To: Joint Standing Committee on Natural Resources, 125th Legislature

From: Senator Seth A. Goodall, Senate Chair
Representative Bob Duchesne, House Chair

Date: November 2010

Re: Interim Study of Solid Waste Management Issues

The purpose of this memorandum is to summarize the meetings held during the second interim by the 124th Maine Legislature's Joint Standing Committee on Natural Resources.

BACKGROUND:

The Committee's work was authorized by the Legislative Council via letter dated April 8, 2010 which authorized the Committee to meet during the interim to study issues relating to the importation of out-of-state waste and the capacity needs of the state for the disposal of solid waste, as outlined in the committee's memo to the Legislative Council dated March 30, 2010. The Committee requested the interim meetings to develop policy options in response to the following questions:

1. In light of the limited projected capacity of the state-owned landfill and the existing commercial landfill, is the statutory ban on the establishment or expansion of commercial landfills still an appropriate policy for the State? Specific questions to be explored by the committee include should an existing commercial landfill be allowed to expand, within limits?

2. In addition to the capacity questions raised by the statutory ban, is it the appropriate state policy to limit competition with the state-owned landfill which some have argued in practice is a monopoly benefiting the commercial operator of the landfill?
3. Given the limited projected capacity for waste disposal in the State, are there policy options available to us to restrict or regulate the importation of out-of-state waste that are not in conflict with the Commerce Clause of the U.S. Constitution?

The Legislative Council's April 8, 2010 letter (with attachments) is attached as Attachment A.*

During the 2010 interim, the Committee met 4 times: May 13, May 26, June 14 and June 22. All of the meetings were held in the Natural Resources Committee Room in the Cross State Office Building and were open to the public. Each meeting was also accessible through the audio link on the Legislature's webpage. The Committee also established a webpage which can be found at http://www.maine.gov/legis/opla/natcommsolidwaste.htm. Agendas, summaries of the meetings and meeting materials are included on the webpage.

MEETINGS:

First meeting. The first meeting of the Committee focused on providing background information to prepare the Committee for its work. The meeting included a series of presentations on the following topics:

- The Commerce Clause and Solid Waste Management. Jerry Reid, Assistant Attorney General briefed the Committee concerning the limitations that the Commerce Clause of the United States Constitution places on the ability of states to regulate the flow of solid waste. Mr. Reid noted that the Commerce Clause prevents states from banning the importation of solid waste. An exception to that general rule is that states have discretion to control the flow of solid waste when they are acting as "market participants" rather than regulators. A copy of Mr. Reid's memo is attached as Attachment B.

- Historical Perspectives on Solid Waste Management in Maine. Sherry Huber, former Director of the Waste Management Agency presented information on the Waste Management Agency years (1989 to 1995). Paula Clark of the Department of Environmental Protection presented a timeline of significant events (to present day)


Summaries of the presentations can be found in the May 13, 2010 Meeting Summary attached as Attachment C. Copies of the material submitted by each presenter can be found at http://www.maine.gov/legis/opla/natcommsolidwaste.htm.

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* In addition to the solid waste management issues, the Legislative Council also directed the Committee to study the issue of hot mix asphalt plant emissions as they relate to public health, safety and welfare, as outlined in a memo from the legislative delegation for the City of Augusta. (See Attachment A) At the Committee's third meeting on June 14, 2010, the Committee took up the issue of hot mix asphalt plant emissions. After receiving a briefing from Bryce Sproul, Director of Licensing and Enforcement at the Maine Department of Environmental Protection and hearing from residents of the Grandview Augusta neighborhood, officials of the City of Augusta, Representative Patsy Crocket and industry members, committee members noted that the dispute appears to be a local issue and should not be addressed through a state law at this time.
Second meeting. The second meeting of the Committee was held on May 26, 2010. At this meeting, the Committee received presentations on the following topics:

- How Waste Moves in and into Maine from the Perspective of Maine Disposal Facilities and Organizations. The Committee heard from a panel of presenters which included: Brian Oliver, Casella Waste Systems
  Kevin Roche, Ecomaine
  Greg Lounder, Municipal Review Committee
  Jeff McGown, Waste Management
- Solid Waste Disposal Capacity Needs and Issues. Sue Inches, Director of Policy for the State Planning Office presented an overview of solid waste governance, capacity trends and projections and policy questions.
- Juniper Ridge Landfill. Bill Laubenstein, Assistant Attorney General provided the Committee with an overview of the Juniper Ridge Landfill operating services agreement. Sue Inches, Director of Policy for the State Planning Office provided the Committee with a summary of Juniper Ridge's history, restrictions, benefits to the State and the State Planning Office's role in monitoring the operating services agreement.

Summaries of the presentations can be found in the May 26, 2010 Meeting Summary attached as Attachment D. Copies of the material submitted by each presenter can be found at http://www.maine.gov/legis/opla/natcommsolidwaste.htm.

Third meeting. The third meeting of the Committee was held on June 14, 2010. At this meeting, the Committee received a presentation on the following topic:

- Recycling - Options and Alternative Approaches. Sue Inches, Director of Policy for the State Planning Office presented an overview of recycling options for Maine. Ms. Inches provided information on current recycling data, existing incentives, barriers to recycling, recycling demographics and markets for recycled materials. A summary of the presentation can be found in the June 14, 2010 Meeting Summary attached as Attachment E. Copies of the material submitted by the presenter can be found at http://www.maine.gov/legis/opla/natcommsolidwaste.htm.

At the third meeting, committee members began discussing their views on the study topics. The Committee's discussion focused on the following issues:

Capacity: The Committee's discussion on disposal capacity included the following:
- Committee members noted that the SPO and DEP differ on the amount of disposal capacity currently available.
- There is not agreement among Committee members as to whether Carpenter Ridge is a viable option to increase disposal capacity.
- The Committee needs to make a decision as to whether there is sufficient capacity in the State, taking into account the amount of time needed to add additional capacity.
- If additional capacity is needed, should the Committee recommend allowing expansion at the State-owned landfill or at a private landfill? Consideration of this issue includes a decision on whether the State should continue the current policy of requiring any new landfill to be publicly-owned.
Recycling: The Committee's discussion on recycling included the following:
- Committee members noted that increasing recycling, as well as reducing and reusing, will require less disposal capacity but will not solve the whole problem.
- Committee members noted concern that recycling costs would be loaded on small businesses.
- There is general agreement that more education, marketing and incentives are needed to improve recycling rates.
- Since the State's pricing policy does not support the solid waste management hierarchy, one option is to assess a fee on all landfilled waste and use the fee to support capacity for recycling or composting or WTE facilities.

Conclusions:
- The Committee is not ready to make decisions until it has better data on capacity. The Committee requested DEP and SPO to present their capacity projections, including the basis for those projections, at the next meeting.
- Agreement that "reduce, reuse and recycle" should be encouraged.

Fourth meeting. The fourth meeting of the Committee was held on June 22, 2010. At this meeting the Committee discussed the following topics:

- Reduce, Reuse, Recycle. The Committee discussed possible endorsement of the recycling options and alternative approaches presented to the Committee by the State Planning Office at its June 14th meeting.

In connection with the State Planning Office's recommendation to recycle all commercial and residential cardboard via a disposal ban or recycling mandate, the Committee requested the State Planning Office, with the Department of Environmental Protection, to thoroughly analyze the recovery and recycling of corrugated cardboard so the 125th Legislature can have sufficient information to consider the recommendation. The analysis should include the economics of the proposal, including the amount of money municipalities will save, the amount of cardboard captured, necessary education and input from interested parties, including Maine Municipal Association, merchants and waste haulers. The Committee requested the State Planning Office and Department of Environmental Protection to report back to the Committee in January.

In connection with the State Planning Office's recommendation to initiate a pilot project to compost food waste in one major service center, the Committee learned that this recommendation is currently being addressed by the Department of Environmental Protection. We suggest the Department of Environmental Protection brief the 125th Committee on the progress of the project.

In connection with the State Planning Office's recommendation to build 14 new household hazardous waste collection sites, the Committee noted that additional funding is not likely at this time. One suggestion is to assess a fee on the sale of specific household hazardous waste items. The Committee asked the Department of
Environmental Protection to include a discussion of fees on specific household hazardous waste products in its next product stewardship report to the Committee.

In connection with the other recommendations made by the State Planning Office, the Committee noted that more education is needed.

The Committee also discussed increasing fees on landfill disposal and using the fees to support municipal recycling, similar to the Vermont model. The Committee concluded there may be growing consensus about assessing higher fees, but that consensus outside of the Committee is needed to ensure there are no unintended consequences.

The Committee also discussed a concern that the Department of Environmental Protection has certain roles related to recycling but is not involved in development of the state solid waste management and recycling plan. The Committee would like to see more collaboration between the agencies in development of the state plan and when legislation related to recycling comes before the Committee, they would like to hear from both agencies.

The overall conclusions are:
1. There is consensus on the Committee to support "reduce, reuse, recycle."
2. A stronger educational initiative, including discussions with the private sector and municipalities, is needed.

