

HAZARDOUS WASTE USER CHARGE (HWUC) STAKEHOLDER WORKGROUP MEETING SUMMARY

April 12, 2012

Meeting Time and Location: 1:00-4:00 p.m., Rachel Carson Conference Room, Constitution Hall, Lansing, Michigan

Meeting Attendees: 10 stakeholders at table; 6 stakeholders on the telephone, and 7 Department of Environmental Quality (DEQ), Resource Management Division (RMD), staff at the table and one on the telephone. (Mike Takacs represented Scott Maris and Allison Harrison represented Terry Burns)

Liane Shekter Smith, DEQ, RMD welcomed the workgroup around the table as well as via telephone and gave a recap of the last meeting.

Handout: A FY14 HW program summary for 54 FTE including 7 SEEPs.

Staff provided more detail as to what is included in the program costs handout. Discussion ensued relative to handling increasing cost of living adjustments, target revenue, retiree costs, and further detail required for some overhead costs. Staff will research and share the reasoning at the next meeting.

Staff shared a projector display to show the 1998 Stakeholders options.

Discussion followed. Members asked why a fee has not been applied to permit amendments. The group could include such a fee in their report. Ideas such as a payment that would accompany a permit modification or work plan may be an option. Some members requested to receive volume amounts and an estimated number of facilities if the group decides to explore that path. Staff shared that approximately two minor mods occur in a year but major mod numbers can vary. Other members shared concern that fees applied on permit aspects may cause companies to change their behaviors. The State of Michigan does not wish to be in a position of being a consultant. Staff are not in favor of an inspection fee as it would not generate enough funds and strain the relationship existing between the State and the company.

A suggestion was made that just an invoice be mailed out without attaching the site id and manifest forms. The previous Stakeholders group had made the decision that the forms would be beneficial but this group may write a different plan.

A question was asked about the shifting of responsibilities to a third party and its reactions. The Group was not in favor of a model of involving the TSDs doing the state's efforts. It was shared that transportation is a large piece of the waste

world and that hazardous waste is involved in the interstate aspects. There was some concern about increasing cross border issues.

A suggestion for individual generator fees was put on the table. A discussion to have the generators continue to pay the state but making the process simpler such as counting manifests, which would be easy to do; then perhaps adding the fees given to TSDs as an separate fee such as the current fee. It was added that out of state generators are currently not enforceable to capture with a fee, however out of state manifests are approx 50% of Michigan's waste. Some members would like to capture those manifests of \$8 each assessed to TSDs that are receiving the waste. However staff stated that Michigan cannot charge the \$8 per out of state manifest to the TSDs.

Another suggestion was a system of invoicing for pounds/gallons/kgs/yards with a manifest fee instead of applying the generator status of SQG/LQG/TSD. It would be a waste volume based fee. During discussion of the idea the question of the SQGs being an unstable universe if they do not notify updates was considered.

Members considered the CESQGs that do require additional staff time and the idea of assigning a fee to them.

A suggestion of a gross revenue number based fee was put on the table. The group considered that companies may not wish to reveal their revenue number. The group felt that waste code switching may occur under that scenario. Some members were not in favor of that idea as it would not be popular with the regulated community.

The Hazardous Waste fee created in 324.11108 was discussed. The \$10/ton fee is only for land filling tip fee and solidification. It cannot be used to support Michigan's Hazardous Waste Program. However members will consider that existing fee during its planning in these meetings.

Members and staff would like to capture the out of state hazardous waste. A hierarchy system was discussed. Members would also like to simplify the administrative burden that the current system requires.

Members requested that staff design a manifest quantify fee along with a per manifest fee without including a generator portion for the group to review. Staff reminded members that this type of plan would not capture out of state hazardous waste. Members understand that but would still be interested in reviewing such a model.

It was shared that capturing handlers alone does not seem a fair system. The final model goal is to be fair.

A suggestion of keeping the user charge structure currently in place but increasing the fees and perhaps adding some new aspects was put on the table.

Another suggestion was a fee on a per ton basis. Discussion revealed that it would exclude other wastes such as the MOR. MOR waste is currently not being captured on the user charge. Discussion followed on if the MOR waste should be included. A couple of members were not in favor of an fee for the MOR waste.

Members discussed manifests from CESQGs and consolidated loads.

Some members were concerned about any per ton type of fee. If this idea is to be considered members request seeing accurate data as it would be essential to study prior to making any decision.

Staff was asked to come up with several model scenarios for the next meeting. Members were asked if one scenario could be a combination involving a TSD fee too? The response was possibly if the fee was small enough. Members are sensitive about any company paying twice for the same waste.

The suggestion of an Inspection fee idea was taken off the table by consensus of the group.

All members agreed that the hazardous waste universe will keep diminishing. This is an important concept to remember when designing the new model.

A program summary will be provided at the next meeting along with revenue and expenditure clarification.

The next meeting is scheduled for May 3, 2012 in the Rachel Carson conference room.