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TRANSCRIBED ON FEBRUARY 3, 2005

1	APPEARANCES
2	Senator Kenneth Armbrister, Chair
3	Clerk, Kelly Gilbert (Calls roll)
4	Senator Mike Jackson, Vice-Chair
5	Senator Frank Madla
6	Senator Gonzalo Barrientos
7	Senator Craig Estes
8	Senator Robert Duncan
9	Senator Jon Lindsay
10	Senator Kel Seliger
11	Senator Todd Staples
12	PENSKE/ZENITH HAZARDOUS WASTE ISSUES:
13 14	Rafael Marquez, Commissioner TCEQ (Texas Commission on Environmental Quality) Austin, TX
15	Larry Soward - Commissioner TCEQ (Texas Commission on Environmental Quality) Austin, TX
16	Kathleen White - Chairwoman TCEQ (Texas Commission on
17	Environmental Quality) Austin, TX
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1 (NATURAL RESOURCE COMMITTEE HEARING BEGINS) 2 SENATOR KENNETH ARMBRISTER: Let me get my notes. 3 Senate Committee on Natural Resources will come to order. 4 The Secretary will call the roll. 5 **SECRETARY:** Armbrister? 6 SENATOR KENNETH ARMBRISTER: Here. 7 **SECRETARY:** Jackson? 8 SENATOR MIKE JACKSON: Here. 9 **SECRETARY:** Barrientos? 10 (No audible response). 11 **SECRETARY:** Duncan? 12 SENATOR ROBERT DUNCAN: Present. 13 **SECRETARY:** Estes? 14 SENATOR CRAIG ESTES: Here. 15 **SECRETARY:** Fraser? 16 (No audible response). 17 **SECRETARY:** Hinojosa? 18 (No audible response). 19 **SECRETARY:** Lindsay? 20 (No audible response). 21 **SECRETARY:** Madla? 22 (No audible response). 23 **SECRETARY:** Seliger? 24 SENATOR KEL SELIGER: Here. 25

SECRETARY: Staples?

SENATOR TODD STAPLES: Here.

SENATOR KENNETH ARMBRISTER: There is a quorum present. In your packets, members you have a copy of the proposed rules for the Committee. They are pretty much standard as far as they have always been and there are no changes to the rules of the Committee. Are there any questions concerning the rules?

SENATOR CRAIG ESTES: I move adoption.

SENATOR KENNETH ARMBRISTER: Senator Estes moves adoption of the rules. Is there objection? Chair hears none. The rules are adopted. The first item on the agenda is the status of material in the Texas Disposal site -- or Systems landfill resulting from an October 9th, 1997 trucking accident involving Zenith electronic components, TV picture tubes. We have asked the three Commissioners from TCEQ to come with us -- or come before us today to look into what the status of all of the issue is and of this particular waste that was deposited at TDS and now is being stored at TDS. So, at this time I would call Chairwoman Kathleen White, Commissioner Larry Soward, and Commissioner Ralph Marquez.

(SHUFFLING IN BACKGROUND)

SENATOR KENNETH ARMBRISTER: And if you could, Madam

Chair, if you could identify yourself and then your other

Commissioners likewise for the record.

1 CHAIRWOMAN KATHLEEN WHITE: For the record, I am Kathleen 2 Hartnett-White, Chairman of the Texas Commission on 3 Environmental Quality. 4 SENATOR KENNETH ARMBRISTER: Thank you. 5 COMMISSIONER LARRY SOWARD: Mr. Chairman, Senators, I am 6 Larry Soward, one of the three Commissioners at the TCEQ. 7 COMMISSIONER RAFAEL MARQUEZ: Chairman, members, I am 8 Rafael Marquez, a Commissioner at TCEQ. 9 SENATOR KENNETH ARMBRISTER: Thank you. Just to start 10 off, where are we? 11 CHAIRWOMAN KATHLEEN WHITE: Well, I would -- I really 12 welcome the opportunity to try to briefly on an extremely 13 complex matter share with you where I think we are. 14 SENATOR KENNETH ARMBRISTER: 15 CHAIRWOMAN KATHLEEN WHITE: And I think it will be 16 valuable to hear from all three of us on that, and not 17 surprising if the location is somewhat differently 18 described. This is a matter of not only a great length 19 of time, but tremendous factual legal complexity and one 20 that I think has really major public policy implications. 2.1 I am of the individual opinion it is important for the 22 state agency to reach a clear decision on this matter. 23 We have in large part been unable to do that to date for 24 a number of I think very important reasons. One very

much has to do with our process. We are in the middle of

an enforcement action. The Executive Director issued in May, 2004 a notice of violation to Penske concerning the waste at issue, which is in ninety-nine roll off containers at the TDS landfill. Our governing statutes really put enforcement of violations -- alleged violations of agency law, rule, and orders under the Executive Director. The Commission's role has been to review final settlements of enforcement actions, or to review administrative law judges' proposals for decisions in disputed settlement matters. This matter -- and one of the parties in this does not even think -- has legally argued the Commission does not have authority to make decisions during the pendency of this enforcement matter. I disagree that we do have authority, as this has unfolded. And the matter originally came to us as a motion to overturn a legal decision the Executive Director had made about a waste classification. I think as far as Commission authority to review that legal decision, we have plenty in Chapter 5 of the Water Code, as well as in some specific rules in the Health and Safety Code, which allow someone to challenge an agency waste classification. At that hearing where we addressed the motion to overturn, the Commission upheld Texas Disposal System's motion about this legal classification, which involved whether the waste in the ninety-nine roll

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off containers at the landfill should be classified -legally classified as hazardous waste or as special or mixed waste. Very different legal consequences following from either one of those -- we uphold -- we upheld Texas Disposal System's motion that that waste should be classified as hazardous. In my opinion, that meant the entire commingled load of cathode ray tube waste should be classified as hazardous. And in my reading of the Federal rules governing such, the Federal Resource Conservation and Recovery Act -- very specific actions fall from that, the key one being what the Federal rule calls the land disposal restrictions apply, which dictate how that waste must be transported, treated, and finally The Commission and the record will show disposed of. from that hearing, the Commission very self-consciously chose not to give the Executive Director specific instructions on what actions follow. And again, I can only speak for myself, I mean we have the record, but I shared that opinion for this very unusual position we were in -- in the middle of an enforcement matter. felt at that point a legal decision upholding that motion, and I also felt that there were very specific consequences that came from that motion -- that it would be inappropriate to dictate specific actions like language in a manifest and all the other actions that

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would have to follow from that. I subsequently think I was wrong -- that the issue given lots of things perhaps should have been far more clarified by the Commission at that September motion to overturn. And in the following motion, which again challenged the actions of the Executive Director on the basis of the Commission's decision to regard the waste as hazardous, we received a second legal challenge to what the Executive Director understood that legal classification as hazardous meant. We addressed that motion at that time. I felt that it was really the same motion before us -- is this waste hazardous? But what actions follow? If it is -- if the CRT waste in those ninety-nine roll off containers must be legally classified as hazardous, what must follow from I agreed with TDS motion to overturn that the actions in a letter that the Executive Director was taking or authorizing Penske to do did not follow from the legal decision we made. I attempted to re-articulate those legal grounds, and then to specify exactly what I thought actions would follow, which are in my individual opinion as follows: If it's hazardous, testing levels for concentrations of lead are irrelevant. Tf in a commingled fashion -- if that waste stream -- that waste volume is hazardous you have to physically separate all of the constituents, which are hazardous -- the cathode

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ray tube waste. And they go in one pile and they must be disposed of as hazardous at a hazardous waste landfill. The remaining waste then can be treated according to this protocol that is required by the Resource Conservation and Recovery Act to determine levels of lead concentration. And what reaches that level is disposed of as hazardous, and the remainder can be disposed of as non-hazardous. My motion did not receive a second, and we did not deal with any alternatives at this time. so nothing at this point is before the Commission, and we are in this awkward position I think of a very contentious, longstanding, complicated matter with at least traditionally a very different role for the Executive Director than the Commission. I would optimistically like to think that this -- if there was a Commission consensus that the state agency could reach a clear decision, and I think there are really important reasons for the state trying to make a final decision about this. I'll be happy to answer questions. I tried to do that as quickly as I could, and the legal issues are somewhat complex, but actually I think quite clear in the Federal rules, which are applicable to this situation.

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SENATOR KENNETH ARMBRISTER: Okay. Does anybody have any questions of Chairwoman White? Let me ask one thing when

1 you talk about the legal rules are quite clear, and you 2 talked about the commingling issue. 3 CHAIRWOMAN KATHLEEN WHITE: Uh-huh. SENATOR KENNETH ARMBRISTER: Meeting earlier during the 5

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interim whenever it was -- a while back -- at first the agency was citing to me a preamble to a proposed rule that I understand was never adopted, and I made the point then that I can believe Congress like I can believe the Legislature sometimes inadvertently leaves a loophole. It's hard to believe EPA and some of the staff people would leave such a big loophole in place that if I've got -- if these paper clips are hazardous and I move them over to an area and as everybody is looking the other way I dump some sand on them, it renders them non-hazardous. I can't believe that EPA ever intended for that to

happen.

CHAIRWOMAN KATHLEEN WHITE: Well, I don't think they did leave a loophole. And I think they were thinking actually in my reading of the preamble and the rule of waste like this, which are hazardous for reasons of toxicity.

SENATOR KENNETH ARMBRISTER: Right.

CHAIRWOMAN KATHLEEN WHITE: In Federal rule waste can be hazardous for reasons of corosivity, ignitability, or reactivity or toxicity.

SENATOR KENNETH ARMBRISTER: Right.

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CHAIRWOMAN KATHLEEN WHITE: And they actually -- and you know lawyers -- there are very credible different interpretations of all these.

SENATOR KENNETH ARMBRISTER: Right.

CHAIRWOMAN KATHLEEN WHITE: I can find a very clear reading if your objective is maximum public protection, or the possibility of bio accumulation of lead in the ground leaching into ground water. And avoiding ground water contamination is generally viewed as the goal of these land disposal restrictions for hazardous waste.

SENATOR KENNETH ARMBRISTER: Right.

CHAIRWOMAN KATHLEEN WHITE: And most particularly for waste hazardous for reasons of toxicity, which dilution or mixture can't trump.

SENATOR KENNETH ARMBRISTER: Right.

CHAIRWOMAN KATHLEEN WHITE: As they can perhaps for something like you know ignitability or reactivity.

SENATOR KENNETH ARMBRISTER: Right. I -- to me hazardous is gonna be hazardous. Nothing you can put on it -- this type of waste we're dealing with. I understand our next deal where you're talking about radioactivity, you can take water that's radioactive and remove the radiation out of it, and you've got some pretty good water. I wouldn't drink it, but I mean supposedly it's pretty

good water. (Laughter)

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CHAIRWOMAN KATHLEEN WHITE: Then you have the problem of how you dispose of the radioactive residue.