- Solid Waste Disposal Capacity Projections. After receiving presentations of capacity projections from the State Planning Office and the Department of Environmental Protection and comments from interested parties on capacity at Juniper Ridge and Crossroads Landfills, the Committee made the following conclusions:
  1. The state has landfill disposal capacity until around 2018.
  2. The amount of time needed for permitting additional capacity is approximately 4, 5 or 6 years.
  3. The Legislature needs to continue to pay strict attention to the capacity issue.
  4. There is no consensus right now to allow commercial landfill expansion.
  5. It is important to educate the next Natural Resources Committee on:
     - The differences between the state-owned landfill and commercial landfills
     - The extent of the proposed expansions at Juniper Ridge Landfill and Crossroads Landfill
     - The timeline regarding remaining capacity and permitting timeframes.
  6. The Committee needs to pay attention to the issue of the State Planning Office's dual roles as owner of Juniper Ridge Landfill and as solid waste management planners.

A more detailed summary of the Committee's discussion can be found in the June 22, 2010 Meeting Summary attached as Attachment F. Copies of the material submitted to the Committee can be found at http://www.maine.gov/legis/opla/natcommsolidwaste.htm.

Although the work of the 124th Maine Legislature's Natural Resources Committee is now complete, the newly formed Natural Resources Committee of the 125th Legislature comprised of
both former and new members will be carrying this work forward. We thank you for your consideration of our efforts.

cc: Members of the Joint Standing Committee on Natural Resources, 124th Legislature Legislative Council, David Boulter, Executive Director
Attachment A

Legislative Council's April 8, 2010 letter (with attachments) authorizing the Joint Standing Committee on Natural Resources to meet over the interim
To: Senator Seth A. Goodall, Senate Chair  
Representative Robert S. Duchesne, House Chair  
Joint Standing Committee on Natural Resources  

From: David E. Boulter, Executive Director  
Legislative Council  

Date: April 8, 2010  

Re: Approval of request for interim committee meetings

At its meeting on Tuesday, April 6, 2010, the Legislative Council unanimously approved the request by the Joint Standing Committee on Natural Resources to meet during the interim to study issues relating to the importation of out-of-state waste and the capacity needs of the state for the disposal of solid waste, as outlined in the committee’s memo to the Legislative Council dated March 30, 2010. In addition to those issues, the Legislative Council also directed the committee to study the issue of hot mix asphalt plant emissions as they relate to public health, safety and welfare, as outlined in the attached memo from the legislative delegation for the City of Augusta. No funds are authorized to hire experts to participate in the committee’s study of these issues. However, the Legislative Council encourages the committee to take advantage of the expertise of state and federal officials who may be available without cost.

The Joint Standing Committee on Natural Resources is authorized to meet a total of five (5) times during the 2010 interim to study these issues, with at least one of those meetings devoted to the hot asphalt plant emission issue. Committee meeting days must be approved in advance by the presiding officers and public notice must be given in advance of each meeting. The committee must conclude its work no later than Wednesday, November 3, 2010, and may prepare written recommendations on these issues for consideration by the joint standing committee of the Legislature having jurisdiction over natural resource matters during the First Regular Session of the 125th Legislature.

Please contact your respective presiding officer if you have any questions. Thank you.

Attachments

cc: Members, Maine Legislative Council  
Patrick Norton, Director, Office of Policy and Legal Analysis
March 16, 2010

The Honorable Hannah M. Pingree  
Chair of the Legislative Council  
The Honorable Elizabeth H. Mitchell  
Vice-chair of the Legislative Council  
124th Legislature  
State House  
Augusta, ME 04333

RE: Request to meet over the interim

Dear Madam President and Madam Speaker:

The Joint Standing Committee on Natural Resources requests to meet over the interim to continue the essential and important task of identifying and formulating potential solutions to:

1. The legal and policy issues related to the importation of out-of-state waste; and

2. Issues related to capacity needs of the State for the disposal of solid waste.

The committee requests to meet a total of 4 times during the interim to do this work in order to thoroughly prepare a proposal to be considered during the 1st Regular Session of the 125th Legislature.

We are also requesting authorization to use up to $5,000 from legislative accounts to retain the assistance of outside experts if needed. Please note that our request to meet is not dependent on approval of the funding request.

Thank you for your consideration of this request.

[Signature]

Senator Seth A. Goodall  
Senate Chair

[Signature]

Representative Robert S. Duchesne  
House Chair

c: David Boulter, Executive Director, Legislative Council  
Patrick Norton, Director, Office of Policy and Legal Analysis
MEMORANDUM

TO: The Honorable Hannah M. Pingree, Chair of the Legislative Council
The Honorable Elizabeth H. Mitchell, Vice-chair of the Legislative Council

FROM: Senator Seth Goodall, Senate Chair
Representative Bob Duchesne, House Chair
Joint Standing Committee on Natural Resources

DATE: March 30, 2010

SUBJ: Additional details on request to meet over the interim

It is our understanding that we have been requested to provide additional details regarding our March 16th request to meet over the interim on certain solid waste management issues. We have requested to meet to continue the task of identifying and developing potential solutions to the legal and policy issues related to the importation of out-of-state waste and issues related to capacity needs of the State for the disposal of solid waste.

Our committee has been grappling with these weighty issues for several years. Although the issues have most recently come to the forefront since the State's purchase of the landfill in Old Town, the issues have been around since the 1970's when the State enacted a ban on the establishment of new or expanded commercial landfills in the State. Another factor facing us now is the limited projected capacity for the disposal of solid waste in the State.

The purpose of our meetings over the interim will be to develop policy options in response to the following questions:

1. In light of the limited projected capacity of the state-owned landfill and the existing commercial landfill, is the statutory ban on the establishment or expansion of commercial landfills still an appropriate policy for the State? Specific questions to be explored by the committee include should an existing commercial landfill be allowed to expand, within limits?
2. In addition to the capacity questions raised by the statutory ban, is it the appropriate state policy to limit competition with the state-owned landfill which some have argued in practice is a monopoly benefiting the commercial operator of the landfill?

3. Given the limited projected capacity for waste disposal in the State, are there policy options available to us to restrict or regulate the importation of out-of-state waste that are not in conflict with the Commerce Clause of the U.S. Constitution?

As noted in our March 16th request, we are requesting to meet a total of 4 times during the interim. We also requested authorization to use up to $5,000 from legislative accounts. We are changing that request to $2,000. Although unsure at this point as to how exactly the funding would be used, we envision the possibility of bringing experts in to discuss other states' experiences with the solid waste issues we will be reviewing.
To: Members of the Legislative Council

From: Senator Libby Mitchell, Representative Anna Blodgett, Representative Patsy Crockett, and Representative Bill Browne

Date: April 6, 2010

Re: Permission to Submit a Study Order Request to the Joint Standing Committee on Natural Resources

Dear Members of the Legislative Council,

On behalf of the City of Augusta, we, the legislative delegation for the City of Augusta, ask for consideration to allow the Joint Standing Committee on Natural Resources to study the issue of hot mix asphalt plant emissions related to public health, safety, and welfare.

There is a deep concern by residents of Augusta about the potential negative health impacts of chemical compounds released into the air by the operation of a hot mix asphalt plant. The State of Maine currently regulates the opacity of emissions from such plants, but does not regulate the chemical compound released.

Due to the potential health risk this may create and understanding that the final days of this legislative session are approaching, we are asking for permission to grant the Joint Standing Committee on Natural Resources the opportunity to investigate this matter over the summer and/or fall period at their convenience.

Enclosed with this memo is a copy of the Augusta City Council Resolve and letter from the Augusta City Manager.

We appreciate your consideration of this very important issue.
Sincerely,

The Legislative Delegation for the City of Augusta

Sen. Libby Mitchell  
President of the Senate

Rep. Patsy Crockett  
House District 57

Rep. Anna Blodgett  
House District 56

Rep. William Browne  
House District 58

cc: William Bridgeo, City Manager of Augusta  
City of Augusta Mayor and City Council
April 2, 2010

Honorable Elizabeth Mitchell
President
Maine State Senate
2 State House Station
Augusta, Maine 04333-0002

Dear Senator Mitchell,

Last night, the City Council unanimously adopted the enclosed resolve. It seeks the assistance of the Augusta delegation in causing the Legislature “to investigate the need for additional air quality standards related to the chemical composition and odor from hot mix asphalt plant stack emissions adjacent to residential uses, to ensure adequate public health, safety and welfare”.

I know that you and the other members of our delegation have followed closely and been very concerned over the neighborhood issues associated with mineral extraction and related activities. The City Council has worked hard to address many of those issues, also. The matter related to this particular resolve is, however, beyond the scope of authority and resources of city government and thus the need to seek State assistance.

Thank you for your attention to this matter.

