

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1532

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1532

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 1/29/2009

Recorder Job Number: 8112

Committee Clerk Signature

Melissa M. Erhardt

Minutes:

Chairman Grande: Open the hearing on HB 1532. Clerk read the title.

Rep. Jasper Schneider, District 21, Fargo, ND: Pleasure to be in front of our committee to present this bill and I apologize I was not planning on testifying on the bill but the prime sponsor is not here. Madam Chair I will save most of the comments for Rep. Zaiser but I think the intention of the bill is very simple and it is basically to create a general rule that any State owned property would provide recycling services and it is something that I would like to think that the State is doing already. I am sure that to some extent the State already is. This bill would codify that intent. Would be happy to answer any questions?

Vice Chairman Randy Boehning: Questions from the committee?

Rep. Kasper: Define "provide for recycling infrastructure?"

Rep. Schneider: The intent of that language as far as recycling infrastructure would include recycling bins, beyond that I don't know.

Rep. Meier: When you signed on for this bill were you envisioning containers or plastic to be distributed on property so that people would see the actual physical containers that they could put their plastic recycling into?

Rep. Schneider: Yes. Think that would be my vision and the way it was explained to me. We all can do a better job at recycling, we all know the benefits of it, we all know that we waste an incredible amount of paper, plastics, and I think that this would make it a little bit easier, hopefully at a low cost.

Rep. Steve Zaiser, District 21, Fargo: I am here to introduce HB 1532. What it is, is basically, from my perspective, to start doing something in ND that I don't think is being done now at all by the public sector in any place I've been. On the other hand, what I am looking at here whenever I travel, almost universally I see, that (can't understand) have begun or are at different levels of degrees of recycling infrastructures. The infrastructures with facilities, like if we had a rest stop, it would be a canister for aluminum, one for glass, etc. But maybe at universities, you would have a different sort of infrastructure. Paper would be the big one. We would do it at the Capital and I think if we clearly identify even in the departments at all levels, I believe that it could be more effective. I really see as the public sector the State as the place to begin doing this. I initially thought maybe we could have States, cities, and counties do it but I decided to start with

the State. I kept it fairly simple, trying not to get into too much detail, thinking that would be the way to go allowing the State to establish some of the details.

Chairman Grande: Just for clarification, where did you think this bill was going to put these?

Rep. Zaiser: State-owned facilities.

Chairman Grande: In stating that, it says in the bill, State Capitol, other State buildings, institutions of Higher Education, that means all of our universities, and all of their buildings, so that would be every building on every one of the campuses.

Rep. Zaiser: There would be some latitude that could be used, like I said a university would be a paper factory, where as a rest stop would be very little need for paper because the only recyclables are going to be soda cans and bottles.

Chairman Grande: I guess I would see, take the universities then, that everyone of the buildings that are classrooms are going to need paper, aluminum, plastic, and whatever else. When the student shows up for the day, he is going to have his water bottle, he's going to have his paper for the day, and he's going to have whatever, and we want to recycle that in every single building on every single campus that the students are congregating in or are you perceiving this only at the Student Union?

Rep. Zaiser: No. I see this in every building because I have been to other states and actually to other universities and that is commonly the way it has been set up. If you only had it in the union, like you said, you see people bringing soda, aluminum cans, aluminum bottles to the classroom. So if you only had it in the union you really would not have an effective system in my opinion.

Chairman Grande: It states here, State Parks, everyone of our State Parks are going to be required to recycle? There people are bringing in everything so I am thinking five or six different kinds of bins at various locations in every one of our parks?

Rep. Zaiser: Yes. I don't see that as a big burden or problem. There are canisters that you can use that separate your aluminum, glass, and plastics. There are several ways you can do it. That is why I use the word infrastructure.

Chairman Grande: Do we mandate recycling, do we charge people to have recycling bins on their own lots? One of the issues that gets brought up, there are no companies out there looking to buy glass and plastics. Who is going to pay to go pick these up in all the different parks and public buildings and university campuses? Where is it going to go to and who is going to pay those companies to take it?

