

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, February 28, 2012

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson (Keough), Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Representative(s) Schaefer

GUESTS: Curt Fransen, Nominated Director, Idaho Department of Environmental Quality; Alan Prouty and Alex LaBeau, Idaho Association of Commerce and Industry; Jay Larsen, Founder and President, Idaho Technology Council (ITC), Mike Reynoldson, Government Affairs Manager at Micron and ITC Executive Committee; John Eaton, Idaho Association of Realtors; Elizabeth Criner, Northwest Food Producers Association; Brenda Tominaga and Lynn Tominaga, Idaho Irrigation Pumpers Association; Benjamin Davenport, Risch Pisca, Potlach; Jared Tatro, Office of Performance Evaluations

Chairman Raybould called the meeting to order at 2:31 p.m.

MOTION: **Rep. Smith (30)** made a motion to approve the minutes of February 22, 2012.
Motion carried by voice vote.

Mike Reynoldson, Executive Committee Member, Idaho Technology Council (ITC) explained that the mission of ITC is to foster the growth and development of technology companies, primarily in the areas of information technology, agri-science and energy. It provides a forum for industry, research, educators, investors, and government throughout Idaho. Mr. Reynoldson said that the council was patterned after the Utah Technology Council in which several of Idaho's entrepreneurs had been participants. He noted that the ITC focuses on six general areas: (1) industry, (2) the access of capital, (3) leadership talent and a quality workforce, (4) three levels of government, (5) private and government research, and (6) commercialization or the creation of businesses. He also said that in the past three years, ITC has affiliated with 116 organizations but that influencing public policy is a new venture. In addition, he noted that ITC was supportive of Governor Otter's Idaho Global Entrepreneurial Mission (iGEMS).

Jay Larsen, Founder and President, ITC, stated that the Council is closely tied to the universities and is dependent upon their research and development for many of the ideas and products that could become commercially successful. He quoted the Wall Street Journal's report: In 1960 there were 15 million private jobs and 8.7 million government jobs. In 2010 there were 11.5 million private jobs and 22.5 million government jobs. Using a PowerPoint, he explained the findings from the Kauffman Foundation of Entrepreneurship and the Milken Institute in comparing and contrasting Idaho's global standing in education and technology. (A copy of the PowerPoint will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.) He emphasized the importance of growing Idaho's economy and in boosting private enterprise.

Regarding a question about technology being inhibited by taxes and the impact of the tax burden surrounding the implementation of the iGEM's initiative, **Mr. Larsen** stated that ITC's top public priority was support of iGEM's.

Mr. Reynoldson was called upon to answer the question regarding the ITC's stance on taxes. He stated that ITC is encouraging transferable tax credits.

In response to a question regarding the findings from the Center for Advanced Energy Studies, **Mr. Larsen** stated that the Center was one of ITC's main partners in the innovative transmission, generation and storage of energy. He said that the energy consortium continues to seek federal funding and that commercialization of intellectual findings is key to entrepreneurial success.

SCR 116:

Rep. Nonini presented **SCR 116**. He explained that the concurrent resolution would authorize the Legislative Council to appoint a committee to undertake and complete a study of the feasibility and means necessary for Idaho to obtain primacy over regulation of wastewater discharges to surface water. He reported that the Environmental Protection Agency (EPA) was trying to enlarge its authority and put Washington, D.C. in charge of Idaho's water. He noted that the EPA proposed such measures as pumping the water out of the Coeur d'Alene River, running it through a filter and then pumping the water back into the river. He used the example to demonstrate some of the proposals coming from the (EPA) in an effort to enforce the Clean Water Act (CWA). He submitted a letter to the committee from the Association of Idaho Cities in support of **SCR 116**. (A copy of the letter will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.)

Alex LaBeau, President of Idaho Association of Commerce and Industry, spoke **in support** of the resolution. He said that the Idaho-based Department of Environmental Quality (DEQ) could more rapidly and more knowledgeably administer the CWA in Idaho. He indicated that the settling of the primacy issue could stop the undue interference from the EPA and change the manner in which the Endangered Species Act conducts permitting. In addition, it would expand the capacity of the DEQ and allow for more autonomy.

In response to questions from the committee, **Mr. LaBeau** stated that the estimated cost to position Idaho DEQ to administer the CWA would be \$2.1 million. He said the projected composition for funding would be divided into thirds with the state government, federal government and fee payers sharing equal responsibility. He also said those stakeholders had yet to make that commitment. Responding to further questions from the committee, Mr. LaBeau explained that 47 states own primacy of their wastewater and that three do not. He said no commonality exists in procuring primacy and that the EPA in Region 10 has not been as cooperative as other regions in the United States.

John Eaton, Idaho Association of Realtors and **Elizabeth Criner**, Northwest Food Producers Association spoke **in support** of **SCR 116**.

In response to comments from the committee, **Rep. Nonini** cautioned that Idaho's DEQ standards for water quality would not be less stringent than EPA standards. However, the recommendations and licensing would be more in line with the realities of Idaho's environment and the actions granted to the permit applicants would be forthcoming within a more reasonable time.

Curt Fansen, Nominated Director, Idaho DEQ, was called upon to answer questions from the committee. He explained that the EPA oversees the National Pollution Discharge Elimination Permits, pending and/or standing. In Idaho there are currently 138 from Idaho Cities, 94 from aquaculture, 81 major industry permits, 1 general permit for all confined animal feeding operations and 589 storm water permits. He stated that the Air Quality Act is being administered by the Idaho DEQ, which has quickened the pace of permitting.

Responding to further questions from the committee, **Mr. Fansen**, said that the DEQ is ready to stand with the committee, that he thought Idaho interpretations for Idaho permits were more suitable, and that it may take three to five years to transition the primacy resolution. He agreed with the \$2.1 million estimate offered by **Mr. LaBeau**, and said that DEQ would probably need 21 additional full-time employees to accommodate the proposed changes.

MOTION: **Rep. Harwood** made a motion to send **SCR 116** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nonini** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:52 p.m.

Representative Raybould
Chair

Jean Vance
Secretary