Sincerely,

[Signature]

William R. Bridgeo
City Manager

C: Mayor and Council
Legislative Delegation
Title: Resolve – Request for State Legislative Delegation to Investigate Hot Mix Asphalt Plant Stack Emission Impact on Public Health

WHEREAS, In Augusta there are locations where hot mix asphalt plants and residences exist in close proximity to each other, and

WHEREAS, Residents have expressed concerns to the Augusta City Council about the potential negative health impacts of chemical compounds released into the air as a result of the operation of hot mix asphalt plants; and

WHEREAS, The State of Maine currently regulates only opacity with regard to hot mix asphalt plant stack emissions and does not regulate the chemical compounds released from the stack; and

WHEREAS, Other States place additional testing requirements on hot mix asphalt plant emissions for chemical compounds with known health effects;

NOW THEREFORE BE IT RESOLVED, That the Augusta City Council requests that the State Legislative delegation make efforts to cause the Maine State Legislature to investigate the need for additional air quality standards related to the chemical composition and odor from hot mix asphalt plant stack emissions adjacent to residential uses, to ensure adequate public health, safety, and welfare.
### Title: Resolve – Asphalt Plant Stack Emission Impact on Public Health

**Read and Passed**

- **Date:** April 1, 2010
- **Moved by:** Rollins
- **Sec’d By:** Munson
- **Yea:** 7
- **Nay:** 0

**Yea Nay**

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### SECOND READING

- **Date:**
- **Read and Passed**
- **Moved By:**
- **Sec’d By:**
- **Yea:**
- **Nay:**

**Yea Nay**

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*Council At-Large
Attachment B

Memorandum from Jerry Reid, Assistant Attorney General re: Commerce Clause limitations on state regulation of solid waste
Memorandum

To: Joint Standing Committee on Natural Resources

From: Jerry Reid, AAG, Chief, Natural Resources Division

Date: May 13, 2010

Subject: Commerce Clause Limitations on State Regulation of Solid Waste; Legal Restrictions on Unlined Landfills

I. Commerce Clause

You have requested advice from this Office concerning the limitations that the Commerce Clause of the U.S. Constitution places on the ability of states to regulate the flow of solid waste. In this memorandum, I have attempted to summarize the essentials of this issue in a manner that is concise and accurate, but not unnecessarily technical. As you will see, some of the tests courts use to evaluate potential Commerce Clause violations are subjective, leaving room for interpretation and argument. In fact, the Supreme Court cases in this area often sharply divide the Court. This means that it can be difficult to predict with confidence how various legislative proposals might fare under judicial review. However, the caselaw does provide certain guideposts that are helpful to bear in mind during the drafting and consideration of this type of legislation, and this memorandum attempts to identify and explain them.

A. The Commerce Clause Prevents States from Banning the Importation of Solid Waste.

The clearest and most important effect of the Commerce Clause on the regulation of solid waste is to prevent states from banning its importation. This principle was established in the
landmark Supreme Court case of *Philadelphia v. New Jersey*, 437 U.S. 617 (1978). In determining whether legislation constitutes an impermissible ban, courts evaluate whether the law discriminates against interstate commerce. In this context “discrimination” means giving in-state economic interests preferential treatment as against their out-of-state counterparts. *Oregon Waste Sys. v. Department of Envtl. Quality*, 511 U.S. 93, 99 (1994). If the court concludes a law’s discriminatory treatment is motivated by simple economic protectionism, it will almost certainly be found unconstitutional. *Id.* A law discriminating on its face against out-of-state interests will be upheld against a Commerce Clause challenge only upon a showing that it is the only means to advance a legitimate local purpose. *See Maine v. Taylor*, 477 U.S. 131, 138 (1986) (upholding a state ban on the importation of baitfish to prevent the spread of communicable fish-borne disease).

**B. States Have Discretion to Control the Flow of Solid Waste When They Are Acting as “Market Participants” Rather Than Regulators.**

Courts have recognized an important exception to the general rule preventing states from banning out-of-state waste from their landfills. When states act as “market participants” rather than regulators, states may restrict the type of waste they accept without running afoul of the Commerce Clause. *United Haulers Assn. v. Oneida-Herkimer Solid Waste Management Authority*, 550 U.S. 330, 344 (2007). A state acts as a “market participant” when, for example, it owns the landfill in question, as the State of Maine owns the Juniper Ridge Landfill. Under these circumstances, the State may limit the waste it accepts for disposal at the facility based on type, volume, place of origin or other characteristic in the same way that any private, commercial operator of a landfill is entitled to make such business decisions. State actions that are protected by the “market participant” doctrine include purchasing, selling, hiring or subsidizing of services. *Reeves, Inc. v. Stake*, 447 U.S. 429, 437 (1990).
The premise upon which courts have recognized this exception is that when a state is acting as the owner of a public landfill, its decisions are presumed to be motivated by legitimate public health, safety and welfare interests. By contrast, when a State exercises its regulatory authority in a manner that benefits local businesses and burdens out-of-state competitors, courts often find the law to be economic protectionism that violates the Commerce Clause. *United Haulers*, 550 U.S. at 342.

Most lower courts have also held that when a state, by law, directs the proprietary activities of a municipality, the state is acting as a market participant rather than a regulator. *National Solid Waste Mgmt. Ass’n v. Williams*, 146 F.3d 595, 597 (8th Cir. 1998); *Smith Setzer & Sons v. South Carolina Procurement Review Panel*, 20 F.3d 1311, 1319-20 (4th Cir. 1994); *Big Country Foods Inc. v. Board of Educ.*, 952 F.2d 1173, 1179 (9th Cir. 1992); *Trojan Tech. Inc. v. Pennsylvania*, 916 F.2d 903, 911 (3rd Cir. 1990).\(^1\) The basic premise for this conclusion is that local governments are simply political subdivisions of the state, and therefore the state may direct their purchasing decisions in the same way it may do so for any of its agencies. While the Supreme Court has yet to address the issue, the weight of legal authority indicates that state legislatures may control municipal decisions governing the purchasing, selling, hiring or subsidizing of solid waste services just as they may control those decisions at the state level.

**C. Conclusion**

Court decisions reviewing solid waste legislation under the Commerce Clause can be fact-specific, and often turn on the application of legal standards that are subject to differing interpretations. For instance, judges on the same court will often disagree on the extent to which a law burdens out-of-state interests, or whether a law should be considered an exercise of

\(^1\) The Seventh Circuit reached a contrary conclusion in *W.C.M. Window., Inc. v. Bernardi*, 730 F.2d 486, 494 (7th Cir. 1984).
regulatory or proprietary authority. Given this subjectivity, we recommend that the Committee work closely with both its legislative analyst and the Attorney General’s Office when considering this type of legislation in order to achieve its policy objectives while minimizing constitutional risks.

II. State and Federal Regulations that Effectively Prohibit Unlined Municipal Landfills

You have also asked for citations to state and federal regulations that have the effect of prohibiting unlined municipal landfills. At the federal level, the Environmental Protection Agency has promulgated regulations requiring composite liners in municipal landfills pursuant to the Resource Conservation and Recovery Act ("RCRA"). 40 CFR 258.40. The Maine DEP has also adopted such requirements in its Chapter 401, Landfill Siting, Design and Operation. 06-096 CMR ch. 401(2)(D)(1). These regulations appear to be the most pertinent to your interest.
Attachment C

May 13, 2010
Meeting Summary
Joint Standing Committee on Natural Resources
May 13, 2010
Meeting Summary

Convened 9:00 a.m., Room 214, Cross Office Building, Augusta

Present:
Sen. Seth Goodall, Senate Chair
Sen. Doug Smith
Rep. Bob Duchesne, House Chair
Rep. John Martin
Rep. Brian Bolduc
Rep. Melissa Walsh Innes
Rep. Joan Welsh
Rep. Jim Hamper
Rep. Jane Knapp

Absent:
Sen. Deborah Simpson
Rep. Jane Eberle
Rep. Bernard Ayotte
Rep. Peter Edgecomb

Committee Chair Senator Seth Goodall convened the second 2010 interim meeting of the Joint Standing Committee on Natural Resources and asked the members to introduce themselves. Senator Goodall then directed the Committee through the agenda. Committee Chair Representative Bob Duchesne provided his insight into the purposes of the Committee's interim meetings.

The Commerce Clause and Solid Waste Management

Jerry Reid, Assistant Attorney General briefed the Committee concerning the limitations that the Commerce Clause of the United States Constitution places on the ability of states to regulate the flow of solid waste. Supreme Court cases in this area often sharply divide the Court. Therefore, it can be difficult to predict with confidence how various legislative proposals might fare under judicial review. Mr. Reid submitted a memo that attempts to identify and explain certain guideposts that are helpful to bear in mind during the drafting and consideration of this type of legislation. First, the Commerce Clause prevents states from banning the importation of solid waste. If the court concludes a law's discriminatory treatment is motivated by simple economic protectionism, it will almost certainly be found unconstitutional. A law discriminating on its face against out-of-state interests will be upheld against a Commerce Clause challenge only upon a showing that it is the only means to advance a legitimate local purpose. Second, states have discretion to control the flow of solid waste when they are acting as "market participants" rather than regulators. Under this exception to the general rule, the State may limit the waste it accepts for disposal at the facility based on type, volume, place of origin or other characteristic in the same way that any private, commercial operator of a landfill is entitled to make such business decisions. A copy of Mr. Reid's memo is attached.