SENATOR KENNETH ARMBRISTER: (Laughs) Yeah. Then you've got the other problem that comes up. But -- okay.

Members do you have any other questions of the

Chairwoman? Whoever is next?

COMMISSIONER LARRY SOWARD: Sure, Mr. Chairman, Senators, again, Larry Soward for the record. I, too, appreciate the invitation to come before you today. During my confirmation proceedings last May, this very same matter was the focus of much attention and much discussion. answer to questions from Senator Barrientos and Senator Jackson and others, I stated then that I believe that there was a very straightforward, reasonable, and effective approach to dealing with this matter. And that was what I committed to do. Since this past September, I believe the TCEQ has done just that. Unfortunately, the two parties to this matter have demonstrated no intention of allowing the TCEQ to resolve this, unless we resolve it completely to their respective specifications. legal positions and posturing have prevented, and continue to prevent us from doing what needs to be done-getting the waste that is still there from this incident properly disposed of. It is truly unfortunate that the

Legislature must spend its valuable time dealing with a matter that likely offers no real legislative solution. No state, municipal, or hazardous waste laws or regulations are at issue here. All that is at issue here is the two parties' legal positions and their multimillion dollar lawsuit against each other. Eight lawsuits have been filed and are now pending. against the TCEQ, and one between Penske and TDS. firmly convinced that the only solution to this matter will be through the courts. Neither side will cooperate with the TCEQ to get this waste appropriately disposed Because by doing so, they fear they will jeopardize their legal positions and their lawsuit against each other. Mr. Chairman and Senators, you know me well enough to know that I am a very candid, no-nonsense, get the-job-and-move-on-to-something-else person. And to me the only issue here is proper disposition of the waste. And if that is the only issue that we're facing, the resolution to that is very simple and could have been accomplished months ago. Here's that simple resolution. TDS simply needs to release the commingled waste in the ninety-nine roll off bins to Penske. Penske needs to properly manifest the waste as hazardous according to state and federal law, and transport it to an authorized hazardous waste treatment and disposal facility. Once at

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such facility, the portion of the commingled waste that is the cathode ray tube waste, the D008 CRT waste needs to be properly disposed of in an approved hazardous waste disposal facility. The portion of the commingled waste that is not CRT waste needs to be properly disposed of in an approved municipal waste disposal facility. And there are several established and approved sampling and testing techniques and protocols that cover how this segregation can appropriately be done. You're likely to hear about 10 SW-848 or physical separation by reverse sort. 11 simple resolution is exactly what the Executive Director 12 on September 24th, 2004 directed Penske to do. That's why 13 the directive has not been overturned by the 14 Commissioners. However, neither Penske nor TDS will 15 allow that disposition to occur. Of course, the entire 16 contents of the ninety-nine roll off bins could be 17 disposed of in a hazardous waste disposal facility. 18 given that almost all of it is simply dirt and municipal 19 garbage, that would be taking up valuable, limited 20 hazardous waste landfill capacity in Texas to no reasonable end. And I continue to question the 22 reasonableness of that approach. So, as I stated 23 earlier, I believe that only the judicial process will 24 resolve this matter since it has boiled down simply to 25 litigation between the two parties. If Penske or TDS

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wanted this matter resolved, it would have been resolved six months ago when the ED issued the September 24th directive. I've spent a lot of time and research looking into this matter, as I committed to you to do back in May. Based on all of my review efforts, I am convinced that what the ED has directed to happen will result in proper disposition of the remaining waste consistent with state and federal laws. If that's what the parties want as well, then we all need to get on with it now. Thank you.

SENATOR KENNETH ARMBRISTER: Any questions? Senator Jackson.

SENATOR MIKE JACKSON: Larry, I thank you for your testimony today. (Clears throat -- excuse me). I hear what you're saying but it -- there are a few things that don't make sense and don't add up here. I'm looking at a manifest that you required -- that you said needed to be sent out and claimed by Penske.

COMMISSIONER LARRY SOWARD: Uh-huh.

SENATOR MIKE JACKSON: To dispose -- properly dispose of the hazardous waste.

COMMISSIONER LARRY SOWARD: Yes, sir.

SENATOR MIKE JACKSON: And I guess you know first thing I think we're looking at a very important policy issue for the State of Texas on whether or not waste can one day be

	hazardous, and then in a day or two it get mixed with
2	something else and maybe it's not hazardous anymore. I
3	don't think that's the intent of TCEQ or EPA or anybody
4	else. And I think that's what is happening right here.
5	But I look at the fine print on the manifest of the
6	second manifest that was done and it says, "As requested
7	by TCEQ, Penske is managing the material described in
8	this manifest at a hazardous as a hazardous waste
9	until it can be further tested and shipped off." How do
10	you do that? How do you switch from being hazardous and
11	then well maybe it's not hazardous? Because I think we
12	know the manifest is a legal trail of who's responsible,
13	who is handling, who generated it, who you know who
14	comes first here gets to be a big question in my mind.
15	COMMISSIONER LARRY SOWARD: Senator, I to me there is
16	no issue about the CRT waste being hazardous.
17	SENATOR MIKE JACKSON: Okay, then why does it say as
18	requested by TCEQ?
19	COMMISSIONER LARRY SOWARD: That's the Penske's
20	lawyers wrote that language.
21	SENATOR MIKE JACKSON: So, they were lying? Y'all didn't
22	request that?
23	COMMISSIONER LARRY SOWARD: I think that's their
24	interpretation of the September 24 th letter.
25	SENATOR MIKE JACKSON: Well, why didn't TCEQ do

1 something about that? 2 COMMISSIONER LARRY SOWARD: We have no authority to 3 direct what language is put in a manifest. SENATOR MIKE JACKSON: Oh, okay. So, if it's 5 incorrect then you don't have any authority to penalize 6 for that? 7 COMMISSIONER LARRY SOWARD: Not -- no, sir we don't. 8 let me answer your question though. There is no question in my mind that the CRT waste are hazardous, but you have 10 sixteen hundred cubic yards of stuff -- dirt, municipal 11 garbage, and some amount of CRT waste. To me, the CRT 12 waste that are hazardous need to be disposed of as 13 hazardous waste. My question is whether the balance of 14 that sixteen hundred cubic yards of dirt and garbage 15 needs to be disposed of as hazardous waste because it is 16 not hazardous waste. 17 SENATOR MIKE JACKSON: So, who changed it? How did it 18 change from hazardous to non-hazardous? 19 COMMISSIONER LARRY SOWARD: Municipal garbage and dirt 20 have never been classified as hazardous. 21 **SENATOR MIKE JACKSON:** That's not what we're talking 22 about that was hazardous to begin with. 23 COMMISSIONER LARRY SOWARD: No, what was hazardous to 24 begin with were the CRT waste -- the TV tube waste. 25 **SENATOR MIKE JACKSON:** Okay. So, when did it change

1 from hazardous to non-hazardous. 2 COMMISSIONER LARRY SOWARD: It did not change, Senator. 3 The CRT waste in those ninety-nine roll off bins are still hazardous. 5 SENATOR MIKE JACKSON: So, what's the -- I guess --6 COMMISSIONER LARRY SOWARD: It's just, Senator --7 SENATOR MIKE JACKSON: Where is the big dilemma? Where 8 is -- why is this so difficult to deal with? 9 COMMISSIONER LARRY SOWARD: It is not. That's why I said 10 it's very simple. You pull out the CRT waste that are 11 hazardous, and dispose of them as hazardous. What's left 12 is dirt and garbage, put it back in the landfill. 13 SENATOR MIKE JACKSON: This agency that is the second 14 largest environmental agency in the United States can't seem to get this done. 15 16 CHAIRWOMAN KATHLEEN WHITE: May I comment, Senator 17 Jackson? 18 SENATOR MIKE JACKSON: You have to ask the Chairman. 19 SENATOR KENNETH ARMBRISTER: Yes. We're looking for 20 answers. 21 CHAIRWOMAN KATHLEEN WHITE: I'm looking at the letter -the September 24th letter that the Executive Director sent 22 23 to Penske, which has the same language that you quoted 24 about the manifest which is the waste manifested as 25 hazardous until such time as it is conclusively

determined that no D008, that's the CRT waste at the level that is characteristically hazardous remains. believe from the brief submitted to us with these motions, that TDS has great concern with this and opposes this because of the same issue that was at stake on whether this is special waste, or whether this is hazardous waste. If -- if it is hazardous, you can't by sampling determine whether it's there or not. If it's hazardous it all has to be -- a hundred percent of it has to be physically separated. And it is from the briefs that we've received, I understand that TDS thinks this is very -- a very inadequate way for that waste to leave their landfill and go to a hazardous disposal site because it leaves unclear whether it will actually be -a hundred percent of it will be physically sorted. they will identify a hundred percent of the CRT waste that TDS' engineering specialist estimates could be from eight hundred to twelve hundred pounds of lead in all of the ninety-nine roll off containers, which is quite a bit of lead.

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SENATOR MIKE JACKSON: Okay. So, who would be liable?
Where would the liability trail fall in the scenario that you just outlined?

CHAIRWOMAN KATHLEEN WHITE: Well, I think TDS is concerned that without this complete physical separation

of the CRT waste and anything that is not that. That they may still be liable for any lead contamination issues that could occur because of waste that had lead in it being disposed of as non-hazardous.

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SENATOR ARMBRISTER:

SENATOR MIKE JACKSON: So, should they be, I guess? I mean is it their fault?

CHAIRWOMAN KATHLEEN WHITE: Should they -- should -- SENATOR MIKE JACKSON: Should liability apply to them?

COMMISSIONER RAFAEL MARQUEZ: Mr. Chairman?

Yes.

COMMISSIONER RAFAEL MARQUEZ: I think I'm getting confused, Senator. I think as far as the liability and as far as the manifest, the manifest is what tracks the -where the waste originated, who originated it, where is it going to be disposed of, and how it's gonna be disposed of. That is an EPA legal document. We've adopted it. And that is the purpose. Tracking cradle to grave. I think to answer an earlier question about the statements in the manifest. I think you made the statement that if it's incorrect, you know what do we do? The information that is required in the manifest is the origin, the type of waste, and who the originator of the waste is -- the generator of the waste is, and where it's gonna go to -- any other statements that are written on that manifest are beyond our control. That is not

1 something that we control. Anyone can write in anything 2 else they want to in that manifest as long as the basic 3 information we've required is there, and it's accurate 4 and it's complete. So, that part of it --5 SENATOR MIKE JACKSON: Which brings the question that I 6 asked a moment ago. What happens if it's not? 7 COMMISSIONER RAFAEL MARQUEZ: Well, if it is not the 8 generator of the waste is responsible for it. They are the ones who fill out the manifest. And the generator of 10 that waste in that manifest -- as I understand it -- is 11 Penske. Now TDS may have a fear that a court may make a 12 different decision at a later time, yes, I think that's 13 always a fear. But from our standpoint the generator of 14 that waste is Penske. They signed the manifest, and they 15 acknowledge it is their waste. 16 **SENATOR MIKE JACKSON:** So, TCEQ has no ability to levy a 17 penalty or do anything if they find someone that is 18 putting incorrect information on the manifest? 19 COMMISSIONER RAFAEL MARQUEZ: No, we do. We have that 20 authority. 21 **SENATOR MIKE JACKSON:** Oh, you do have that authority? 22 COMMISSIONER RAFAEL MARQUEZ: We have the authority. 23 SENATOR MIKE JACKSON: But I thought you said you 24 couldn't do anything. 25 COMMISSIONER LARRY SOWARD: Not about the language

you were talking about.

