOARD DO A FEASIBILITY STUDY OF CONTENT? DO WE
12 WANT SOMETHING IN THE REPORT THAT OUTLINES WHAT KIND
13 OF --

14 CHAIRMAN CHESBRO: NO, I DON'T THINK WE CAN DO
15 THAT MATERIAL-BY-MATERIAL ANALYSIS IN THIS REPORT. I
16 THINK WE NEED TO SAY, THOUGH, THAT THE BOARD WILL BE
17 CONDUCTING THAT KIND OF REVIEW AS PART OF OUR MARKET
18 DEVELOPMENT STRATEGY.

19 BOARD MEMBER RELIS: YEAH, I WAS GOING TO SAY
20 THAT AT THIS STAGE WHAT'S IMPORTANT TO GET OUT IS THAT WE
21 ARE ANTICIPATING A COORDINATED MARKET STRATEGY THAT WILL
22 PLACE THIS REPORT AND ITS FINDINGS IN A BROADER MARKETS
23 FRAMEWORK.

24 AND THAT IN ALL OUR REPORTS, WE PROBABLY --
25 THAT ARE MARKET DEVELOPMENT RELATED, WE OUGHT TO



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1 REFERENCE AN OVERALL STRATEGY YET TO BE -- WE DON'T HAVE
2 IT YET, BUT IT WILL BE DEVELOPED IN NEAR TERM.

3 MS. GILDART: IS THIS PART OF AN EXISTING BOARD
4 PROGRAM OR SOMETHING THAT WE WOULD WANT THE LEGISLATURE
5 TO --

6 CHAIRMAN CHESBRO: NO, IT'S PART OF AN EXISTING
7 BOARD PROGRAM. IT'S NOT A LEGISLATIVE RECOMMENDATION.
8 IT IS A -- MARTHA POINTS OUT THAT IN THE ANNUAL REPORT
9 THERE IS A DESCRIPTION OF WHAT WE INTEND TO DO WITH
10 REGARD TO THE MARKET DEVELOPMENT STRATEGY, SO THAT
11 WOULD -- WE COULD PROBABLY TAKE SOME LANGUAGE FROM THAT.

12 AND THEN MY FINAL COMMENT IS THAT, AND I
13 HAVE MENTIONED MOST OF THESE TO THE BOARD THROUGH MY
14 ADVISOR AND THROUGH MEETINGS WITH STAFF, BUT WE NEED TO
15 CONSULT WITH THE LEGISLATIVE STAFF ON THE HEAVY METAL
16 PACKAGING LEGISLATION QUESTION BECAUSE THERE IS
17 LEGISLATION WHICH HAS BEEN DEVELOPED AT THE REQUEST OF
18 THE BOARD AND THE LEGISLATIVE COMMITTEE. AND WE NEED TO
19 MAKE SURE THAT THE RECOMMENDATION IN HERE IS CONSISTENT
20 WITH WHAT WE'VE BEEN DOING AND WHAT THE LEGISLATIVE
21 COMMITTEE'S BEEN DOING, AND I THINK CONSULTING WITH THE
22 LEGISLATIVE STAFF TO TRY TO BRING THOSE TWO TOGETHER
23 WOULD BE APPROPRIATE.

24 IN GENERAL, THERE WAS A WEALTH OF
25 INFORMATION IN HERE, LOTS AND LOTS OF INFORMATION. AND I



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1 THINK WE'VE COME A LONG WAYS TOWARDS BEING BETTER
2 ORGANIZED. I THINK AS YOU OPENED WITH, MARTHA, THE -- I
3 THINK ADDRESSING THE ORGANIZATION AND APPROACH IN THE
4 EXECUTIVE SUMMARY IS GOING TO BE REALLY CRITICAL. AND I
5 ALSO THINK WE NEED TO TAKE A VERY CLOSE LOOK AT WHAT THE
6 ACTUAL RECOMMENDATIONS TO THE LEGISLATURE THAT COME OUT
7 OF THE REPORT ARE BETWEEN NOW AND THE NEXT MEETING.

8 MS. GILDART: WELL, WE'RE LIKELY TO BE REWRITING
9 THE EXECUTIVE SUMMARY AND HAVE THAT GO ONE OR TWO ROUNDS
10 THROUGH THE BOARD MEMBERS AND ADVISORS BEFORE THE WHOLE
11 REPORT IS PUT BACK TOGETHER.

12 CHAIRMAN CHESBRO: THANK YOU. THANK YOU, EDGAR.
13 AND THANK YOU, MARTHA.

14 LET ME ASK JUST ONE MORE TIME IS THERE ANY
15 OTHER COMMENTS BEFORE WE CLOSE?

16 I ALSO HAVE AN ANNOUNCEMENT TO MAKE. THE
17 RECYCLED CONTENT NEWSPRINT REGULATIONS, SPEAKING OF
18 MINIMUM CONTENT LEGISLATION, HAVE BEEN FILED EFFECTIVE
19 TODAY BY THE OFFICE OF ADMINISTRATIVE LAW, SO WE NOW HAVE
20 REGULATIONS FINALLY FOR THAT PROGRAM, WHICH I THINK
21 STANDS AS, AT LEAST, THE BEST EXAMPLE OF HOW RECYCLE
22 CONTENT LEGISLATION CAN EFFECTIVELY ACCOMPLISH WHAT WE'RE
23 TRYING TO DO HERE. LITTLE BIT OF GOOD NEWS FOR THE
24 AFTERNOON.

25 AND WITH THAT, I THINK THAT COMPLETES OUR



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BUSINESS FOR THE DAY. ANYTHING ELSE? SEE YOU LATER.

(END OF PROCEEDINGS AT 3:05 P.M.)

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Reporter's Certificate

* * * * *

I, BETH C. DRAIN hereby certify:

that on the 7th of
APRIL 1992, I did report in
shorthand the testimony and proceedings of the
foregoing hearing;

that at the conclusion of the above entitled
matter, I did transcribe my shorthand notes into
typewriting;

that the foregoing transcript is a true and correct
copy of my shorthand notes thereof.

Beth C. Drain

Certified Shorthand Reporter

Certificate No. 7152