Historical Perspectives on Solid Waste Management in Maine

Sherry Huber, Former Director of the Waste Management Agency presented information on the Waste Management Agency years (1989 to 1995). Ms. Huber noted that the role of the WMA
was not regulatory. The agency had 3 responsibilities which were encompassed in the Office of Planning, the Office of Recycling and the Office of Siting. The agency prepared several waste management plans and encouraged regional systems. The agency was funded by a dedicated revenue stream. The agency took as its chief mandate from the Legislature to find a location for a state-owned landfill. The agency first looked all over the State and was met with strong opposition. The agency studied about 10 different sites, but soil scientists found evidence that none of the sites were viable. The agency then asked paper companies if they had available land. Lincoln Pulp & Paper had available the Carpenter Ridge land. After DEP studies, it was concluded that the site and soils were okay for a landfill. The State purchased the site from Lincoln Pulp & Paper and the site was permitted by DEP in 1995. The WMA never reached the point of developing a vision for how Carpenter Ridge would be operated.

Paula Clark of the Department of Environmental Protection presented a timeline of significant events (to present day). The timeline began with the period of 1965 - 1970 which included the passage of the Federal Solid Waste Act, the responsibility for solid waste matters being given to the Maine Department of Health and Welfare, field surveys to determine existing conditions, and the submittal of a "Solid Waste Management/Plan" to the USEPA. Other highlights include:

- 1973 - 106th Legislature passed the "Maine Solid Waste Management Act."
- 1976 - First Maine Solid Waste Management Regulations were adopted by BEP and a State Solid Waste Advisory Committee was appointed by DEP Commissioner to develop recommendations for a state solid waste strategy.
- 1977 - Advisory Committee issued "Solid Waste: New Directions for Maine." Also, 454 open dumps were identified in Maine.
- 1979 - A State Solid Waste Management Plan was adopted by BEP with the primary focus on basic public health and environmental issues.
- 1981 - PL 1981, chapter 528 was enacted which authorized a general fund bond issue to assist municipalities with resource recovery of solid waste.
- 1985 - 301 open dumps/landfills appear on DEP's "Solid Waste Disposal Facility Enforcement Priority List."
- 1986 - Amid growing concern about proposed new landfills in southern Maine and the importation of waste, the Legislature considered a moratorium on waste importation and disposal and a legislative study was undertaken pursuant to P&SL 1985, chapter 137.
- 1987 - Joint Standing Committee on Energy and Natural Resources issued "Study of Solid Waste Management and Disposal Policy in Maine." The resulting law (PL 1987, chapter 517) included provisions addressing: special waste, solid waste transportation, technical assistance to municipalities, municipal landfill closure program, recycling and source reduction, solid waste facility siting requirements (including commercial landfill licensing moratorium), and solid waste disposal capacity needs analysis.
- 1987 - MERC waste-to-energy facility in Biddeford began operating.
- 1989 - PL 1989, chapter 585 was enacted which provided for: the Maine Waste Management Agency (MWMA), statutory solid waste management hierarchy, the Waste Management Advisory Council, state solid waste and recycling plan, disposal capacity analysis, recycling goal, facility siting board, state owned disposal facilities, Maine Solid Waste Management Fund, and a ban on new commercial disposal facilities.
• 1992 - The Legislature extended the deadline for cessation of use of unlicensed landfills; 260 landfills received notice. Also, Mid-Maine Waste Action Corp. waste-to-energy facility in Auburn began operating.

• 1995 - MWMA abolished; statutory responsibilities transferred to SPO and DEP or were eliminated. Also, Carpenter Ridge landfill offered to State by Lincoln Pulp and Paper and license issued to SPO.

• 1998 - Pine Tree Landfill in Hampden licensed by DEP for expansion.

• 2001 - Crossroads Landfill in Norridgewock licensed by DEP for expansion.

• 2002 - University of Maine and the Attorney General's Office presented "An Analysis of Competition in Collection and Disposal of Solid Waste in Maine."

• 2003-2004 - Resolves 2003, chapter 93 authorized the State purchase of the West Old Town Landfill from Fort James Operating Company (State issued RFP for operation, Casella Waste Systems selected, State and Casella entered into operating services agreement). Amended license for the West Old Town Landfill issued by DEP to SPO in April 2004.

• 2005 - City of Lewiston proposed 30 year contract with Casella Waste Systems for operation of its landfill; Attorney General's Office determined the proposal to be inconsistent with the statutory ban on new commercial landfills.

• 2006 - Growing concern regarding the importation, disposal and management of construction and demolition debris. PL 2005, chapter 617 limited the amount of CDD wood derived fuel burned and required report on use of CDD wood for fuel and CDD processing. Sale of Fort James mill in Old Town to Red Shield. Agreement among Pine Tree Landfill in Hampden, DEP and the Town of Hampden to cease waste acceptance by 12/21/09.

• 2007 - Report of the Blue Ribbon Commission on Solid Waste Management. PL 2007, chapter 406 provided additional protections to communities that host a solid waste disposal facility (such as defining "host community" and establishing a dispute resolution process). PL 2007, chapter 414 defined "waste generated within the State" and specified that facilities owned by the State may not be licensed to accept waste not generated within the State. PL 2007, chapter 338 revised the definition of "commercial solid waste disposal facility" and required public benefit determination for publicly-owned (excluding state-owned) solid waste landfills to accept waste generated out of state.

• 2008 - PL 2007, chapter 583 required solid waste processing facilities that generate residue requiring disposal to recycle all waste accepted to the maximum extent practicable, but in no case at a rate less than 50%. It also modified the content and submission schedule of the Solid Waste Generation and Disposal Capacity Report by SPO.

• 2009 - Updated Maine Solid Waste Management and Recycling Plan was submitted by SPO. Old Town Fuel and Fiber acquired Red Shield facility in Old Town. PL 2009, chapter 412 required a report from SPO concerning issues related to the operation and management of the state-owned Juniper Ridge Landfill. CDD processing facility in Westbrook licensed by DEP. PL 2009, chapter 348 required state-owned solid waste disposal facilities to demonstrate a public benefit. Initial task force recommendations made concerning the future operation of the MERC facility in Biddeford. Casella/SPO submitted application for determination of public benefit for the expansion of the state-owned Juniper Ridge Landfill (DEP issued draft denial and application was withdrawn). Pine Tree Landfill in Hampden ceased accepting waste on 12/31/09.

• 2010 - Updated Waste Generation and Capacity Report was submitted by SPO.

A copy of Ms. Clark's PowerPoint presentation is attached.
How Waste Moves in New England and Maine

Jennifer Griffith from The Northeast Waste Management Officials' Association (NEWMOA) provided an overview of NEWMOA's solid waste activities and data on the interstate flow of solid waste with an emphasis on Maine. NEWMOA is a nonpartisan, non-profit interstate association of the solid waste, hazardous waste, waste site cleanup and pollution prevention programs in CT, ME, MA, NH, NJ, RI and VT.

NEWMOA's solid waste activities include information sharing, MSW disposal interstate flow reports and CDD management reports. Report topics include state solid waste program funding and staffing, fees states charge solid waste and tip fees at disposal facilities. An e-mail survey of MSW disposal tip fees indicates that approximate prices by state are:

CT: $57-70 per ton at WTE, $68 at 1 LF
ME: $70 & $100 at 2 WTEs, $86 at 1 LF
MA: $74 average (from municipalities)
NH: $77 average
NY: $27 - $72, $50 average (from facilities)
RI: $32 residential/$46 commercial
VT: $90 MSW and $80 CDD

Ms. Griffith noted that data on MSW interstate flow from the import state is often not the same as data from the export state due to several reasons including direct haul issues and variations in disposal facilities. NEWMOA interstate flow analysis observations regarding MSW disposal include the following: MSW management is regional; most MSW management activities are private sector; facilities in all NEWMOA states import and/or export to facilities in other NEWMOA states for disposal; CT, MA, NJ and NY also utilize facilities outside the NEWMOA-region; and ME sends some MSW to Canada.

All NEWMOA states export MSW to other states. The percentage of MSW disposed that was exported in 2008 was:

CT: 10.3%
ME: 7.1%
MA: 17.5%
NH: 9.1%
NJ: 45.4%
NY: 42.4%
RI: 8.4%
VT: 23.9%

All NEWMOA states (except RI & VT) import MSW from other states. For 2008, the percentage of MSW disposed in a state that was imported was:

CT: 3.3%
ME: 23.8%
MA: 3.4%
NH: 38.3%
NJ: 15.7%
NY: 11.1%
RI: 0%
VT: 0%

Rhode Island has a central landfill that is owned and operated by RI Resource Recovery Corporation, a quasi-governmental entity that is prohibited by the Legislature from accepting out-of-state wastes. The facility is currently under new management, the effect of which is not reflected in the data. Vermont has relatively high tipping fees and solid waste disposed is taxed at $6 ton; the tax applies to waste sent from Vermont for out-of-state disposal. Also, the community of origin must have the same services as Vermont requires, such as source separation, recycling, and household hazardous waste requirements. In addition, all facilities must be named in the solid waste district's plan. Connecticut has 20 year contracts with resource recovery facilities that are expiring soon. The facilities are at capacity with the member cities and towns. Also, Connecticut has a tax on disposal.