COMMISSIONER RAFAEL MARQUEZ: That's what I am trying to clarify is that additional language that Penske's lawyers decided to write on it -- on the manifest.

That's beyond what the manifest requires.

SENATOR MIKE JACKSON: Well, I guess we can't do anything about it, Mr. Chairman.

CHAIRWOMAN KATHLEEN WHITE: Except that language is from the Executive Director's letter to Penske.

senator craig estes: Thank you Commissioners for trying to enlighten us on this, and Larry, I appreciate you taking the definitive stand that yes, these ninety-nine containers contain hazardous waste. Last time we talked about this is from this Committee, one of your employees over there just was silent on the matter, and was unable to even say yes, no, or tell me to go jump in the lake. But what you're telling me here is that a sharp lawyer for a company puts something on a manifest that threw a monkey wrench into the whole thing, and we can't get this problem solved just because of some language that a lawyer put on a manifest, is that correct? Is that what you're telling me?

COMMISSIONER LARRY SOWARD: No, Senator. I think I said it was much more than that. I think it's the parties' positions against each other in a lawsuit for damages.

1 **SENATOR CRAIG ESTES:** Okay. 2 COMMISSIONER LARRY SOWARD: I think the language in 3 that manifest highlights some of the controversy between those two parties. 5 SENATOR CRAIG ESTES: Okay. So, basically at least from 6 your perspective, you're saying the agency is kind of 7 giving up on this and it's up to the courts to decide it? 8 COMMISSIONER LARRY SOWARD: We --SENATOR CRAIG ESTES: Your hands are tied so to 10 speak. I don't want to put words in your mouth. 11 COMMISSIONER LARRY SOWARD: I think we -- my view, this 12 is mine, is that what the Executive Director put in the 13 September 24th letter is the approach that will resolve 14 this issue. My point is that neither one of the two 15 parties will abide by that because it jeopardizes their 16 position in the lawsuit. And we -- the only -- our only 17 remedy is to go to the court ourselves and try to force 18 one or both of those parties to do what's been directed. 19 SENATOR CRAIG ESTES: Okay, thank you. 20 COMMISSIONER RAFAEL MARQUEZ: Could I make a statement? 21 SENATOR KENNETH ARMBRISTER: 22 COMMISSIONER RAFAEL MARQUEZ: I didn't get a chance to

make mine. Thank you for the opportunity, and I'll be very, very brief. I just want to make two basic points. If you look at the calendar of events, the accident

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occurred on October 9th, 1997. The resulting waste was cleaned up and secured by the next day. None of the actions taken were disputed by any of the parties. By April 29th, 1997 after review of the records during an inspection of the landfill, the waste was allowed to remain in the landfill. This essentially closed the record on this incident less than seven months after the accident occurred. No issues related to the agency actions were disputed at that time. This matter came alive again after the landfill operator dug the waste out of the landfill and placed it in dumpsters in January of 2004, about six years after this matter had been closed. TCEQ was not involved in the decision by the landfill operator to dig out the waste. Over the last few months, we have heard repeatedly that after seven years the agency has not resolved this problem. Such an accusation is disingenuous. Such statements hurt the credibility of our agency, and perhaps are meant to put pressure on the agency to make decisions that favor one private party over another. I am very concerned with -- and care too much about the reputation of our agency not to make that statement. My second point is that our mission is to protect human health and the environment. It is not to favor one private party over the other in private civil disputes. On September 24th, 2004 the Executive Director

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1 of TCEO issued a letter ordering the removal and disposal 2 of the waste that's currently in the dumpsters. 3 waste or any part of it which may test to be hazardous is to be handled and disposed of as a hazardous waste. 5 decision meets our primary criteria that the actions 6 taken be protective of human health and the environment. 7 It does not tilt the balance in favor of one private 8 party over the other in a civil dispute. This matter 9 could be resolved this afternoon if the landfill operator 10 allowed the waste to be removed from the landfill 11 premises, as ordered by the Executive Director. 12 you. 13 SENATOR KENNETH ARMBRISTER: Any questions? 14

SENATOR GONZALO BARRIENTOS: Senator Armbrister, forgive me I got stuck in traffic on the interstate. I want to ask a couple or three questions, but I don't want to be out of order here.

SENATOR KENNETH ARMBRISTER: No, that's fine.

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SENATOR GONZALO BARRIENTOS: So, proceed if you have other --

SENATOR KENNETH ARMBRISTER: No, go ahead.

SENATOR GONZALO BARRIENTOS: Let me cite what I think are some facts, and respond Commissioners. For example, I understand you issued a notice of violation, and I may be going over some material here. Please bear with me. A

notice of violation to Penske on May 13th of '04 -- that 1 2 was about seven years after the accident at which that 3 waste was generated. That notice of violation cited Penske for "failure to prevent the disposal of any 5 industrial solid waste or municipal hazardous waste 6 unless such activity was authorized by a permit, amend 7 the permit, or other authorization." You then set a 8 deadline for disposal of the waste. But later, to me 9 remarkably, when Penske proposed to dispose of the waste 10 without admitting it was hazardous, and then TDS 11 understandably balked at that proposal, your Executive 12 Director threatened to void that notice of violation and 13 publicly blamed TDS. Penske has not been penalized one 14 dime for that -- for those violations. Is that true? 15 Anybody? 16 CHAIRWOMAN KATHLEEN WHITE: At this point in time the --17 first of all it's really the early stages of an 18 enforcement process. 19

SENATOR GONZALO BARRIENTOS: Early stages?

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CHAIRWOMAN KATHLEEN WHITE: I mean from the date in May of 2004.

SENATOR GONZALO BARRIENTOS: Oh, I shouldn't count the seven years?

CHAIRWOMAN KATHLEEN WHITE: No, I'm talking about when the agency took action in May, 2004 in issuing a notice of violation. It has yet been, in my opinion, unresolved what will be required of Penske to correct those violations.

SENATOR KENNETH ARMBRISTER: Kathleen, could you pull that mike closer.

CHAIRWOMAN KATHLEEN WHITE: And whether it will remain what the agency calls a notice of violation, rather than a notice of enforcement. But you are correct, Senator Barrientos, that if a matter is resolved under the rubric of a notice of violation, there are no monetary penalties. But because it is not concluded or resolved that has not, that possibility has not been -
SENATOR GONZALO BARRIENTOS: Well, let me ask you this. As you know I'm not an attorney. In your opinion, professional, do you think that Penske and Zenith have probably spent more money fighting their responsibility to properly dispose of that waste than if they would have just packed it up and taken it somewhere where it was safe?

CHAIRWOMAN KATHLEEN WHITE: And I -- we -- I think we all have sometimes different opinions on this matter, so I don't want to -- but I have reflected on that prior to your question that there may -- who knows but there may have been already expenditures in excess of what hazardous waste disposal for the entire load would be.

1 **SENATOR GONZALO BARRIENTOS:** So, what would you guess? 2 CHAIRWOMAN KATHLEEN WHITE: What would I quess? 3 **SENATOR GONZALO BARRIENTOS:** Money-wise? 4 CHAIRWOMAN KATHLEEN WHITE: Money-wise. I would -- my 5 fellow Commissioners --6 SENATOR GONZALO BARRIENTOS: Well, now wait a minute. 7 Y'all are professionals. You're appointed by the 8 Governor and confirmed by the Senate of the State of Texas to be there, can you have an idea of how much money 10 it costs to move this hazardous waste from here to there? 11 Do y'all have any idea? 12 CHAIRWOMAN KATHLEEN WHITE: Do you Ralph? The disposal 13 of sixteen hundred cubic yards at a hazardous waste 14 disposal? I do not know. 15 COMMISSIONER RAFAEL MARQUEZ: I have not looked into that 16 number, Senator. I don't believe that that is what I had 17 to do, that my decisions should be based on that. 18 COMMISSIONER LARRY SOWARD: Senator, I asked that 19 question early on of staff, and ballpark answer I got 20 back was if the entire sixteen hundred cubic yards of 2.1 stuff in those ninety-nine roll off bins were transported 22 and disposed of at a hazardous waste site, it could be 23 about a million dollars. 24 SENATOR GONZALO BARRIENTOS: I wonder how much they've 25 paid attorneys to fight this so far?

COMMISSIONER LARRY SOWARD: All sides have probably exceeded that.

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SENATOR GONZALO BARRIENTOS: Mr. Chairman, I've got about twenty or thirty other questions, but I don't know if -- I think I'm gonna stop for the moment and try to settle down a little bit. I've been dealing with this for about seven years -- years. And as you know, this is the district which I represent, which impacts my colleagues from all over Central Texas and other areas. So, let me just stop for a moment there.

SENATOR KENNETH ARMBRISTER: Okay. Senator Lindsay?

SENATOR JON LINDSAY: Commissioner Marquez, did I

understand when you were making your comments that you

felt like it was unnecessary for TDS to actually deposit

ninety-nine roll off containers with this material? Is

it your opinion? Did I understand that right that you

didn't think that they really needed to do that? They

could've left it right where it was?

COMMISSIONER RAFAEL MARQUEZ: That is not the statement I made a moment ago. What I said --

SENATOR JON LINDSAY: Okay. Well, that's what I kind of thought you implied at least. Are you not saying that?

COMMISSIONER RAFAEL MARQUEZ: No, I didn't mean to say that it could be put back in the landfill where it's at now. I said that if -- if they allow Penske to go and

1 remove the waste, the dumpsters from the current location 2 in the TDS landfill, this matter would be over from 3 a regulatory standpoint. This matter would be over. SENATOR JON LINDSAY: I just thought earlier you might 5 have said that in your opinion it was not necessary for 6 them to package that stuff the way they did. You didn't 7 say that? 8 COMMISSIONER RAFAEL MARQUEZ: No, I did not say that. 9 Sorry. 10 SENATOR JON LINDSAY: I'm curious, it's been said a 11 couple of times here that this material could be 12 separated. What is the process for separating the 13 hazardous material from the dirt and the garbage? I mean 14 how hard is that to do? And how expensive would that be? 15 CHAIRWOMAN KATHLEEN WHITE: It was done before I believe 16 not long after the accident, I believe it's called a 17 negative sort process. I'm not exactly sure by what 18 engineering methods it was done, but it was done for a 19 smaller amount of mixed CRT and MSW waste I believe. 20 don't know what this was, but there is a process. 21 SENATOR JON LINDSAY: But now we're not talking about 22 We're talking about ninety-nine loads out there. 23 CHAIRWOMAN KATHLEEN WHITE: But it's the same process, I 24 believe the same process would be used.

