

## **Hazardous Waste Generation Fees Report**

**For the Period from July 1, 2006 to June 30, 2007**

### **I. Introduction**

When the General Assembly passed the budget for fiscal year 2003, they included a line item requiring that the Rhode Island Department of Environmental Management (“the Department”) develop and implement a fee for hazardous waste generation. The Department worked with a stakeholder group, which was comprised of small and large quantity generators, industry associations, transporters, consultants, attorneys and environmental groups. Initially, the Department proposed a flat fee structure for the generators, however, feedback from the stakeholder group indicated that a unit price per pound or gallon was more favorable. In addition, the stakeholder group preferred that the transporters collect the fees from generators and in turn pay the fees to the Department. This would be less burdensome for the generators and several other states already have this type of program in place.

As of January 1, 2003, the Department of Environmental Management required that transporters collect from Rhode Island generators a fee of 2 cents per pound (or 16 cents per gallon) for waste transported on a hazardous waste manifest. In order to implement this fee, the *Rules and Regulations for Hazardous Waste Management* (“the Regulations”) were amended with input from the stakeholder group. The Hazardous Waste Generation Fee was established in order to raise \$890,000 for the funding of programs within the Office of Waste Management that the State has established to protect the environment and prevent pollution. A portion of the monies would be set aside to create a contingency fund for site remediation projects that are an imminent threat to human health and the environment and lack a responsible party.

Several members of the stakeholder group expressed concern that the fees and the way they are collected should be subjected to public scrutiny and reviewed on an annual basis. With this concern in mind, the Department added the following provision to the Regulations and this document was created to satisfy said requirement.

**6.18** **Evaluation of the Fees and Report:** *Each year the Department shall produce a written report of its evaluation of total fees collected during the past fiscal year (beginning July 1 and ending June 30). The Department shall produce the written evaluation within ninety (90) days of the close of the fiscal year and make the evaluation available to the public. The Department shall accept written comments on the report for a period of ninety (90) days following its release. After the close of the ninety (90) day comment period the Department will conduct a meeting to discuss the written comments that are received.*

## II. Fees Collected

The State of Rhode Island's fiscal year begins on July 1<sup>st</sup> and ends June 30<sup>th</sup> of each year. The total Hazardous Waste Generation Fees that were collected from transporters from July 1, 2006 until June 30, 2007 was **\$854,915**.

When RIDEM initiated this fee, the goal was \$890,000 per year. The fees collected are equivalent to 96% of the goal. Last year the fees collected were 93% of the goal. Due to variation in waste quantities generated the amounts collected are consistent with the goal within a reasonable margin of error.

The breakdown of the wastes are as follows:

Waste Code	% of Total
D Characteristic Waste*	88%
F Listed Waste*	6%
P listed wastes*	0%
Rhode Island (state only) Hazardous Waste	1%
Other waste (may also include R waste codes)	5%

D, F and P wastes are waste that is hazardous under USEPA Regulations.

These numbers are based on the assumption that wastes reported as gallons (and other volumes) had a density of 8 lbs/gallon. Waste codes are based on first waste code listed in the manifest report.

## III. Projected Future Fee Collections

As of 14 September 2005, the regulations were amended to change the fee structure for hazardous wastes. A decision was made to exempt non-hazardous waste that is required to be on a manifest by the destination state from the hazardous waste fee. To keep the program on target with the \$890,000/ year goal, the fees were increased from 2.0 cents per pound to 2.3 cents per pound. This was based on calculations from the 2003-4 fiscal year.

Most used oil tracked on a manifest is exempt as R015 (waste required to be tracked on a manifest by the destination state). Therefore, the Department does not expect promulgation of used oil regulations to have an effect on future fee collection. The Department is also considering exemption of the fee for certain waste generated by USEPA as part of emergency removal actions. If the Department grants such an exemption for emergency removal actions, the effect will most likely be small. If a broader exemption is granted to USEPA, its effect may more significantly affect revenues. As these shipments are not tracked separately, the Department does not have a reliable estimate on the costs associated with such an exemption.

Given the variability of the generation rates, the amount of \$854,915 is believed to be close enough to the \$890,000 yearly target that a change in the fee is not warranted.