The majority of MSW generated in a state that is disposed, is managed in-state (i.e. in 2008, facilities in MA disposed over 4.8 million tons or 82.5% of MA-generated MSW and facilities in ME disposed over 755,000 tons or 92.9% of ME-generated MSW). States that exported significantly also received MSW in 2008 (MA: over 170,000 tons; NJ: over 680,000 tons; NY over 1.06 million tons). States that imported significantly also exported MSW in 2008 (ME: over 45,000 tons; NH: over 77,000 tons). Overall, disposal destinations do not vary significantly over time and imports to and exports from individual states can vary significantly year-to-year.

Factors influencing disposal location include: tipping fee and transportation costs combined, regulatory burden of disposal facility, long-term contracts, and the relationship between the hauler company and the disposal facility company.

Ms. Griffith's handout contains a graph of per-capita disposal in the NEWMOA states in 2006 and 2008. Observations from the data indicate that the quantity disposed in a state per-capita in 2008 was highest in NH, lowest in NJ, NY & VT and higher in MA than ME. Per-capita disposal decreased in all states, except VT, between 2006 and 2008. There is a significant variation in per-capita disposal between the states in 2008.

NEWMOA's C&D debris management analysis focused on C&D debris from building projects; road and bridge project debris was excluded. C&D debris management observations include: C&D debris management is regional; most C&D debris management activities are private sector; facilities in all NEWMOA states import and/or export to facilities in other NEWMOA states; CT, MA, NJ and NY also utilize facilities outside the NEWMOA-region. In 2006, most states disposed the majority of C&D debris in-state, except that facilities in CT and MA sent more out of state than in-state.

NEWMOA reports that in 2006 the 450,849 tons of C&D waste generated in Maine and disposed was disposed as follows:

In Maine - 430,682 tons
In NH - 7,070 tons
In non-NEWMOA states/provinces - 13,097 tons.

In 2006, the 687,634 tons of C&D waste that was disposed in Maine originated in:
CT - 17 tons
ME - 430,682 tons
MA - 220,600 tons
NH - 36,076 tons
NY - 197 tons
RI - 62 tons.

In 2006, the origin of C&D waste inputs at Maine processors was:
ME - 130,429 tons
MA - 44,203 tons
NH - 9,288 tons
NY - 33 tons.

Ms. Griffith provided a copy of her presentation which is attached.

Scheduling

The Joint Standing Committee on Natural Resources scheduled its next meeting for May 26, 2010 starting at 9:00 a.m.
Attachment D

May 26, 2010
Meeting Summary
Joint Standing Committee on Natural Resources
May 26, 2010
Meeting Summary

Convened 9:00 a.m., Room 214, Cross Office Building, Augusta

Present:
Sen. Seth Goodall, Senate Chair
Sen. Doug Smith
Rep. Bob Duchesne, House Chair
Rep. John Martin
Rep. Jane Eberle
Rep. Brian Bolduc
Rep. Melissa Walsh Innes
Rep. Joan Welsh
Rep. Jim Hamper
Rep. Peter Edgecomb

Absent:
Sen. Deborah Simpson
Rep. Bernard Ayotte
Rep. Jane Knapp

Committee Chair Senator Seth Goodall convened the first 2010 interim meeting of the Joint Standing Committee on Natural Resources and asked the members to introduce themselves. Senator Goodall then directed the Committee through the agenda.

How Waste Moves in and into Maine from the Perspective of Maine Disposal Facilities and Organizations

The Committee invited a panel of presenters to brief the Committee on how waste moves in and into Maine from the perspective of each presenter's company.

Brian Oliver, Casella Waste Systems. Mr. Oliver provided the following overview of Casella facilities in Maine in 2009 and Casella's contribution to Maine's economy. Mr. Oliver explained that within Casella, material movement is dictated by customer behavior and vertical integration.

Recycling: In 2009 Casella handled 70,300 tons of recyclable materials in the State; zero-sort recycling collected in Ecomaine communities is delivered directly to Ecomaine; zero-sort recycling in all other communities is delivered to Charlestown, MA. In 2009, Casella companies in the State collected over 101 tons of electronic waste for recycling, over 35,000 fluorescent bulbs and lamps, and several thousand pounds of batteries, ballasts and other PCB and mercury containing devices.

Composting: Casella's New England Organics Hawk Ridge Compost Facility has an annual input of 55,000 tons of biosolids of which 88% is from in-state and 12% is from out-of-state and an annual output of 80,000 cubic yards of compost & mulch of which 50% is sold in-state and 50% is sold out-of-state. In addition, over 160,000 tons per year of Class B biosolids, short paper fiber, wood ash, food waste and other Maine generated materials are reused for land application, animal bedding and topsoil manufacturing programs.

C&D Processing at Casella's KTI Bio-Fuels, Inc:
• 2009 inbound material = 115,900 tons (27,300 tons in-state and 88,600 out-of-state)
• 2009 outbound material:
  22,000 tons of wood chips (to Boralex & Sappi)
  1,800 tons of metal
  41,500 tons of fines alternative daily cover
  2,400 tons aggregate, brick, concrete
  51,100 tons disposed (non-recyclable material)
  55% recycling percentage

Transfer stations: In 2009, 95,900 tons of material handled; 81,200 tons of waste handled including universal & E-waste (monitors & TVs, mercury tubes and computers/laptops), tires, white goods & scrap metal. Disposal locations are Tri-Community, PERC, Ecomaine, MERC and JRL.

Waste-to-energy at MERC: Of the 288,000 tons processed in 2009, 112,000 tons from in-state and 176,000 tons from out-of-state. Waste that was landfilled in 2009 included: 51,000 tons of ash, 8,000 tons of metal (exported out-of-state), 62,000 tons of FEPR, non-processible MSW and 20,000 tons MSW bypassed to in-state landfill. Benefits include 21 MW of power produced, reduction in landfill air-space.

Landfill: Pine Tree Landfill. 2009 disposal statistics for Pine Tree Landfill include: 118,000 tons of in-state waste and 295,000 tons of out-of-state waste. Pine Tree ceased accepting waste December 31, 2009. In-state waste is now directed to Juniper Ridge Landfill; 120,000 tons of C&D in 2010 is going to KTI Bio-fuels; 175,000 tons of C&D in 2010 stays in out-of-state markets. Juniper Ridge Landfill. 2009 disposal statistics for Juniper Ridge Landfill include: 529,000 tons of in-state waste; 360,000 tons of post processing/recycling residue. $11.3 million in community benefits and state special waste fees since 2004.

Mr. Oliver provided a copy of his PowerPoint presentation which is attached.

Kevin Roche. Ecomaine. Mr. Roche provided the following overview of Ecomaine. Ecomaine is a nonprofit quasi-municipal organization that is owned by 21 communities. In addition, Ecomaine has 18 Associate Member or Contract Communities that participate in its programs and utilize its facilities. Ecomaine owns and operates a single sort recycling facility, a waste-to-energy facility, and a landfill/ashfill. It accepts waste and recyclable materials mostly in southern Maine, but its waste shed reaches north into central Maine. At times, it accepts waste from out of state, mostly due to the fact that so much waste that is generated in Maine is ending up at landfills, which forces Ecomaine to look elsewhere for waste. Recyclables are shipped to markets in Maine, other New England states, across the country and in some cases exported to other countries. Ecomaine's solid waste priorities are similar to the State of Maine’s priorities as well as EPA’s priorities. However, State policies have made the landfilling of unprocessed waste (the least preferable solid waste management method) the cheapest option available.

Ecomaine thinks the State needs to incentivize recycling at a higher level. Ecomaine has begun to address this through investment in single sort recycling. Single sort has made recycling easier for the public which has increased participation. However, much more can be done. Commercial recycling is an area that remains weak except for the low hanging fruit. More education and outreach is needed to encourage businesses and institutions, as well as residents, to recycle more.
Composting, particularly food waste composting is a huge untapped item in the waste stream that could be recovered and have a significant positive influence on the State's recycling rates. This opportunity would get us to our recycling goal of 50%.

Waste-to-energy (WTE) is identified as a preferable solid waste management strategy over landfillsing by the EPA and most States, including Maine. However, our State policy doesn’t encourage it. Waste-to-energy is important because:
- 90% volume reduction of the waste material needed to be landfilled.
- No landfill odors or gas.
- Virtually no methane gas (a GHG).
- WTE stabilizes the waste and makes it suitable for landfillsing.
- Less leachate produced that needs treatment.
- Less transportation to faraway landfills.
- The World Economic Forum’s recent (2009) report, Green Investing – Towards a Green Energy Infrastructure recognizes WTE as one of the eight “key renewable energy sectors.”
- USEPA recognizes WTE as a renewable energy source (an energy resource that is replaced rapidly by recurring processes) that produces significant megawatts of electricity with less environmental impact than any other source.
- Without this source of electricity, chances are we would replace some of it with electricity from fossil fuels.
- WTE recovers 600 kWh of electricity per ton of waste, which is about 10 times the amount of energy recovered from a ton of landfilled waste through landfill gas recovery.
- WTE fuel and the electricity we make from it is both generated here locally and distributed here.
- Neither the wind nor the clouds have an impact on a WTE electrical generation.
- Rick Brandes, EPA’s Chief of the Energy Recovery Branch recently emphasized “if you want to have an impact on greenhouse gas mitigation, focus on MSW because there’s nationally significant energy available from MSW combustion, even if you have greater than 50% recycling.”
- WTE reduces carbon emissions from the alternative of using fossil fuel based electricity and from the reduction of methane generated from landfills.