Rep. Zaiser: Don't think you will have to pay to take it. Think the market does fluctuate in terms of the demand for plastic or for glass or for aluminum. I understand that for paper right now it's tough, there really isn't any profit in paper. I really think that ND needs to do its job in minimizing natural resources so we can recycle them and not just toss it away, fill up our landfills, for instance, Fargo, but right now they have curb side, and folks have to pay to have a canister. But in a short period of time they are going to mandatory curb side and probably going to be volume based, in other words, carts based on how much garbage you have. So that people will recycle.

Rep. Dahl: Are they only required to collect it or to create the infrastructure to collect? What if there is a State Park in the northern part of the State and there is not a facility to even process that material and perhaps there is not a market for glass or anything of that nature, what would you envision would happen to that material?

Rep. Zaiser: My thought was that in a more remote area in a park that the amount of recyclables would be less and maybe say, Grand Forks, is the closest to it, there would be some cost to the State. Eventually, in some cases there would be profit. Again the market fluctuates and I do see this as a State responsibility. As one of the 50 States it's one of our responsibilities in trying to

minimize the waste that we throw away and fill up our landfills and use valuable property that could be used for agriculture or residential development.

Rep. Dahl: Maybe I am incorrect in reading the bill this way, it only allows them to collect these materials, I don't see where it authorizes them to sell these materials?

Rep. Zaiser: In talking with LC, they just thought this would be a good way to go. They assumed this would be authorized. I was taking the advice of LC on how this should be structured.

Chairman Grande: If the State were to sell this and collect this where does the profit go if we actually had a company that wanted to buy something?

Rep. Zaiser: It would go to the general fund.

Rep. Nathe: Who would administer and oversee this program?

Rep. Zaiser: I would see the State Health Department as overseeing it. That was suggested to me. They handle the landfill.

Rep. Meier: Are you aware of the number recycling facilities we have in the State currently?

Rep. Zaiser: I am not aware of the number of them, but all the largest cities have recycling facilities to the extent where the market is. The market does fluctuate for those materials.

Vice Chairman Randy Boehning: Looking at the fiscal note, just for the capital, it looks like just about \$66,000 for the biennium, do you have any idea what it will cost the university systems to set up this program? Is it \$66,000 for the campus and a FTE? State Parks and State operated rest areas and a lot of these rural areas that do collect this garbage and then these recyclables they don't have a program, who will be doing it? Is the State going to have to go out and pick up the plastics and aluminum and so forth or is the local garbage company?

Rep. Zaiser: Personally, I think that the fiscal note is close because a lot of those people are already there. The janitors that dump the garbage are already there, they simply have a canister full, and they can dump those too.

Vice Chairman Randy Boehning: With that, instead of emptying one can, you have four more cans to empty you will have to get a cart that is going to hold four or five containers and push it around. There is going to be a lot of extra work and extra time to do this?

Rep. Zaiser: I didn't see the Legislation getting into micromanaging who this whole thing would work in detail. I think that Legislation should set the policy. But in terms of your question, there would be some additional cost, in terms of containers, but to be efficient, you would have to set the containers to where the expected volume is. They could set those so they are attached. There are

different ways and creative ways to handle that. My principle reason for putting this forth is that it is time for ND to really play its role in helping the planet.

Chairman Grande: Anyone else wishing to speak in favor of 1532?

Marie Hoff: University Professor, Human Effects of Environmental

Concerns: I am in favor of this bill. Since moving back to ND, part of my volunteer work has been investigating conditions pertaining to recycling in the State of ND because it was quite a shock to me to move back to the State and find out that there was almost minimal opportunities to recycle in ND. For me, it was like going back in a time warp to thirty years ago when recycling really got going in many other places in the country and that is the major reason I came in this morning to testify in favor of this bill. I can see by the questions and comments raised by the committee members that there perhaps are some primary issues involved in trying to improve the recycling infrastructure in the State of ND, and with all due respect to the committee members, many questions have focused in on the costs of improving the recycling infrastructure in the State of ND. I would also like to point out to you some of the things I have learned from investigating the conditions of recycling in ND. There is also tremendous opportunities in this State to improve the benefit side of the cross benefit equation with regard to recycling. A couple of people I interview when I was doing my own research here was Steve Tiliteson, who is the State Director of