COMMISSIONER LARRY SOWARD: You would literally have

1 to sift through ninety-nine -- sixteen hundred cubic 2 yards of dirt and garbage to pull -- to pull out CRT or 3 picture tube waste, which are --**SENATOR JON LINDSAY:** By hand? 5 CHAIRWOMAN KATHLEEN WHITE: No, I think it's a sifter --6 industrial type sifter. 7 COMMISSIONER LARRY SOWARD: But it does require manpower. 8 So, that's what we call negative sort. 9 SENATOR JON LINDSAY: Even a sifter I mean the smaller 10 hazardous material is gonna go through that sifter just 11 like smaller dirt would. 12 COMMISSIONER LARRY SOWARD: And we're talking about 13 broken glass. 14 SENATOR JON LINDSAY: I don't see how you can effectively 15 separate this material at this point in time. I'd like to 16 have that explained to me a little bit better. 17 COMMISSIONER RAFAEL MARQUEZ: Senator, just looking at 18 the chronology one month after the accident happened on October 10th, eighty cubic yards of CRT waste were removed 19 20 from that waste -- from the total wreckage waste before 2.1 it was all commingled in the landfill. So, there was a 22 separation that took place to begin with. Now what we 23 are talking about is -- any remaining CRT glass that may 24 have been left there. So, it is -- that and so many

cubic yards of municipal waste it's a task that's

gonna take quite a bit of labor.

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SENATOR KENNETH ARMBRISTER: I don't read it that way.

I'm looking at this document that was supplied to this

Committee by your staff on 10/10/97. It says TDSL

removed approximately eighty cubic yards of accident

debris. That's commingled waste. That's not CRT waste.

COMMISSIONER RAFAEL MARQUEZ: Right. It's commingled

from the accident, not commingled with the municipal

waste, I'm sorry.

SENATOR KENNETH ARMBRISTER: All right. So, you're saying that the pallets and the packaging are hazardous? COMMISSIONER RAFAEL MARQUEZ: No, I -- eighty cubic yards of the accident waste were removed because they were considered hazardous. I assume that what was removed was the CRT -- the glass primarily was removed. That's what had the lead contamination in it.

SENATOR KENNETH ARMBRISTER: All right. Go ahead, Senator.

SENATOR JON LINDSAY: I'm kind of still back at square one. It seems to me like when you try to separate this waste, you're gonna have as much hazardous stuff that sifts through the whatever you're sifting through as you had percentage-wise that you had to start with. And I don't see why we would be trying to separate that. It seems like yeah we've got ninety-nine loads of material

that needs to go to a hazardous waste site, and we ought to just get on with it and send it on down there.

Even if it does cost a million dollars.

CHAIRWOMAN KATHLEEN WHITE: That I think is one alternative. I think there are you know industry recognized means for physically sorting. And I think the two options I see that follow from my legal opinion, is that you have to treat the whole -- because of federal rule, you have to treat the whole commingled load as hazardous unless you do two things. One, is just what you said. Dispose of it all as hazardous. Or two, there is an industry recognized negative sort process, which is viewed as not losing more through the sifter than -- but actually separating that. And then there is a means of testing what remains after separation that can possibly reduce the cost of disposal. But those -- it would be my position that you offer those as two alternatives to

SENATOR JON LINDSAY: And that would be satisfactory to the agency if that were done?

CHAIRWOMAN KATHLEEN WHITE: We have not reached an agreement on that. That is my individual opinion.

SENATOR JON LINDSAY: And how about EPA? Are they -would they sign off on something like that as well?

CHAIRWOMAN KATHLEEN WHITE: They have not been

1 involved in this to this point, nor would I imagine they 2 would weigh in on something like this. But these are 3 what I mentioned, I could be more specific about what's required, they are EPA approved means of disposing of 5 commingled hazardous waste. 6 COMMISSIONER LARRY SOWARD: And Senator, if you read the 7 September 24th letter, that's exactly what the Executive 8 Director told Penske to do. 9 SENATOR JON LINDSAY: I'm sorry, I got distracted. 10 COMMISSONER LARRY SOWARD: I said if you read the September 24th letter from the Executive Director, that's 11 12 exactly what he told Penske to do. Penske has refused to 13 do it, TDA has refused to allow them to do it. 14 CHAIRWOMAN KATHLEEN WHITE: I would beg to differ in that I think this -- the September 24th letter is 15 16 insufficiently clear and gives Penske a number of really 17 alternative means of doing that. And therefore, I 18 understand the other parties' concern that the language is too open ended in the September 24th letter. 19 20 SENATOR KENNETH ARMBRISTER: Are you through, Jon? 21 **SENATOR JON LINDSAY:** Yeah. 22 **SENATOR KENNETH ARMBRISTER:** Senator Jackson? 23 SENATOR MIKE JACKSON: Okay. I'm sorry to be repetitive 24 here, but the letter that you're talking about on the

24th, I think the third line from the bottom it says, "In

any case the roll off containers must be removed from the TDSL facility by October 27th, 2004. And the waste manifested as hazardous waste until such time as conclusively determined that no D008 waste remains." And obviously that didn't happen, right? COMMISSIONER LARRY SOWARD: Right. SENATOR MIKE JACKSON: So, here it is. You guys -- the Executive Director say do this, and nothing happens. And you're telling me that you can't do anything about it. Is

COMMISSIONER LARRY SOWARD: No our only --

that right?

SENATOR MIKE JACKSON: This is a direct violation of the Executive Director's order to Mr. Marc Althen or whatever his name is, and he didn't do it. So, what -- why should anybody in the State that is dealing with hazardous waste if they're a generator, it would be -- this would be perfect for me. I wouldn't -- I'd just send my waste to a regular municipal landfill and then you know I wouldn't have to worry about it anymore.

COMMISSIONER RAFAEL MARQUEZ: Senator, this letter was addressed from the Executive Director to Penske.

SENATOR MIKE JACKSON: Uh-huh.

COMMISSIONER RAFAEL MARQUEZ: Ordering to remove the waste. It is our understanding that TDS has not allowed Penske to go in and remove the waste. And so who should

1 we take action against? If you give us a recommendation 2 you know as to who should we be taking action against? 3 SENATOR MIKE JACKSON: Commissioner, I don't want to try to tell you how to do your job. All I can do is sit here 5 and observe and you make references that members of this 6 Committee are trying to take sides and steer you to take 7 sides for one private party against another private 8 party. My district, you know where it is, Texas City and Pasadena and Galveston and Brazoria County doesn't have 10 anything to do with Penske. It doesn't have anything to 11 do with the landfill in Buda or wherever it is. 12 honestly concerned about the people in the State of Texas 13 and this agency taking care of hazardous waste, which 14 last time I checked that was one of the duties that this 15 agency is charged with. But yet everything that I see 16 here is that you can't do anything. And that's what I 17 take issue with. 18 COMMISSIONER RAFAEL MARQUEZ: And it's frustrating for 19 all of us. 20

SENATOR MIKE JACKSON: Well, I mean if you can't -- if you can't I don't really know who can. I'm a little bit perplexed you know, I apologize. But it just is very frustrating to me that an agency with as many people that you have with as many liberties as the Legislature has chosen over the years to give you in rule making

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authority. You know in a lot of bills that we've passed, we get mad at you because you make too many rules. And then on this one you're saying you can't do anything. So, it's really confusing to me to try to understand how this has gotten the way it is.

CHAIRWOMAN KATHLEEN WHITE: Senator Jackson, subsequent to this September 24th letter there was another motion to overturn this, which came you know it took a month or two to get before the Commission. It came before us in December, and it was not upheld. There was a motion and no second. But for part of the time there was a reason why no action came from them. But now with the second motion which failed to challenge this, this would remain as the Executive Director's interpretation of the September decision that the Commission made. I must add that it's difficult, the Commission has not been -- I think has credible different opinions on how to handle this. And it's very difficult for the Executive Director to know what the will of the Commission is when we have had different --

SENATOR MIKE JACKSON: When you can't get a second on a motion.

CHAIRWOMAN KATHLEEN WHITE: Well, or the -- an alternative or I think we were insufficiently clear in September, it is my individual opinion. I think we failed

the Executive Director in not being specifically clear to maybe avoid some of the problems about language in the manifest and all of those things. I assume we were hesitant because I would prefer that was the Executive Director's role, but the purpose is -- I can understand why people feel the court is the proper venue for this, not the agency. It is my hope that the state agency could reach a decision, but you have to have a critical mass.

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COMMISSIONER LARRY SOWARD: Senator, let me follow-up because I think -- I think the agency could address this. We can go to court and get a court order requiring the parties to comply with this. And that's why I said it's gonna take the courts. Because we can't go out there and make TDS open the gates. So, it will take a court order for this agency to enforce this. That's where we are.

SENATOR KENNETH ARMBRISTER: Senator Barrientos?

SENATOR GONZALO BARRIENTOS: Let me follow-up on Senator Jackson and that last comment about that motion to -- I believe you made it, Commissioner. You didn't get a second.

CHAIRWOMAN KATHLEEN WHITE: December hearing, yes.

SENATOR GONZALO BARRIENTOS: Right. Commissioner Soward,
we talked about this before.

COMMISSIONER LARRY SOWARD: Yes, sir.

1 SENATOR GONZALO BARRIENTOS: I think before the last 2 confirmation hearings. At that time, correct me if I'm 3 wrong, a trial judge had recently ruled a mistrial in the 4 Penske/Zenith TDS matter, right? 5 COMMISSIONER LARRY SOWARD: Yes sir. 6 SENATOR GONZALO BARRIENTOS: And that judge had the 7 opinion that the matter ought to be settled by the 8 appropriate state agency TCEQ rather than the court, is 9 that right? 10 COMMISSIONER LARRY SOWARD: I recall reading that in the 11 paper, yes sir. 12 SENATOR GONZALO BARRIENTOS: Okay. At your confirmation 13 hearing, I asked you if you agreed and you did. 14 COMMISSIONER LARRY SOWARD: Yes, sir. 15 SENATOR GONZALO BARRIENTOS: And then this past December 16 you said at a public hearing at the Commission that the 17 issue needed to be settled in court. What's changed? Is 18 that waste still hazardous? Do you still think that it 19 was generated at the accident scene? Does the Commission 20 then, as we've been talking, not have sufficient 21 authority to enforce it? What's hazardous and who's the 22 generator? 23 COMMISSIONER LARRY SOWARD: I don't think any of those 24 facts have changed in my mind. I think the CRT waste are

hazardous. I think Penske is the generator by law.