We still need landfills, but we should preserve them for what we can’t reduce, reuse, recycle, compost or produce electricity from. Ecomaine has a landfill located 2 miles from Portland’s City line. If Ecomaine had not recycled or utilized the WTE facility, the landfill would have been filled long ago and Ecomaine would now be shipping its waste to faraway places.

Where do we go from here? We need to use the waste hierarchy effectively. We need to incentivize it, encourage "Reduce, Reuse, and Recycling" first, encourage composting, encourage making electricity from waste for those items that can’t be recycled or composted, discourage landfilling of unprocessed waste. This could be accomplished through fees on landfilling raw trash. The results from enforcing the waste hierarchy would be to: increase the recycling rate, decrease the amount of waste stored in landfills, decrease out of state waste from coming into Maine, decrease trucks & hauling on our roads and highways and improve our environment.

Greg Louder. Mr. Lounder provided the following overview of the Municipal Review Committee.
Background information:
• Mid 1980’s – Maine dumps required to close with a transition to waste-to-energy.
• Penobsbot Valley towns organized to develop regional solution (45 or so communities).
• 30 year contracts established with private entity – Penobsbot Energy Recovery Company (PERC).
• 30 year municipal contracts run concurrent with 30 year Bangor Hydro Electric Co. (BHE) power purchase agreement.
• PERC opens for business in 1988 – very little worldwide commercial experience with refuse derived fuel (RDF) technology.
• After one year, PERC approaches communities with need to restructure contracts to keep plant open – citing a number of unforeseen operating costs.
• 1990 – Committee to Analyze PERC formed to negotiate workout with PERC.
• Tom Sawyer Inc. (TSI) commercial contracts for direct delivery to PERC are reconstituted as municipal waste disposal contracts with PERC.
• Most municipal waste disposal contracts restructured in 1991. MRC formed as ongoing oversight entity for about 90 communities.
• 1993 – Lawsuit with 8 holdout towns settled.
• 1996 – In face of pending utilities deregulation BHE approaches the MRC and PERC in effort to mitigate cost of power purchase.
• 1997 – MRC establishes open door policy including revenue sharing and 40 more towns join.
• 1998 – MRC towns ‘unanimously’ (one defector to NB) approve restructured contracts to mitigate power cost to BHE while providing for additional rights of participation for MRC if they buy in as an owner.
• 2001 – PERC general partner changes via merger.
• 1999 – 2004. MRC purchases about $13,000,000 PERC LP interest on members' behalf.
• 2001 – Ash contracting lawsuit settled – general partner leaves PERC partnership. PERC Partnership significantly restructured to secure MRC rights of control participation. Single general partner format implemented. Current private partner with LP interests seated.
• 2003 – Sole PERC general partner announces it is selling its interest in PERC in connection with larger corporate trend.
• 2004 – Sale completed and current general partner seated.

Through all of the ups and downs, and twists and turns - the MRC Equity Charter Communities have enjoyed a stable net disposal cost of $45.00 since 1998. This can continue until 2018, but rates may need to increase near term to provide post 2018 cost stabilization.

Key points:
• A static 30 year arrangement in today’s world is unrealistic – things will change.
• Private players come and go.
• The MRC communities supported the “pay to play” approach.
• Active, earnest, focused participation in public/private partnerships can earn control over time.
• While it may not seem the case year-to-year, Maine’s solid waste policy framework has remained relatively stable compared to all of the other flux the MRC managed with over the years.

Movement of waste:
• State law requires municipalities to arrange for MSW disposal.
• MSW from 187 Charter Municipalities is contracted to PERC until 2018 (about 67% of PERC volume).
• Each MRC member sets (and can trade) a Guaranteed Annual Tonnage (GAT) delivery obligation in their contract to secure appropriate plant capacity share.
• Delivery obligation applies to all waste generated within a municipality’s borders including residential and commercial quantities.
• MRC members are responsible for arrangements to deliver MSW to PERC: 1) curbside collection sponsored by municipality; 2) self & commercial delivery to transfer station sponsored by municipality; 3) delivery by commercial haulers. Delivery methods by 2 and 3 can be subject to diversion despite waste disposal agreements.
• MRC is always open to including new Charter Municipalities.
• Other sources of PERC MSW include: host & other municipal 5%, in-state commercial 8%, out-of-state 20% commercial or on demand.

Outflow of PERC residuals:
• 45,000 to 50,000 tons of ash annually to Juniper Ridge.
• 45,000 to 50,000 tons of FEPR annually to Juniper Ridge.
• Contract term until 2018. PERC can go elsewhere if airspace in vertical expansion runs short

Jeff McGown, Waste Management. Mr. McGown provided the following overview of Crossroads Landfill which is located on Route 2 in Norridgewock and operated by Waste Management. Crossroads serves a critical role in the state’s solid waste infrastructure, competing with other permitted facilities thereby ensuring cost-effective disposal options for the State. Crossroads provides vital back-up capacity to private landfills serving major industrial operations, municipal waste incinerators, generators of C&D and asbestos wastes and other industrial and municipal waste generators.

Waste Management purchased the landfill from CWS in 1990. Since then, the company has invested in excess of $50 million at the facility. Construction of the Phase 8 expansion – licensed in 2002 – involved moving waste from an old, unlined landfill to a secure, lined landfill, and yields 5.5 million yards of capacity. Conditions of the permit on Phase 8 require that Crossroads provide available disposal capacity until May, 2012. Currently, Crossroads has approximately 4 million cubic yards of capacity with remaining site life until 2022, ensuring disposal capacity well past the terms of the permit.

Crossroads has direct disposal contracts with just over 50 municipalities in central and western Maine. Demolition debris from transfer stations in the Bangor region, Lewiston-Auburn and the greater Portland area is also landfilled at Crossroads. Special wastes – ash, sludge and industrial waste – come to Crossroads from across the state. All of BIW’s waste streams are processed at the site. On average the waste mix at Crossroads is 25% MSW, 25% special waste and 50% C&D.

Crossroads’ permit limits out-of-state waste to 35%. Over the last 10 years, out-of-state waste landfilled at Crossroads has fallen below those limits – approximately 20%. It doesn’t make economic sense for WM to transport waste from the south past the Turnkey Landfill in Rochester, NH and to Norridgewock. Virtually no out-of-state MSW is landfilled at Crossroads; limited C&D in the form of utility poles is taken. Most out-of-state waste is special waste from industrial processes that requires special handling.

As North America’s largest recycler, Waste Management is committed to the State’s solid waste hierarchy. WM diverts approximately 8,000 tons of spot market municipal solid waste to Maine incinerators annually. The tire-chipping operation at Crossroads is the only one in the state and touches nearly every community in Maine.
The landfill-gas-to-energy facility at Crossroads currently produces 3.2 megawatts of electricity and when fully operational will generate 4 megawatts.

Waste Management has had no environmental infractions at the landfill in over 15 years and has had no area complaints in over 2 years.

All truckers delivering waste to Crossroads are required to enter into a transportation agreement which they must abide by before they are allowed access to the site.

Waste Management provides approximately $1 million to the Town of Norridgewock annually in host community fees, recycling and disposal services and taxes.

As part of the sweeping, landmark 1989 law, the Legislature adopted the following declaration of policy: “The Legislature finds that environmentally suitable sites for waste disposal are in limited supply and represent a critical resource.” Waste Management agrees and that’s why they think providing the possibility for Crossroads to continue operating in the future makes sense for Maine.

**Solid Waste Disposal Capacity Needs and Issues**

Sue Inches, Deputy Director of the State Planning Office presented an overview of solid waste governance, capacity trends and projections and policy questions. Ms. Inches reiterated the solid waste management hierarchy and noted that the State is responsible for providing landfill capacity to dispose of municipal solid waste and its residues with commercial landfills being phased out. Municipalities are responsible for providing disposal of solid wastes generated by residents and commercial activities within their boundaries. Ms. Inches noted that the sources of SPO’s data include: waste to energy facilities reports, landfill license reports, municipal recycling and disposal reports and a commercial recycling survey. Maine’s solid waste management methods for 2008 were 24.7% landfilled, 33.3% waste to energy, 38.7% recycled and 3.3% exported. A graph showing waste generation trends from 1993 to 2008 shows waste generation since 2003 hovering around 2,000,000 tons per year with a decrease to approximately 1,850,000 tons in 2008.