Recycling for the State of ND, who is in the State Health Department and also Jeff Heintz, who is the Public Service Director in City of Bismarck. One of the major issues in making recycling successful is the quantity of which you recycle. Although ND does have a small population relative to most other States, 650,000 people or so could still accumulate a significant quantity of materials in the range (throat clearing) to recycle. If the whole State really got behind the recycling we actually could come out on the positive side of the equation with regard to what would be recycled. But you have to do it together as a total State, if you don't have everyone behind it, that will not be cost effective because you will not have enough materials. The other area related to this is economic development in particular, the area of youth employment. Because experiences with employment early in life really help set the stage for young people to become responsible members of society and I think some of the things that should be considered with regards to increasing recycling opportunities in the State is the opportunity to set up employment programs that perhaps would cater to our young people in the simple stages in the aspects of recycling. This would be an opportunity for young people in the most remote areas of our State to get jobs where sometimes that is simply impossible. The other thing that ND could emphasize more that would help with this program would be volunteer types of programs where people in various communities would do the volunteer work with

the collection phase. All of this would help toward eventually bringing the cost part down because you have increased volume of materials to eventually add up to enough that would be cost-worthy to sell. Because I know that I learned from Jeff Heintz that with regards to the plastics recycling program that Bismarck has initiated, that in order for the company to buy the plastics they had to at least 18,000 pounds or 18,000 tons, and I think it was pounds, for a minimum in order for the company to come and purchase those materials. Lastly, in addition to the employment opportunities and the possible even financial benefits to the State of ND, I also believe in principal that we have forsaken the values of our ancestors in this State with regards to frugality that our parents, grandparents, and great-grandparents taught us. Everyone thinks that they are being imposed upon if they have to walk two steps from the garbage can to the recycling can to put something away. Even though this bill may need some amendments and thought about the fiscal note I really think that the principal behind it is important and I wanted to support it.

Chairman Grande: Any questions from the committee? Anyone else in favor of this bill? Against?

Doug Prchal, Director of the State Parks and Recreation Department:

Testimony. See Attachment #1.

Chairman Grande: Questions from the committee?

Laura Glatt, ND University Systems: To keep it brief, I would basically support what the previous speaker said. It is not that we don't support the environmental issues and progress, in fact, most of our campuses do have several recycling efforts. Our biggest issue like the other speaker is the disposal of the goods once you collect them. We would encourage to you to specifically identify what's meant be recyclable infrastructure. That was our biggest challenge in looking at the bill and not being able to determine a fiscal impact because we weren't sure what was implied by that terminology. But I think once there is a better definition of that then perhaps do a study to determine the feasibility of it and determine a cost we would be happy to participate in it.

Chairman Grande: Anyone else in favor of ? Against? Neutral to?

Darcy Rosendahl, Director of Office of Operations for North Dakota DOT:

Testimony. See Attachment #2.

Chairman Grande: Questions from the committee? Anyone else wishing to testify? Closing the hearing on HB 1532.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One HB 1532

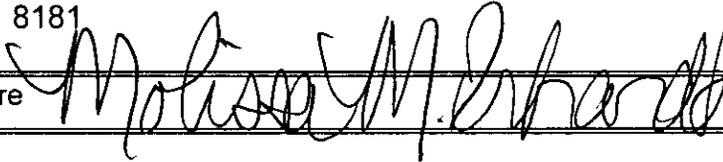
House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/29/2009

Recorder Job Number: 8181

Committee Clerk Signature



Minutes:

COMMITTEE WORK ONE:

Chairman Grande: We will take up HB 1532.

Rep. Froseth: Do Not Pass motion.

Rep. Nathe: 2nd.

Chairman Grande: Discussion?

Rep. Wolf: I understand that there is a motion on the floor to do a Do Not Pass but I am just wondering if we couldn't do something like amending it into a study, like they were talking about from the University systems and the Park systems. Maybe studying how we could possibly implement something like this?

Chairman Grande: Thought it was interesting that the University system would want to do a study because they have the best capability of doing the study themselves. Why we would spend the States money to do it for them, I find very interesting? That is one reason I wouldn't want to do it. I think that they should take that initiative and they should actually do it for us. Especially some of the

students that would be in this realm of study and they should take it as a thesis themselves.