I think the CRT waste still in those ninety-nine roll off bins are hazardous. I do not believe by law that the balance of that sixteen hundred cubic yards is hazardous. What has changed from my perspective, and as -- you missed my statement. But what I said was I committed to y'all to try to get to the bottom of this and try to find a solution to it. And I think there is a simple solution. But the problem is now, and what has changed is, there are eight lawsuits that have been filed on this matter. And we have two parties that are unwilling for the matter to be resolved because it jeopardizes their legal positions. It has nothing to do with the proper disposal of the waste. That could be done this afternoon like Commissioner Marquez said.

SENATOR GONZALO BARRIENTOS: Do you think that had you

SENATOR GONZALO BARRIENTOS: Do you think that had you all gotten to the shall we say nitty-gritty much earlier it could have been solved with all of this now legal mumbo-jumbo going on and the fix that I think the agency has put itself in?

COMMISSIONER LARRY SOWARD: I believe we got to the nitty-gritty in September. And it could have been resolved then.

SENATOR GONZALO BARRIENTOS: Isn't that what Commissioner White was trying to do in trying to get a second?

COMMISSIONER LARRY SOWARD: You'll have to ask

Commissioner White what she was trying to do. I believed at that time that the September $24^{\rm th}$ letter was exactly what the Commissioners had said.

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SENATOR GONZALO BARRIENTOS: Let me ask Commissioner White, you're right. Tell me if this is the proper characterization at that December hearing. You wanted the commingled waste physically separated into hazardous and non-hazardous. The purportedly non-hazardous pile tested to ensure the sorting was done properly, and the hazardous pile shipped to a licensed hazardous waste disposal site. Is that the gist of it? In your opinion—I'm sorry go ahead.

CHAIRWOMAN KATHLEEN WHITE: I would add that was necessary to try to specify in a manner it was not done at the September hearing, and in my individual opinion is not reflected in the Executive Director's letter. And actually in my opinion because of the plethora of lawsuits, it seems as if every month yet another one, that if it was possible to reach a consensus among the Commissioners, it was important for the agency to take a very clean, clear position supported by law, which I think is possible and which addresses the broader public policy implications for being extra protective about — certainly keeping hazardous waste out of municipal solid waste landfills affecting transporters of solid waste.

And in fact, the position is the position of Texas

Disposal Systems, so it could be viewed as I mean one

could look at this as huge and saying it's so tortured

that it's inappropriate for the agency to tilt perhaps on

either side. But to me law, policy, and fact led me

very confidently to that conclusion.

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SENATOR GONZALO BARRIENTOS: So, do you think the agency could still require those actions that you were trying to--

CHAIRWOMAN KATHLEEN WHITE: I think it would involve the three of us at again in another public setting because as I just -- to speak you know candidly right here, we can't speak to one another as you all know. So, on these rare occasions where we are all together and can speak. I believe Commissioner Soward -- he joined my motion in September that was a decision in regards to CRT waste as hazardous. I think he regards the Executive Director's interpretation of that in his letter as sufficiently clear. I do not. I do not think it is sufficiently clear for reasons of law and precedent. But perhaps there is-you know where I have no idea. I can't speak for Commissioner Soward.

COMMISSIONER LARRY SOWARD: Senator, I have never sensed that there is a difference of opinion between the three of us on what needs to be done here. And I think even

1 what Chairman White just said is exactly what I've been The letter is extremely clear. It says do one 2 3 of two things Penske, remove the waste and dispose all of 4 it in a hazardous waste disposal site, or segregate the 5 hazardous waste out and dispose of it. How much clearer 6 do we need to be? The Executive Director doesn't 7 misunderstand it. Penske doesn't misunderstand it. 8 SENATOR GONZALO BARRIENTOS: Okay, fine. So, what 9 screwed that up? 10 **COMMISSIONER LARRY SOWARD:** What screwed that up? 11 lawsuits and more motions to overturn. And parties not 12 willing to say yes we agree this is what you ordered us 13 to do. 14 SENATOR GONZALO BARRIENTOS: And the disclaimer is on the 15 manifest? 16 COMMISSIONER LARRY SOWARD: 17 **SENATOR KENNETH ARMBRISTER:** Senator Duncan? 18 SENATOR ROBERT DUNCAN: I've been trying to follow this, 19 and I nearly just thought about withdrawing my question 20 because it seems pretty simple to me, and I don't know. 2.1 I'm trying to figure out how -- you know you should have 22 the ability to do this either by filing your own lawsuit 23 and just taking -- getting injunctive relief against both 24 of these companies. It seems like you would be -- if

they're not obeying your orders then you should be able

1 to do that. And I don't know what it takes to get that 2 done, but my question would be this. Do we need to do 3 something legislatively to make this -- to resolve this? 4 COMMISSIONER LARRY SOWARD: Senator, as I said in my 5 statement, I don't believe that there's any legislative 6 issue involved here -- either municipal solid waste 7 laws or the hazardous waste laws. 8 SENATOR ROBERT DUNCAN: So, my next question then would 9 be -- so assuming the interest that's yours -- anybody, 10 y'all differ with that? 11 COMMISSIONER RAFAEL MARQUEZ: I agree with Commissioner 12 Soward. 13 SENATOR ROBERT DUNCAN: Commissioner White? 14 CHAIRWOMAN KATHLEEN WHITE: I agree with Commissioner 15 Soward, but I just reiterate I think that -- I do not 16 think we just have parties that won't cooperate with one 17 another. I think the reason the second motion to 18 overturn came to the agency is there were some very 19 significant legal, factual issues, yes, raised by Texas 20 Disposal Systems, which I in fact think are important. And for the reason for their resistance to action coming 2.1 22 from this earlier letter. 23 SENATOR ROBERT DUNCAN: So, I guess what I'm trying to 24 figure out is I think to the question from this -- I

think everybody here is wanting some resolution, and so

what's gonna happen? I mean that's the bottom line here. What are y'all gonna do? We've talked about the problems and why we can't do this and why we can't do that. What are we gonna do?

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CHAIRWOMAN KATHLEEN WHITE: I think there are a range of alternative things which could happen. Some of them I hope don't. But I mean as far as what's within the realm of possibility for the Commission, the September motion stands as a legal motion. The December motion failed for want of a second. But the September motion is a legal decision of the Commission, and this letter from the Executive Director to Penske is the Executive Director's response to that September decision. The Executive Director traditionally, if you're thinking about injunctive actions, that is again according to our governing statutes the prosecuting of enforcement matters is the Executive Director's role -- does not need to come before us for authorization and review. So, that could occur without review of the Commission. The Commission also I think could take an action giving further direction to the Executive Director.

SENATOR ROBERT DUNCAN: To either seek injunctive relief for some other --

CHAIRWOMAN KATHLEEN WHITE: Right. It would legally be very odd because -- but I think our general powers

are sufficient to allow us to do that.

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SENATOR ROBERT DUNCAN: Can we anticipate that y'all will do that pretty quick? Or are we gonna --

CHAIRWOMAN KATHLEEN WHITE: I would be -- I would be willing to -- we also may be not agree again. We couldn't act the last time. My goal would be because the policy I think is important of doing so to act and to reach a consensus. But we could not reach a consensus before.

SENATOR KENNETH ARMBRISTER: I'm not real sure I understand some of the things that's happened. And let me tell you why. Over the years I've dealt with the agency albeit different Commissioners, different ED's. One incidence was a body shop where a guy had an open quart of used paint on the ground behind his shed. the regional man went out and cited him for it, fifteen thousand dollar penalty. Most recently a fellow that had been in the concrete business for -- since '71 had always been grandfathered. They came out and proposed a penalty of 1.7 million dollars. I'm not understanding -- you've got a notice of violation. I'm not understanding why there wasn't a proposed penalty. I mean this is inconsistent with the track record of the agency. me what it is about this instance that changes everything that you've been doing over there? We had hours and

hours of testimony on the issue of environmental citizens last session where penalties were being assessed by you and by various District Attorneys around the state. I'm not understanding -- y'all talk about these lawsuits. Cite me one other instance where a lawsuit has stymied the ability of the Commission to do what they're supposed to do. Cite me one other instance.

COMMISSIONER LARRY SOWARD: I'm not sure we've ever -- let me answer from my perspective, Senator. Since I've been there I have not seen a lawsuit or number of lawsuits like this filed while something was pending. Every time this agency tries to make a decision, we get a lawsuit filed.

SENATOR KENNETH ARMBRISTER: Well, let's talk about it. This accident according to the time line that was provided to us by the staff at TCEQ occurred October the $9^{\rm th}$ of 1997.

COMMISSIONER LARRY SOWARD: Yes, sir.

SENATOR KENNETH ARMBRISTER: October the 10th, eighty cubic yards of accident debris was removed. Nearly a month later TCEQ Austin Regional Office requested in writing that Penske verify the accident waste and that it be cleaned up and properly disposed. Three months later, Penske hired Code Three to go through the accident. And sometime during that month, the 23rd, TDSL sues Penske in

district court. Well, if it comes to you on the $9^{\rm th}$ and 1 2 both Zenith and Penske self-categorize their CRT waste as 3 D008 after some of it was sent to the landfill in '97. I'm like Senator Barrientos, I'm not an attorney but if 5 I'm a licensed landfill operator, and I've gone through 6 from the time of the accident until the time the lawsuit-7 the first lawsuit was filed not against the department, 8 but against one of the involved parties. Four months and 9 nothing is happening, I'm not understanding some things. 10 I mean I --11 COMMISSIONER LARRY SOWARD: Senator, note the entry April 12 29th, 1998. 13 SENATOR KENNETH ARMBRISTER: Gotcha, all right. 14 COMMISSIONER LARRY SOWARD: In which our regional office 15 inspected the facility and stated in their final 16 inspection report that the commingled waste was allowed 17 to remain at the landfill. 18 **SENATOR KENNETH ARMBRISTER:** Okay. 19 COMISSIONER LARRY SOWARD: Note that nothing happened 20 again until January the 29th of 2004. 21 SENATOR KENNETH ARMBRISTER: Okay. 22 COMMISSIONER LARRY SOWARD: Which Commissioner Marquez 23 alluded to. When TDSL dug up the entire cell of their 24 landfill that contained municipal waste and other waste. 25 It was received on October 9th, 1997. They dug that

1 entire cell up and put it in ninety-nine roll off bins. 2 SENATOR KENNETH ARMBRISTER: Right. 3 COMMISSIONER LARRY SOWARD: So, from April of '98 until January of '04, no parties had an issue with this. 5 is interesting about the January '04 date, that's when 6 the litigation in Hays County kicked back up. 7 SENATOR KENNETH ARMBRISTER: Well, I guess that's one way 8 of looking at it. But if you had to go to court to begin 9 with and you're waiting on the court all this time, 10 they're probably not gonna be hammering y'all. 11 COMMISSIONER LARRY SOWARD: If it was the issue -- I 12 don't understand why it wasn't an issue with any of the 13 parties after April of 1998 and suddenly it was in '04. 14 SENATOR KENNETH ARMBRISTER: It should've been an ongoing 15 issue with your agency because they are not permitted to 16 handle it. And if your agency took action a month after 17 the accident and demanded in writing to verify the waste 18 and clean it up, and properly dispose of it -- how come 19 y'all didn't do anything during that period of time? 20 COMMISSIONER LARRY SOWARD: Because in my review of the 2.1 records with the removal of the eighty cubic yards of the 22 accident debris --23 SENATOR KENNETH ARMBRISTER: Uh-huh. 24 COMMISSIONER LARRY SOWARD: This agency believed that 25 there was sufficient cleanup of that waste.