Landfills: Municipally-owned landfills include: Tri-Community (Fort Fairfield), Presque Isle, Greenville, Hatch Hill (Augusta), Bath, Brunswick, Lewiston (ash only) and Ecomaine (ash only). State-owned landfills include: Juniper Ridge and Carpenter Ridge (not in operation). Privately-owned commercial landfills include: Crossroads Landfill. A graph of landfill disposal shows 2008 disposal at Juniper Ridge at approximately 600,000 tons, Crossroads at less than 300,000 tons and the municipal landfills combined at over 100,000 tons.

Waste-to-energy facilities: Ecomaine in Portland (publicly owned) received 162,680 tons in 2008 with an energy generation capacity of 14 MW; MERC in Biddeford (privately owned) received 287,943 tons in 2008 with an energy generation capacity of 21 MW; MMWAC in Auburn (publicly owned) received 87,872 tons in 2008 with an energy generation capacity of 3.6 MW and PERC in Orrington (private/public ownership) received 312,365 tons in 2008 with an energy generation capacity of 63.6 MW.
Capacity key findings: Solid waste volume decreased with the economic downturn - decrease of 8.7% in 2008 from 2007 rate. Mainers continue to recycle more. Waste-to-energy facilities decrease the volume of waste requiring landfilling by about 85-90%. Waste-to-energy plants import waste to meet operational needs and requirements for power contracts. Increased recycling will reduce landfill capacity needs but may increase imports to waste-to-energy plants. Recycling is more cost effective than building new landfill capacity (preliminary estimates: $5-6 million to build recycling to 50%, $30 million to build equivalent landfill capacity). Maine has sufficient overall disposal capacity, assuming status quo activity, until 2018. The process to permit additional landfill capacity needs to commence within the next 1-2 years. Overall Maine’s solid waste industry is diverse and competitive with a mix of public and private investments and services. Landfill disposal prices have remained stable from 2005-2008.

Permitting process for new landfill capacity - Assumptions: 1 year for legislative consideration; 1 year for public benefit determination and application; 2.5 years for DEP permit review; 1.5 years for appeals and legal challenges; and 2 years for construction. Total time needed = 8 years.

SPO recommendations: Extend disposal ban to include recycling corrugated cardboard and recycling rate is projected to increase to 44%. Encourage towns to compost yard waste, recycle CDD, join regional programs for recycling, etc.

Greg Lounder, chair of the Solid Waste Management Advisory Council, noted that the Council reviewed the numbers used by the SPO in SPO’s analysis. He also noted that MRC expected the vertical air space at Juniper Ridge to last to 2018, not 2016 as suggested by SPO.

Ms. Inches provided a copy of her PowerPoint presentation which is attached.

**Juniper Ridge Landfill**

Bill Laubenstein, Assistant Attorney General provided the Committee with an overview of the Juniper Ridge Landfill operating services agreement. Mr. Laubenstein noted that under the contractual obligations of the agreement Casella paid $26 million toward the purchase of the landfill. Casella has full operational control of the landfill with certain conditions including a C&D commitment to the mill. Casella assumed all responsibility for the site, including environmental responsibility. Casella also has a 30 year commitment to monitor the site after the capacity is all used. The agreement contemplates an understanding that changes in law may occur overtime. The agreement contemplates that Juniper Ridge will be available for disposal of 500,000 tons per year for 20 years. If there is a change in law that prohibits expansion (a "Capacity Limiting Event"), FJ has to give up capacity so Casella can operate at a level of 500,000 tons for 20 years. Casella has to accept an expansion permit so long as it, plus the existing permit, allows for disposal of 500,000 tons for 20 years. Casella cannot terminate if the expansion permit and the existing permit are insufficient to allow disposal of 500,000 tons for 20 years. The landfill is permitted by DEP.

Sue Inches, Deputy Director at State Planning Office provided the Committee with a summary of Juniper Ridge's history, restrictions, benefits to the State and SPO's role in monitoring the operating services agreement. The restrictions include: can only accept Maine generated waste as defined in statute, cannot accept MSW unless bypassed from a Maine waste-to-energy facility; cannot discriminate on price at the gate; must provide CDD fuel to Old Town facility at below
market price; must abide by a cap on tipping fees; must adhere to below market tipping fees for Old Town Fuel & Fiber and Lincoln Pulp & Paper; must reserve capacity for Old Town Fuel & Fiber and Lincoln Pulp and Paper; and must provide a performance guarantee in addition to closure/post-closure funding. The benefits to the State include: dedicated to Maine customers; provides stable predictable disposal pricing; provides host community benefits to the City of Old Town and Town of Alton; avoids construction of a new landfill on a greenfield site and reduces need to expand existing landfills; no cost to state budget since operator covers expenses, including landfill purchase, maintenance, improvements and future expansion; operator assumes environmental liability from day 1; and operator pays for closure costs. In it's monitoring role, SPO: monitors operations including type, volume, weight and fill rate; is informed of variations in the waste stream; makes community relations a top priority; conducts on-site inspections, conducts price checks; collects monthly data, provides monthly reports, reviews Casella's annual reports; and responds to media, citizens and policy makers.

**Scheduling**

The Joint Standing Committee on Natural Resources scheduled its next meeting for June 14, 2010 starting at 9:00 a.m.
Attachment E

June 14, 2010
Meeting Summary
Joint Standing Committee on Natural Resources
June 14, 2010
Meeting Summary

Convened 9:00 a.m., Room 214, Cross Office Building, Augusta

Present:
Sen. Seth Goodall, Senate Chair
Sen. Doug Smith
Sen. Deborah Simpson
Rep. Bob Duchesne, House Chair
Rep. Jane Eberle
Rep. John Martin
Rep. Brian Bolduc
Rep. Melissa Walsh Innes
Rep. Jim Hamper
Rep. Jane Knapp

Absent:
Rep. Bernard Ayotte
Rep. Peter Edgecomb
Rep. Joan Welsh

Committee Chair Senator Seth Goodall convened the third 2010 interim meeting of the Joint Standing Committee on Natural Resources and asked the members to introduce themselves. Senator Goodall then directed the Committee through the agenda.

Hot Mix Asphalt Plant Emissions

Bryce Sproul, Director of Licensing and Enforcement for the Maine Department of Environmental Protection, briefed the Committee on hot mix asphalt plant air emission regulation in Maine. The Committee reviewed this issue at the request of the Augusta delegation to the Maine Legislature and pursuant to the approval for request for interim committee meetings from the Legislative Council. At the conclusion of the briefing, and after hearing from residents of the Grandview neighborhood, officials of the City of Augusta, Representative Patsy Crockett and industry members, committee members noted that the dispute appears to be a local issue and should not be addressed through a state law at this time. Representative Crocket noted that she has called a meeting of the interested parties for later in June. A copy of Mr. Sproul's presentation was submitted.

Recycling - Options and Alternative Approaches

Sue Inches, Director of Policy for the State Planning Office presented an overview of recycling options for Maine. Ms. Inches provided information on current recycling data, existing incentives, barriers to recycling, recycling demographics and markets for recycled materials. SPO's recommendations for consideration by the Committee include:

- Cardboard - Recycle all commercial and residential cardboard via disposal ban or recycling mandate.
- Leaf and yard waste - Compost all leaf and yard waste via disposal ban or recycling mandate.
- Glass, plastic, paper and metal - Increase recycling by 10% through incentives: curb, pay per bag, local ordinance or mandate.
- Food waste - Initiate a pilot project to compost food waste in one major service center.
- Commercial recycling - Increase outreach to businesses, increase commercial recycling by 10%.
- Household hazardous waste - Build 14 new hazardous waste collection sites.

The estimated additional recycled tons and approximate costs associated with various options include:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Added Recycled Tons</th>
<th>Approximate Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardboard</td>
<td>+114,000</td>
<td>$1m matching grants</td>
</tr>
<tr>
<td>Leaf and yard waste</td>
<td>+174,527</td>
<td>$1m matching grants</td>
</tr>
<tr>
<td>Local incentives</td>
<td>+78,964</td>
<td>$4m matching grants</td>
</tr>
<tr>
<td>Commercial recycling</td>
<td>+108,410</td>
<td>$200,000 to fund additional staff or grants</td>
</tr>
<tr>
<td>Household hazardous waste</td>
<td>xxx</td>
<td>$2.8m matching grants</td>
</tr>
<tr>
<td>Food waste</td>
<td>xxx</td>
<td>$2.8m for pilot project</td>
</tr>
</tbody>
</table>

A summary of the options presented include: recycling can be re-energized with a revitalized public education campaign; targeted state matching grants for infrastructure with municipalities providing match would result in additional recycling; additional HHW collection sites would result in capturing and proper disposal of significantly more toxic waste; additional attention to commercial recycling can raise tons recycled by business; a combination of new incentives and disposal bans can take us to 50% recycling or beyond; and various funding options exist, including disposal fees, bonds, etc.

A copy of Ms. Inches' PowerPoint presentation was submitted.

**Committee Discussion**

In addition to receipt of information from DEP and SPO on the application process for expansion and the draft denial of the public benefit determination at Juniper Ridge and the timeframes for an application and approval of a new landfill, the Committee's discussion focused on the following issues.