Rep. Wolf: I think that most universities are already doing it. I know that Minot State has recycle bins and UND has recycle bins. I think that what we are looking at is, in the Capital itself, how much could be recycled? How about the rest areas, State Parks, and looking into those?

Rep. Winrich: I am going to resist the Do Not Pass recommendation I recognize that this particular bill has some problems. I think that most of the State Agencies, particularly in the larger cities, where recycling facilities tend to exist are already doing a lot of it. I know it is happening at UND, the problem is to educate people to use these things as Rep. Wolf mentioned. But I think there is a deeper more systematic problem here too and that is that we tend to focus very sharply on the cost of recycling and sorting it out and so on and doing all of this, we don't pay much attention to the cost of throwing stuff away. There is a significant cost with that. We are very familiar with that in Grand Forks because we have been fighting about a landfill for the last couple of years. Somehow we need to arrange our disposal systems so that we calculate the cost of throwing things away just as much as the cost of recycling them.

Rep. Conklin: Can we just add "in property, where feasible" or something like that in there?

Chairman Grande: That would be up to the committee whether or not they want to remove this motion or move forward?

Rep. Kasper: If you add language like “where feasible” that does nothing. Where you think it might be feasible, I might think it is not feasible. Our committee would not be looked upon favorably on the floor if we did that. We would be sort of smirked at.

Chairman Grande: One of the other concerns I had with this is how the State Health Department would track this down all over the State. What kind of authority are we going to give them? Will there be fines? How would we do that? Are we going to fine our own State entities? I am a little confused as to how we would play this out, don't think that Legislatively this is how it is going to be done. But inside every agency I think they will do it themselves.

Rep. Meier: A couple sessions ago didn't we have the study out to look at how the State recycles paper ?

Chairman Grande: Yes, we did. I don't recall what happened to that. Clerk will call the roll on a Do Not Pass.

Clerk Erhardt: Total: Yes: 8, No: 5, Absent: 0. Carrier: Rep. Froseth.

FISCAL NOTE
Requested by Legislative Council
01/26/2009

REVISION

Bill/Resolution No.: HB 1532

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

As the bill pertains to all publicly owned buildings, there are too many variables to determine an amount to be expended to implement the recycling infrastructure as required by each respective authority managing these properties.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The capitol complex has a recycling program in place for paper and aluminum cans. The initial investment to include at a minimum of one designated area on each floor of the Capitol, Judicial Wing, Department of Transportation, Liberty Memorial Building, Heritage Center and State Office Building would equate to approximately \$33,600. This would establish 56 designated locations throughout the buildings located on the Capitol grounds for elected officials, state employees and visitors to deposit aluminum cans, paper, newspaper, and plastic. Custodians would then empty each container and move the contents to each building's loading dock (or pick up) area.

This would require one new FTE for Facility Management to handle all the recycled materials. This would equate to a biennium cost of \$66,810.

If all working or visiting the capitol complex participate 100% in the program, the reduction in our monthly trash removal contract should offset a portion of the cost of the additional FTE. The estimated biennium savings would equate to approximately \$12,000.

The outlets for these recyclable products would be through our waste and recycling material contract or through the city of Bismarck recycling center. Our grounds crew would transport the recycled materials to the city of Bismarck's recycling center.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Too many variables to determine a state wide fiscal impact on revenues and expenses.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Too many variables to determine a state wide fiscal impact on revenues and expenses.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	John Boyle	Agency:	OMB
Phone Number:	328-4002	Date Prepared:	01/26/2009

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1532

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

There are too many variables to determine a state wide fiscal impact on revenues and expenses.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Too many variables to determine a state wide fiscal impact on revenues and expenses.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Too many variables to determine a state wide fiscal impact on revenues and expenses.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Too many variables to determine a state wide fiscal impact on revenues and expenses.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	John Boyle	Agency:	OMB
Phone Number:	328-4002	Date Prepared:	01/22/2009

Date: 1/29/09
 Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1532

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number 1532

Action Taken Do Not Pass

Motion Made By Rep. Froseth Seconded By Rep. Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman		✓
Vice Chairman Boehning	✓		Rep. Conklin		✓
Rep. Dahl	✓		Rep. Schneider		✓
Rep. Froseth	✓		Rep. Winrich		✓
Rep. Karls	✓		Rep. Wolf		✓
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 8 No 5