1 **SENATOR KENNETH ARMBRISTER:** Where is that on here? COMMISSIONER LARRY SOWARD: On that chronology? 2 3 SENATOR KENNETH ARMBRISTER: Uh-huh. COMMISSIONER LARRY SOWARD: I think --5 SENATOR KENNETH ARMBRISTER: The eighty cubic yards was 6 removed 10/10, how come your guy showed up a month later 7 and wanted more evidence? More action? If it was 8 sufficiently cleaned up with removal of eighty cubic yards, how come your guy showed back up? 10 COMMISSIONER LARRY SOWARD: Because in March of '98 was 11 when the seven roll off bins -- that's the amount of 12 waste that was reflected in the eighty cubic yards, when 13 it was ultimately disposed of. 14 SENATOR KENNETH ARMBRISTER: Uh-huh. 15 COMMISSIONER LARRY SOWARD: That's when we were in a 16 position to go out and track those wastes and determine 17 what I believe the agency found was the significant 18 portion of the waste had been removed and properly 19 disposed of, and what was left, if any, could remain at 20 the landfill. 21 SENATOR KENNETH ARMBRISTER: All right. 22 COMMISSIONER LARRY SOWARD: That's just, Senator, that's 23 just my evaluation of the facts, and I think there could 24 be a disagreement. 25

SENATOR KENNETH ARMBRISTER: I understand.

COMMISSIONER LARRY SOWARD: Could I answer Senator Duncan's question too?

SENATOR KENNETH ARMBRISTER: Yes.

COMMISSIONER LARRY SOWARD: I think we're faced with just that. I think we're faced with going to court -- this agency is faced with going to court and getting a court order telling these two parties to comply with the Executive Director's directive. I think that's what we're faced with.

SENATOR KENNETH ARMBRISTER: Let me just say something about that. I'm real concerned about the Executive Director's directive if he has written an out for a party that has already admitted that it was D008 waste -- that it's hazardous. They're gonna fall back on that letter and say we were told to put that in there. Where are they gonna take it? Let's assume this manifest is good--TDS says come get it. Where are they gonna take it?

COMMISSIONER LARRY SOWARD: I don't know, Senator, what their final plans were. I know where they took the eighty roll -- eighty cubic yards and where I believe they have proposed to TECO.

SENATOR KENNETH ARMBRISTER: TECO. And I talked to Robert Kiser this morning who is the manager of TECO, who has seen this manifest. He says there is no way in hell he would ever be in a position to accept that with this

1 manifest -- not with that provision on there. There is 2 no way because he would end up just like TDS would end up 3 as being the holder of the hazardous waste in the chain of possession. So, if you go -- if you go and seek an injunction based on the September 24th letter that Penske 5 6 used in this provision in the manifest, where are you 7 gonna take it? Nobody will take the stuff. 8 CHAIRWOMAN KATHLEEN WHITE: Senator Armbrister --9 SENATOR KENNETH ARMBRISTER: You can get a court order 10 all you want to, but it's kind of like our next issue. 11 Where are they gonna take it? 12 CHAIRWOMAN KATHLEEN WHITE: Senator Armbrister, I also 13 think that my reading of the language in this letter 14 would allow Penske to take it whether it was to a 15 hazardous waste landfill or another type of landfill and 16 go back to treating it as mixed waste and test the 17 concentration of level, and then dispose of it 18 accordingly. I don't think there's anything in this that

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September decision.

SENATOR KENNETH ARMBRISTER: Let me just ask a hypothetical. Let's suppose tomorrow you all got together and said we're going to be three and 0 vote, not a one and die lack of a second vote. What precedent does

dictates that it all has to be physically separated,

which I felt was a legal consequence following from the

that set? Looking at the fact situations in this violation— notice of violation 2004 — and y'all go tomorrow and you say you know what we've had — we've thought this over and we're gonna vote with Chairwoman White on her motion. What kind of precedent does that set?

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CHAIRWOMAN KATHLEEN WHITE: I don't even quite understand what -- what --

COMMISSIONER RAFAEL MARQUEZ: I think there is two opinions in the decision that we could possibly make and what precedent it may or may not set. On one side, we hear that if we do not declare this waste was all hazardous all the time and forever, that it would open the door for unscrupulous generators to send waste to municipal landfills and claim some excuses that they didn't know or the law was not clear. On the other hand, if we make the decision to allow waste that's being disposed of and then scavenge out of the landfill, that may also be setting a precedent that any old landfill can dig out waste that was put there who knows when and now create a new issue that would be very expensive and difficult to solve, and would probably add to environmental consequences rather than eliminate them. So, I think there is -- people can dream up implications on both sides, Senator. I think this is a very unique

1 case. I don't believe that this is a precedent setting 2 case either way. 3 SENATOR KENNETH ARMBRISTER: There's no other case before 4 the Commission that has some similarities to this? 5 COMMISSIONER RAFAEL MARQUEZ: I do not believe so. Not 6 that I'm aware of. 7 SENATOR KENNETH ARMBRISTER: There's a lot of landfills 8 that's got this in it just sitting over there -- just 9 keeps moving it around. Watching what's going to happen 10 on this one. Where a lot of your executive staff has 11 connections to that company. What about that? Not 12 worried about that precedent? 13 COMMISSIONER RAFAEL MARQUEZ: Which landfill did you say? 14 SENATOR KENNETH ARMBRISTER: There's another landfill in 15 the State of Texas that was purchased by another landfill 16 operator that has some hazardous waste in it that's just 17 been moved around, it's not in any containers. 18 COMMISSIONER RAFAEL MARQUEZ: I'm not aware of that, sir. 19 That's --20 SENATOR KENNETH ARMBRISTER: Well, you've got a lot of 2.1 employees on your executive staff -- not just yours, it's 22 up there in hierarchy -- it's either husbands or wives or 23 whatever connected to the company that owns that landfill

watching this very closely. That doesn't sit real good

with me or this Committee. That's what's clouding our

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1 issue as a matter of public policy, I can quarantee you. 2 If you want the name of your employees, I'll be happy to 3 supply them to you. But you should know them. Questions 4 Senator Barrientos? Wait, one more thing. Mr. members? 5 Marquez, I am a little concerned with your statement and 6 I want you to explain it to me. In your statement to a 7 Mrs. Horinko of the EPA, where is that at -- "I think 8 that RCRA -- RCRA is probably the worst environmental law 9 that Congress has ever written, primarily because it 10 leads to so many absurd results." As a Commissioner is 11 it your job to interpret the intent of Congress to make 12 a -- are you telling this Committee that you're making 13 decisions over there because you agree or disagree with a 14 law that the Federal Congress has passed? 15 COMMISSIONER RAFAEL MARQUEZ: No, sir. Texas has a --16 SENATOR KENNETH ARMBRISTER: Then what was that statement 17 about? 18 COMMISSIONER RAFAEL MARQUEZ: That statement is one that 19 anyone who was working with the RCRA program realizes 20 that there are a number of situations where definitions 2.1 are used not based on risk, but based just on a 22 definition that someone came up with at the time the 23 rules were passed. And there is a number of situations, 24 well documented, where actions are taken. For example, 25 some waste are classified as hazardous and are handled as

1 hazardous, when there is not a risk -- a relative risk 2 that goes with them that deserves that classification. 3 But that is the law -- that is the law -- we do not 4 change that. 5 SENATOR KENNETH ARMBRISTER: I don't need your 6 interpretation of the federal law. What I want to know 7 under oath before this Committee, are you telling us that 8 you make decisions based on laws that you think are 9 good laws, bad laws, or are you basing them on the facts? 10 COMMISSIONER RAFAEL MARQUEZ: Based on the law, sir, I 11 was sworn in to uphold the law. I follow the law. I may 12 not agree with the law in some cases, but I have to 13 follow the law. And that's the basic premise in every 14 decision I've made for nine and a half years at the 15 Commission. 16 SENATOR KENNETH ARMBRISTER: Is that your opinion on air 17 quality issues over there? 18 COMMISSIONER RAFAEL MARQUEZ: I follow the law, sir. Yes, 19 sir. I follow the law. 20 SENATOR KENNETH ARMBRISTER: Do you think in your terms 21 it's the worst law ever written? 22 COMMISSIONER RAFAEL MARQUEZ: I think RCRA of all the 23 federal laws that have been written, it's probably the 24 worst one in the way that it has to be implemented.

If it is, as a

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SENATOR KENNETH ARMBRISTER:

1 Commissioner with TECO, which member of our federal 2 Congress delegation have you contacted about changing 3 this worst law? COMMISSIONER RAFAEL MARQUEZ: Sir, that's beyond what I 5 can handle --6 SENATOR KENNETH ARMBRISTER: Your answer is none? 7 COMMISSIONER RAFAEL MARQUEZ: None. Yes, sir. 8 **SENATOR KENNETH ARMBRISTER:** Your answer is none? 9 COMMISSIONER RAFAEL MARQUEZ: Yes, sir. 10 SENATOR KENNETH ARMBRISTER: Well, I'm gonna tell 11 you that statement casts some severe doubts in my 12 mind about your ability to stay there and serve. 13 COMMISSIONER RAFAEL MARQUEZ: Yes, sir. 14 SENATOR KENNETH ARMBRISTER: I wish you would have made 15 those statements during confirmation. Senator Lindsay? 16 SENATOR JON LINDSAY: A couple of quick questions. First 17 of all, was it -- maybe you've answered this, but is it 18 possible in this letter that you wrote on September 24th 19 last year to include a threatened penalty into this if 20 they hadn't agreed -- hadn't done the things that are in 2.1 the letter? Could a penalty have been in this letter at 22 all? 23 CHAIRWOMAN KATHLEEN WHITE: Anything is possible just in 24 a nutshell. This is either actions required in a notice 25 of violation. If actions are not fulfilled if you do not