**Capacity:** The Committee's discussion on disposal capacity included the following:
- Committee members noted that the SPO and DEP differ on the amount of disposal capacity currently available.
- There is not agreement among Committee members as to whether Carpenter Ridge is a viable option to increase disposal capacity.
- The Committee needs to make a decision as to whether there is sufficient capacity in the State, taking into account the amount of time needed to add additional capacity.
- If additional capacity is needed, should the Committee recommend allowing expansion at the State-owned landfill or at a private landfill? Consideration of this issue includes a
decision on whether the State should continue the current policy of requiring any new landfill to be publicly-owned.

Recycling: The Committee's discussion on recycling included the following:

- Committee members noted that increasing recycling, as well as reducing and reusing, will require less disposal capacity but will not solve the whole problem.
- Committee members noted concern that recycling costs would be loaded on small businesses.
- There is general agreement that more education, marketing and incentives are needed to improve recycling rates.
- Since the State's pricing policy does not support the solid waste management hierarchy, one option is to assess a fee on all landfilled waste and use the fee to support capacity for recycling or composting or WTE facilities.

Conclusions:

- The Committee is not ready to make decisions until it has better data on capacity. The Committee requested DEP and SPO to present their capacity projections, including the basis for those projections, at the next meeting.
- Agreement that "reduce, reuse and recycle" should be encouraged.

Scheduling

The Joint Standing Committee on Natural Resources scheduled its next meeting for June 22, 2010 starting at 9:00 a.m. Topics for the agenda are: (1) reduce, reuse, recycle - recommendations; (2) data on capacity needs; and (3) potential expansion at Crossroads Landfill.
Attachment F

June 22, 2010
Meeting Summary
Joint Standing Committee on Natural Resources  
June 22, 2010  
Meeting Summary

Convened 9:00 a.m., Room 214, Cross Office Building, Augusta

Present:
Sen. Seth Goodall, Senate Chair  
Sen. Doug Smith  
Rep. Bob Duchesne, House Chair  
Rep. Jane Eberle  
Rep. John Martin  
Rep. Brian Bolduc  
Rep. Melissa Walsh Innes  
Rep. Joan Welsh  
Rep. Jim Hamper  
Rep. Jane Knapp

Absent:
Sen. Deborah Simpson  
Rep. Bernard Ayotte  
Rep. Peter Edgecomb

Committee Chair Senator Seth Goodall convened the fourth 2010 interim meeting of the Joint Standing Committee on Natural Resources and asked the members to introduce themselves. Senator Goodall then directed the Committee through the agenda.

Reduce, Reuse, Recycle - Committee Discussion

The Committee discussed possible endorsement of the recycling options and alternative approaches presented to the Committee by the State Planning Office at its June 14th meeting. The alternatives included options related to cardboard; leaf & yard waste; glass, plastic, paper & metal; food waste; commercial recycling; and household hazardous waste.

- Cardboard - SPO's recommendation: Recycle all commercial and residential cardboard via disposal ban or recycling mandate.  
The Committee requested SPO, with DEP, to thoroughly analyze the recovery and recycling of corrugated cardboard so that the 125th Legislature can have sufficient information to consider SPO's recommendation to ban the disposal of cardboard and require recycling of cardboard. The analysis should include the economics of the proposal, including the amount of money municipalities will save, the amount of cardboard captured, necessary education and input from interested parties, including Maine Municipal Association, merchants and waste haulers. The Committee requested SPO and DEP to report back to the Committee in January.

- Leaf and yard waste - SPO's recommendation: Compost all leaf and yard waste via disposal ban or recycling mandate.  
The Committee noted that more education is needed with a focus on working with municipalities to increase the recycling rate.

- Glass, plastic, paper and metal - SPO's recommendation: Increase recycling by 10% through incentives (curb, pay per bag, local ordinance or mandate).  
The Committee noted that more education is needed and additional information should be provided to municipalities but ultimately it is a local decision.
• Food waste - SPO's recommendation: Initiate a pilot project to compost food waste in one major service center.
The Committee learned that this recommendation is currently being addressed. DEP is in the process of putting together an EPA grant proposal for a pilot project.
• Commercial recycling - SPO's recommendation: Increase outreach to businesses, increase commercial recycling by 10%.
The Committee agrees that more outreach and education is needed but at this time it must be done without any additional funding.
• Household hazardous waste - SPO's recommendation: Build 14 new hazardous waste collection sites.
The Committee noted that additional funding is not likely at this time. One suggestion is to assess a fee on the sale of specific household hazardous waste items. The Committee asked DEP to include a discussion of this topic in its next product stewardship report to the Committee.

The Committee also discussed the idea of increasing fees on landfill disposal and using the fees to support municipal recycling, similar to the Vermont model. The Committee concluded that there may be growing consensus about assessing higher fees, but that consensus outside of the Committee is needed to ensure there are no unintended consequences. This idea may be brought up again next session.

The Committee also discussed a concern that DEP has certain roles related to recycling but is not involved in development of the State Recycling Plan. After discussion with Sue Inches (SPO) and Paula Clark (DEP) the Committee would like to see more collaboration between the agencies in development of the State Plan and when legislation related to recycling comes before the Committee, they would like to hear from both agencies.

The overall conclusion is that there is consensus on the Committee to support "reduce, reuse, recycle" and a stronger educational initiative including discussions with the private sector and municipalities is needed.

**Solid Waste Disposal Capacity Projections from SPO and DEP**

Sue Inches, Director of Policy for the State Planning Office presented an overview of SPO's solid waste disposal capacity projections. SPO presented two scenarios - a low growth scenario and a moderate growth scenario. Under the low growth scenario (which assumes 1% annual growth beginning in 2012, a starting fill rate of 700,000 tons/year at Juniper Ridge Landfill, a starting fill rate of 300,000 tons/year at Crossroads Landfill and the status quo on waste deliveries, policy framework, etc.) the disposal capacity at Juniper Ridge is projected to be 0 in 2017 with total statewide capacity in 2017, including Crossroads Landfill, projected to be 1,573,379 cubic yards. Under the moderate growth scenario (which assumes 2.8% annual growth beginning in 2012, a starting fill rate of 700,000 tons/year at Juniper Ridge Landfill, a starting fill rate of 300,000 tons/year at Crossroads Landfill and the status quo on waste deliveries, policy framework, etc.) the disposal capacity at Juniper Ridge is projected to be 0 in 2016 with total statewide capacity in 2016, including Crossroads Landfill, projected to be 1,799,638 cubic yards. A copy of SPO's landfill capacity projections was submitted to the Committee.
Paula Clark of the Department of Environmental Protection presented an overview of DEP's capacity projections which were used by the department as one of the factors in the Draft Department Order for Juniper Ridge Landfill's "Application for Public Benefit Determination". Ms. Clark noted that DEP determined there was sufficient statewide capacity for 10 years, while capacity at Juniper Ridge was likely to be 8 to 9 years. In making its projection, DEP used the 2008 volume of waste disposed at Juniper Ridge which is 629,357.10 tons. A copy of each of the following documents was submitted to the Committee: DEP's "Juniper Ridge Landfill Waste Volume Summary and DEP's "Amount of Waste Disposed in Juniper Ridge Landfill, After Purchase by State of Maine"

Solid Waste Landfill Capacity at Juniper Ridge and Crossroads Landfills

The Committee received comments from Casella Waste Systems, Waste Management, the Town of Norridgewock and other interested parties.

- Brian Oliver (Casella) noted that if Juniper Ridge is not expanded they anticipate a fill rate of 650,000 tons per year.
- Jeff McGown (Waste Management) noted that Crossroads Landfill has about 12 years of capacity remaining.
- Michelle Flewelling (Norridgewock Town Manager) submitted a letter and reiterated the town's request to include protections for the town if any change to the law is made which would allow Crossroads to expand.
- Mrs. Fredericks (Crossroads abutter) noted that it is unlikely "reduce, reuse & recycle" will be successful if commercial landfills are allowed to expand.
- Kevin Roche (Ecomaine) submitted a letter and noted that imposing or increasing the fee by $6.00 per ton on landfilling raw solid waste would discourage out-of-state waste, extend the life of our landfills and incentivize recycling, composting and waste-to-energy.
- Greg Lounberg (Municipal Review Committee) submitted a letter and noted that SPO's 2.8% growth scenario is severely overreaching.

Based on the Projected Capacity, Discussion of Potential Actions

The Committee made the following conclusions:
1. The state has landfill disposal capacity until around 2018.
2. The amount of time needed for permitting additional capacity is approximately 4, 5 or 6 years.
3. The Legislature needs to continue to pay strict attention to the capacity issue.
4. There is no consensus right now to allow commercial landfill expansion.
5. It is important to educate the next Natural Resources Committee on:
   - The differences between the state-owned landfill and commercial landfills
   - The extent of the proposed expansions at Juniper Ridge Landfill and Crossroads Landfill
   - The timeline regarding remaining capacity and permitting timeframes.
6. The Committee needs to pay attention to the issue of SPO dual roles as owner of Juniper Ridge Landfill and as solid waste management planners.
Adjournment

The Joint Standing Committee on Natural Resources concluded its meetings for the interim.