Absent 0

Floor Assignment Rep. Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1532: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **DO NOT PASS** (8 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING).
HB 1532 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

HB 1532

Attachment
#1

HOUSE BILL 1532
HOUSE GOVERNMENT AND VETERANS AFFAIRS
FORT UNION ROOM
THURSDAY, JANUARY 29, 2009
10:45 AM

Madame Chair and members of House Government and Veteran Affairs committee, I am Doug Prchal, Director North Dakota Parks and Recreation Department. I appear in opposition to HB 1532 not for the principle of recycling intended but for the burden this bill will place on public entities identified in the bill language and indirectly for the citizens at large. The intent of the bill is a worthy cause but the timing is premature. It is suggested this idea be referred to study over the upcoming biennium and the results of that study be used to craft future legislation.

My rationale for the above comments and the suggested study is based on examples and experiences within our agency. Recycling has been in place across the state park system for two or more decades yet is only now being done at limited sites and for limited products and in some cases not at all. The reason is lack of outlets, reliable markets for products or outlets far from a respective park location that are cost prohibitive for pick up or delivery.

Park staff has been very mindful of the volumes of solid waste collected at park sites and corresponding cost of disposal of that material. These circumstances dictated addressing that operation issue and set forth incremental pilot programs and education across the park system. We collected a variety of these materials and transported to or had them picked up by local recycling groups for varying periods. I say varying periods because we would have an outlet in the spring of a given year and by season end that entity would let us know they can no longer accept product or costs were prohibitive to transport. These circumstances left us with unwanted products to be stored in park buildings that were not suited for long term storage of recyclables.

These situations precipitated the restructure to our current program; we asked visitors to help us keep costs contained by returning recyclable products to their homes for disposal. These practices are in place now and that is our visitor's and department's approach to addressing the matter until a wider state distribution system is in place.

As noted, we are mindful of recycling as a means of reducing the solid waste volume. This bill however is premature in that a state wide network for distribution and reliable markets are not in place. For this reason we oppose HB 1532 and accordingly suggest the study of this issue to define what is needed for a successful, effective and efficient implementation of this law.

This concludes my remarks and I would be pleased to answer any questions.

Attachment
#2

GOVERNMENT AND VETERAN AFFAIRS COMMITTEE
January 29, 2009 – 10:45 a.m. – Fort Union Room

North Dakota Department of Transportation
Darcy Rosendahl, P.E., Director, Office of Operations

HB 1532

Madame Chair and members of the committee, my name is Darcy Rosendahl. I'm the Director of the Office of Operations for the North Dakota Department of Transportation (NDDOT). I'm here today to provide information and inquire as to the intent of HB 1532.

This bill, if passed, would require the department to purchase receptacle bins, add duties to the rest area custodians that operate under service contracts, and possibly add duties to NDDOT staff to sort and deliver recyclable waste. In addition, we would be required to find recycling centers to dispose of the recycled products.

The department estimates that three recycle bins per site would be needed: one for paper goods, one for plastics and one for metals. The cost for one set of three receptacle containers would range from \$750 to \$1,500 per site. It may not be the most convenient for the public to only place one set of receptacles at each site, but that assumption will be made for estimating purposes. For 38 sites statewide, the estimated one-time cost for receptacle bins would range from \$28,500 - \$57,000. The increase to custodial costs for the 38 sites statewide is estimated to be \$115,000 per year. This is a 16 % increase in service costs annually. Our estimate assumes that each of the cities where our district offices are located have the ability to take separated recycled products. Unfortunately, we found that is not the case. We understand that Valley City and Dickinson do not have a process to do that, and that Minot currently has a process, but there is a possibility it may lose it.

As we reviewed HB 1532, we were not sure of the intent of the bill with respect to "property where individuals publicly gather" as to what facilities are affected. The department assumed we would need to recycle at all rest areas, visitors centers, and drivers license sites. We are unclear whether our district headquarters or section sites are to be included because these are not places where the public gathers routinely.

The department is also not sure of the intent of the bill with respect to "collect recyclable material." The department is making the assumption this includes transporting the recyclable material to a recycle center.

This concludes my testimony. Madame Chair, I would be happy to answer any questions.