1 do what the agency tells you in a notice of violation 2 then it usually goes up to enforcement and penalty --3 normal penalties. SENATOR JON LINDSAY: You don't mention it in this letter 5 of course. But you could've. 6 CHAIRWOMAN KATHLEEN WHITE: We could've. 7 SENATOR JON LINDSAY: You could've put it in there. 8 CHAIRWOMAN KATHLEEN WHITE: Either actions required in a notice of violation and if not complied with by a certain 10 date, the next step in the enforcement could have been 11 articulated. 12 SENATOR JON LINDSAY: Okay. Then is it too late to 13 review this letter and start over on this letter? 14 CHAIRWOMAN KATHLEEN WHITE: And this is the Executive 15 Director's letter, you know not the Commissions. 16 SENATOR JON LINDSAY: I know, but you can instruct him to 17 couldn't you? 18 CHAIRWOMAN KATHLEEN WHITE: As I have said earlier, and 19 again we may have had credible differences of opinion 20 about this, I had thought when I tried to make a motion 21 at a December hearing that it was necessary to be far 22 more specific in instructions to the Executive Director

on what actions could or could not be taken. And I think

that if the agency is to reach a clear decision on this

outside of the courts, that it would require that level

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of specificity. The applicable law and these actions 2 must follow, and these must not. 3 **SENATOR JON LINDSAY:** So, it's a reasonable option to say okay we're gonna redo this. 5 CHAIRWOMAN KATHLEEN WHITE: It's highly unusual, but if--6 for my individual reasons, I think the policy 7 implications and the level of interest in this, and the 8 longstanding tortured problem, to me I felt it was very important for the State agency to try to reach a clear 10 decision. Maybe in years reversed by a court, 11 but nonetheless a clear decision afforded by law and 12 fact. 13 SENATOR JON LINDSAY: So, this would be an option to redo 14 the letter and start again? 15 CHAIRWOMAN KATHLEEN WHITE: Yes, if the Commission could 16 all agree. 17 SENATOR JON LINDSAY: Thank you. 18 SENATOR KENNETH ARMBRISTER: Senator Estes? 19 SENATOR CRAIG ESTES: I'm worried about the precedent 20 that this whole affair is setting for the future of our 21 State and hazardous waste generators. And I'd just like 22 any of the three of you to comment on this, does this 23 send a message that if I'm a hazardous waste generator, 24 and I can get my stuff mixed in with some garbage and

then hire a bunch of Philadelphia lawyers to tie it up

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1 and put handcuffs on a State agency that I can get out of 2 my responsibility taking care of this. 3 COMMISSIONER LARRY SOWARD: Absolutely not. From this 4 Commissioner's perspective. I think what we're saying is 5 you can't get away with it. You have to deal with the 6 hazardous waste that you put in that landfill eventually. 7 I understand the timing issues are inherent in this case, 8 yes sir. 9 SENATOR CRAIG ESTES: So, there's no bad precedent being 10 set here? 11 COMMISSIONER LARRY SOWARD: I don't think anybody should 12 consider this as a precedent, no sir. 13 SENATOR CRAIG ESTES: Okay. 14 COMMISSIONER LARRY SOWARD: And I would hope that the bad 15 aspects of it wouldn't be precedent either. 16 SENATOR CRAIG ESTES: I hope you're right, Commissioner. 17 Thank you. 18 SENATOR KENNETH ARMBRISTER: Senator Barrientos? 19 SENATOR GONZALO BARRIENTOS: I want to go back to those--20 Commissioners to that terrible federal law -- is this 2.1 statement correct? By federal law -- it does not allow 22 the mixing or dilution to equal treatment of hazardous 23 waste? Is that true? I only see one nod of the head. 24 **CHAIRWOMAN KATHLEEN WHITE:** You'll get three answers. 25

ahead, Commissioner Soward.

COMMISSIONER LARRY SOWARD: No, federal law does not allow mixture or commingling to render hazardous waste otherwise non-hazardous.

SENATOR GONZALO BARRIENTOS: Isn't that the reason that TDS I think went back to court because they couldn't rely on the TCEQ determination of that?

COMMISIONER LARRY SOWARD: I don't know why they went back to court, Senator. I think we made it clear in September, I think all three of us made it clear that the CRT waste was hazardous.

SENATOR GONZALO BARRIENTOS: But you were gonna let them move it anyway?

COMMISSIONER LARRY SOWARD: Yes, sir.

CHAIRWOMAN KATHLEEN WHITE: Senator Barrientos, I think and you differ on this credibly, but I think at the September decision we all -- there was the motion passed to consider it hazardous, but what was omitted from that and that's the lack of clarity I speak of, is how that addressed the entire sixteen hundred cubic yards of commingled CRT waste in the ninety-nine roll off containers and what specific manner of manifest treatment and disposal would follow from that. Because the subsequent dispute about the Executive Director's letter and then the second motion to overturn had to do with a dispute about what followed from, in my opinion, what

1 followed from the decision regarding the CRT waste itself 2 as hazardous. 3 SENATOR GONZALO BARRIENTOS: Okay. Commissioner Marquez, and I'm not being facetious here, but the worst 5 environmental law that Congress ever wrote, would you 6 care to comment on what might be the next worst 7 environmental law that Congress has written? 8 COMMISSION RAFAEL MARQUEZ: They have not written one in quite a few years, so I hope it's several years more 10 before they do. 11 SENATOR GONZALO BARRIENTOS: Okay. Mr. Chairman, I'm not 12 gonna ask any more questions. There is other business to 13 transact, but I would like to make a comment at the 14 proper time. 15 SENATOR KENNETH ARMBRISTER: Okay. Senator Jackson? 16 SENATOR MIKE JACKSON: Just one quick question, 17 Commissioners. Could you as an agency give Texas 18 Disposal Systems an order or certificate or a blanket 19 statement that said -- that absolved them of all 20 liability in where this waste went? And therefore they 21 could release that waste and the generator be responsible 22 for the liability issue for disposal? 23 COMMISSIONER LARRY SOWARD: Senator, I've seen a letter 24 that says just that. 25 CHAIRWOMAN KATHLEEN WHITE: But I'm not certain

1 whether another's view of the liability flowing from the law we've been speaking about RCRA -- the Resource 2 3 Conservation Recovery Act. I'm not certain whether that this agency's letter absolving TECO's liability would 5 hold under someone who challenged it under the law. 6 SENATOR MIKE JACKSON: Whether or not that would stick. 7 But it could -- it could though state that according to 8 the second largest environmental agency in the United States of America state that according to that agency 10 that there was no liability -- should be no 11 liability trail to the landfill. 12 COMMISSIONER RAFAEL MARQUEZ: Senator, to me that is what 13 the manifest tries to accomplish. It says who the 14 generator of the waste is, and there's no question about 15 The manifest has to say who generated that waste. 16 SENATOR MIKE JACKSON: Well, not -- okay. Let me -- did 17 you see the -- what was written under special conditions 18 or whatever on this manifest? It states exactly the 19 opposite of what you're saying. 20 COMMISSIONER RAFAEL MARQUEZ: Well, it's a disclaimer 21 that carries no weight as far as identifying who the 22 generator is. I think there is -- you know some lawyer 23 wrote on it as a disclaimer, but that doesn't say that 24 Penske is not the generator of that waste.

SENATOR MIKE JACKSON: Okay. But isn't it true

that these manifests have to be signed? Do they have to be signed by both parties?

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COMMISSIONER RAFAEL MARQUEZ: By the generator and the party that transports it and the party that receives the waste.

SENATOR MIKE JACKSON: Okay. By affixing a signature to that would they not be agreeing with that statement?

COMMISSIONER RAFAEL MARQUEZ: No it's the generator of the waste that has to sign it.

SENATOR MIKE JACKSON: I thought you just said the generator, the transporter, and the party who takes it.

COMMISSIONER RAFAEL MARQUEZ: Right. That's as it moves out and I'm looking in terms of it moving from where it is today. It would be the generator under -- Penske is the generator of the waste, whoever has to transport it has to certify that it's been transported as hazardous, and whichever landfill whether it's TECO or any other hazardous landfill they would have to sign that they received the waste and they are handling it properly.

SENATOR MIKE JACKSON: Which they've said no way, they told the Chairman that this morning. As requested by TCEQ, Penske is managing the material described in this manifest as a hazardous waste until it can be further tested and classified -- it's hard to read.

1 CHAIRWOMAN KATHLEEN WHITE: At the level that is 2 characteristically hazardous remains. 3 SENATOR MIKE JACKSON: Penske does not admit for purposes of any litigation or regulatory proceeding that the 5 material is a hazardous waste, or that it prevented the 6 material described -- that it generated the material 7 described in this manifest. 8 COMMISSIONER LARRY SOWARD: Right. SENATOR MIKE JACKSON: Now, would you sign that? 10 COMMISSIONER LARRY SOWARD: If I was Penske I probably 11 would, but no. 12 (LAUGHTER IN BACKGROUND) 13 SENATOR MIKE JACKSON: Well they wrote it obviously, but 14 if you were on the other end of the spectrum, would you 15 sign that? 16 COMMISSIONER RAFAEL MARQUEZ: As a receiver? 17 SENATOR MIKE JACKSON: I think that you would be 18 classified as -- you would be nuts if you did. So, that 19 goes to my question if this agency can do something on 20 the liability issue here maybe that may help your 2.1 negotiating a deal on this thing. 22 COMMISSIONER LARRY SOWARD: Senator, two comments and I 23 will commit to find you a copy of the letter somewhere in 24 the volumes of documents on this you may not have it, but 25 there is a letter from the Executive Director that says

just what you suggested to TDS that they will not be held any further liability on their part if they comply with the directives. But let me also say that there's been a lot of discussion about the manifest, but from my research and review, this agency has not accepted that manifest as the final position.

SENATOR MIKE JACKSON: To me this agency has given up. Your comments put it pretty well --

COMMISSIONER LARRY SOWARD: We're at our wits end.

SENATOR MIKE JACKSON: That the only way we can do this is go to court.

COMMISSIONER LARRY SOWARD: Exactly.

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SENATOR MIKE JACKSON: You've got another Commissioner that says in the middle that this is a hazardous waste and ought to be treated that way. And the whole time you've got another one that says I don't even like the RCRA law so, you know this kind of waste happens when you have a car wreck. So, you know I agree you're at your wits end, and I'm at mine, but it's -- it's disturbing to me that we're in this situation.

CHAIRWOMAN KATHLEEN WHITE: I'm not prepared to give up.

I still think it is in the realm of possibility that with greater clarity from the Commission based on the decision which was taken in September that did specify what kind of action can and cannot follow, which could include

things like the manifest could be possible for the State if there was two of the three of us that agreed to it, that the State had a clear position on this issue and then what happens in the court happens in the court. The State based on what I think is very credible legal conclusions and factual analysis, protective of the public and voiding precedent in the future on these kind of issues. I think it's possible.

SENATOR MIKE JACKSON: I sure hope so because it sure doesn't look very possible right now. Thank you.

SENATOR JON LINDSAY: One final question.

SENATOR KENNETH ARMBRISTER: Sure.

senator Jon Lindsay: In this letter of September 24th going back to it, I'm getting kind of mixed reviews down there I think, maybe I'm wrong I mean I hope I am. But would this have been a better letter had there been a period on the second to the last line behind the word "waste" so you leave out all that stuff that's a little bit until such and such and such. Would you all agree that that would have been a better letter had it stopped right there?

CHAIRWOMAN KATHLEEN WHITE: I would.

SENATOR JON LINDSAY: Does everybody else agree with that?

COMMISSIONER RAFAEL MARQUEZ: I don't know.

1 COMMISSIONER LARRY SOWARD: Well, no I can't agree that 2 non-hazardous waste should be manifested as hazardous 3 waste. If there -- if they -- let's say they go in and 4 do this sort we're talking about, Senator. 5 SENATOR JON LINDSAY: Okay. Would it have been better to 6 have the period after "2004?" 7 SENATOR GONZALO BARRIENTOS: I have a better idea. After 8 the third sentence. 9 CHAIRWOMAN KATHLEEN WHITE: That would tend to require 10 almost all of those things being disposed of as 11 hazardous. 12 SENATOR JON LINDSAY: I know, but I'm just thinking about 13 if they indeed do rewrite a letter. 14 COMMISSIONER LARRY SOWARD: And I think I said, Senator, my statement if -- the entire sixteen hundred cubic yards 15 16 could be disposed of as hazardous waste. I don't think 17 that's the reasonable thing to do because you're taking 18 up valuable landfill space with a lot of dirt. But if 19 that -- if that were to resolve it, then that's certainly 20 one option. And yes, you could put a period there and 21 that would be the net result of that. 22 (LOW VOICES SPEAKING IN BACKGROUND) 23 SENATOR KENNETH ARMBRISTER: Let me refer to a letter dated June 18th from Mr. Shankle -- not Mr. Shankle, Mr. 24

Steves -- Steib -- Mr. Steib to Marc Althen with Penske

1 making a finding that this was to be classed as special Subsequent to that there was a motion to overturn 2 3 that resulted in a letter that we've been talking about of the 24th by Mr. Shankle. The letter was written by Mr. 5 Shankle without any instructions as per -- Mr. Soward 6 asked the question well the Chairman's motion did not 7 have any instructions. The Chairman replied it did not. 8 And I didn't second a motion that had instructions. 9 Thank you. So, essentially the letter we're talking about that Mr. Shankle wrote on the 24th was done without 10 11 any direction of the Commission. The reason I bring that 12 up -- let's go back to the manifest. If the language in 13 the disclaimer means nothing, why is it even in there? 14 Because it was -- there was no disclaimer in the manifest dated 3/23/98 that Penske used. It was adequately signed 15 16 by the shipper and by the receiver of the Hazardous Waste 17 Solid, NOS, NA3077, 9, III (D008). And inconsistent. 18 CHAIRWOMAN KATHLEEN WHITE: I agree, Senator, and that's 19 why I concluded in an effort to avoid what we've never 20 done before in the three years I've been here --21 dictating specific actions in an enforcement action. 22 self-consciously declined from stipulating instruction. I 23 realized when I reviewed the Executive Director's 24 interpretation of our legal decision that we needed to, 25 and that's why I thought the second motion to

overturn was a highly supportable one.

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SENATOR KENNETH ARMBRISTER: I'm obviously like we always do we hire very good staff that does our homework for us. I couldn't find any enforcement action that the department has taken that one did not give instructions to the ED. It would be easy to point a finger at Glen and say, "Glen, this is your baby. You've messed this all up from day one." He's had short time on task when he inherited this stuff. I don't do that. So, I look back further -- predecessors, Jeff Saitas, John, Dan. couldn't find any letter that had been written by an ED on an enforcement action that didn't have instructions, and no letter that provided a disclaimer on a manifest. I just find that highly inconsistent with what the agency has been doing at least in my twenty-three years. CHAIRWOMAN KATHLEEN WHITE: I'd like to understand more what you mean by instruction. The final order is an enforcement that they are written you know as the Commission's orders.

SENATOR KENNETH ARMBRISTER: Right.

CHAIRWOMAN KATHLEEN WHITE: But the Commission does not even review them until the very end until the Executive Director has proposed it. So, this was the first -- we make about a thousand decisions a year, this was the first instance where we were in the middle of

enforcement.

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SENATOR KENNETH ARMBRISTER: Right. I was just trying to see if we have a track record. I mean is this SOP, what do we do here. I mean as has been said many times, there are some things existent in this case study that have a lot of similarities with other cases over the past, but there are some things that just fall completely I don't know where. It's just -- I think like Bob Duncan said we're trying to get to a conclusion here of some type. Let me just -- here's my real concern. I've got friends on both sides of this issue. Some are personal friends, some are personal lobby friends, everything else and they both make good, good arguments. As Chairman of this Committee and responsible for what policy that we as policy makers let out of the Committee, I'm real concerned from a public policy standpoint you got an operator of a municipal solid waste dump that what happens on this decision I think Ralph stated it, if you hit it one way we're not gonna be able to cite a municipal waste dump in the State because everybody is gonna say yeah they're getting it for municipal waste, but look what they're fixing to put in here. I fought that battle over Tricor, I think that was the name of it over at -- Altair when they got a license for just taking garbage and then they wanted to voluntarily expand to

1 amend their permit. I mean the whole community of Colorado County and Fayette County and -- I thought we 2 3 were gonna have two killings and a hanging over that deal. And I'm real concerned if we don't make some 5 decisions here. We're not gonna be able to cite 6 I see Michael Dell, I see Hewlett-Packard, I anything. 7 see people with this e-waste, and what are we gonna do 8 with it, and if we're just saying dump a little sand over 9 it by accident or flip a truck over and we're gonna 10 change the point of generation to whose got it. We ain't 11 gonna never catch up. It really concerns me. When do 12 y'all think that we can come to a resolution on this? 13 CHAIRWOMAN KATHLEEN WHITE: Well, we can only speak 14 for ourselves as individuals. I think there are two 15 possible courses of action that potentially could reach a 16 cleaner decision. One is a reconsideration of our first 17 motion to make it clear on what action falls from it. 18 The other is perhaps a directive -- Executive Director to 19 submit a plan in writing that included all of the 20 components of the actions, which will follow from this 2.1 notice of violation. The Commission in a public setting-22 we can only make decisions in a public meeting or public 23 hearing. Now, I speak as an individual, but I see those 24 as -- and I still remain persuaded for the reasons. 25 when -- it takes us nine days to post again, my fellow

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CHAIRWOMAN KATHLEEN WHITE:

SENATOR KENNETH ARMBRISTER: Okay.

The enforcement is a

Commissioners should speak because it takes us --

SENATOR KENNETH ARMBRISTER: Okay.

CHAIRWOMAN KATHLEEN WHITE: And there may be other procedures as our general counsel here. But again, my other Commissioners could speak. I would be in -- support a course of action like that with a potential of --SENATOR KENNETH ARMBRISTER: Well, let me just -- I won't pin you down on a you know Valentine's Day or the you know June -- we'll pick my birthday, a State holiday Juneteeth, I won't pick you a date on that. What I would certainly want to see is some type of action, hey if you come up with the same results, you just come up with the same results. I don't want to tell you how you've got to vote on it. But I think all of us are in a position where we want to see some type of movement on this. has been seven years. And some things are out of sync with what the agency has done. Granted, I don't think all of you were there seven -- I know Larry wasn't there seven years ago. Kathleen, I don't think you were either, and no, I don't believe Ralph was seven years ago.

COMMISSIONER RAFAEL MARQUEZ: I've been there nine and a half years, sir.

peculiar function of the Commission and why over the last year in part we were doing this major enforcement review was the agency's action as most determinative and significant.

SENATOR KENNETH ARMBRISTER: Right.

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CHAIRWOMAN KATHLEEN WHITE: The force of the law, it doesn't come -- it has not because of the way roles have evolved it has not come to the Commission and until it's at its completion -- either challenged or ready to issue. And someone raised the issue on this when this came to my attention -- I had read about it in the paper in the I had no idea we had this issue for seven years. There ought to be -- someone said that Truman asked when he became President you know why didn't you tell me about the bomb? Or I want to know if there's a bomb. there must be some way things that legally are not within your purview that are matters of potentially major policy, there must be some way for them to come to the Commission.

SENATOR KENNETH ARMBRISTER: Well, and I think we as policy makers have an obligation as well, and in that vein let me offer this. I can't remember if it was Larry or maybe all three of you have said we can't get the parties to come and talk to us or maybe that's their legal people. But let me offer -- I'll be happy to sit

down with both parties and try to get some resolution on behalf of both parties while you're doing your duty. In fact, I'm gonna insist upon it -- y'all that represent both parties. Because I've had no trouble talking to either one - one-on-one. Maybe they don't like to be in the same room, well we can do a video conference I don't care. But I'll offer that and the resources of this Committee to try to help you guys. We all do represent the same bunch of people -- it's Texas. And try to come up so we have a firm public policy issue that protects neighborhoods and communities, but still gives them the avenue to get rid of their waste. Any other -- Senator Barrientos has a comment.

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SENATOR GONZALO BARRIENTOS: It's related to exactly what you're saying Mr. Chairman. And Commissioners you sit as the ultimate -- three ultimate decision makers for this State agency and you're charged with protecting our environment for this generation and future Texans to come. We, as Senators, represent six hundred -- seven hundred thousand people who live in our districts, and we too have a duty to all Texans to make this a good place to live, work, and raise a family as possible. So, I would urge Mr. Chairman, that this Commission go out and do what it's supposed to do without additional help from us. I know we meet every other year for a hundred and

1	forty days, and I know some people want us to meet every
2	hundred and forty years for two days, and not make any
3	more laws. But if we have to make more laws, Mr.
4	Chairman, I think we ought to. So, with that I'll be
5	quiet and hope that my constituents don't go broke in the
6	meantime.
7	SENATOR KENNETH ARMBRISTER: Anyone else? Madam Chair and
8	Commissioners, thank y'all for being with us and we'll
9	get after it.
10	COMMISSIONER LARRY SOWARD: Senator, I hope we don't wait
11	until your birthday.
12	SENATOR KENNETH ARMBRISTER: No, I just picked a day.
13	State holiday.
14	(LOW VOICES AND CHATTER IN BACKGROUND)
15	SENATOR KENNETH ARMBRISTER: Okay. All right.
16	We'll give everybody a minute. Those that are gonna be
17	here for the next bunch to find a seat, and then those
18	that some of the members need a short break, so we'll
19	recess just for an environmental break.
20	(NATURAL RESOURCES HEARING ENDS)
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CERTIFCATE OF TRANSCRIPTION

I, DEBRA JENKINS, do hereby certify that the above and foregoing transcript was prepared by me, to the best of my abilities, and is a true and accurate record of the conversations between the parties herein; that I neither attorney nor counsel for, nor related to, nor financially interested in these matters; that the parties herein were not sworn, to my knowledge, by any authority; video file from which the Real Player prepared was recorded outside of transcript was presence, and was provided to me for the purpose of preparing this transcript.

NOTE: This Real Player video file had to be converted to a Wav audio file in order to be transcribed.

Debra Gerbens DEBRA JENKINS

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared DEBRA JENKINS, known to me to be the person whose name is subscribed above, and acknowledged to me that she executed the above and foregoing document for the purposes therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the day of February, 2005.

Notary Public in and for the State of Texas

