~~DRAFT~~ INTRODUCTION LETTER:

February 3, 2016
Oregon House of Representatives
Re: House Bill 4098

The ~~Honorable~~ Honorable Caddy McKeown:

This letter is in regards to Oregon HB 4089, preferential purchasing for corrugated pallets. I have important concerns and information to relay to you as it pertains to this legislation and the priority given to corrugated pallets; (1) safety, (2) environmental, and (3) supply chain logistics. Purchasing agents should base their decisions on scientific data and tested protocols, not on questionable carbon foot print savings alone – a laudable goal, but should be based on scientific data gained from extensive testing and review.

Background: I am a graduate of Oregon State University with a degree in Forest Engineering. My father, Glen D. Carter, was a biologist with the Oregon Department of Environmental Quality for 35 years and my mother Dr. Lolita Carter, PhD was the first woman to graduate from Portland State University with a PhD in Environmental Sciences. I have been immersed in this issue for quite some time.

Furthermore, I worked for Nike's International Transportation Division, Weyerhaeuser's Hardwood Division as head of sales and production shipping of pallet lumber, and am a user of pallets for shipping product locally, nationally, and globally. We warehouse product in two Oregon locations and 3 nationally. I am a member of the National Wooden Pallet and Container Association's (NWPCA) Standards Committee and have been for the last 20 years.

NWPCA: Over the last 20 years the Standards Committee has been instrumental in developing and setting standards for Material Handling Institute's Standard MH-1 which is recognized by the American National Standards Institute (ANSI) and has international influence on the ISO Standards. The Committee has also been the backbone in the development of the Pallet Design System[i] which is an engineering modeling program for the durability, strength and stiffness of wooden pallets.

Corrugated pallets pose a material handling safety issue in untested supply chain logistics systems. Moisture and standing water reduce the strength of corrugated pallets significantly, especially when exposed over a length of time. From a purely technical aspect, the corrugated pallet/platforms are not well suited to be the preferred product for the State of Oregon.

Overall Concerns: To keep this response short, I have listed bullet points of the different issues that need to be addressed before making such a broad sweeping bill. Please note Appendix A.

Carbon Footprint: Although at first, HB 4089 looks to be green and well intentioned; the unintended and intended consequences of the bill are far reaching. The Oregon State University Wood Technology Lab notes that corrugated products are infused with wax compounds to resist moisture wicking which assists with strength. That same process makes those corrugated products less recyclable.

Corrugated is a secondary wood product and the corrugated pallet becomes a tertiary product. There are also more intensive initial environmental costs during production that can outweigh the transportation carbon savings associated with corrugated products, up to five to ten times more than

wooden pallets. The corrugated pallet has environmental benefits to sustainability compared to other non-wood products, however, I believe the preferential treatment will lead to unintended safety consequences and not the carbon savings envisioned by the authors of this bill.

The environmental message is apparently compelling but the engineering and practical applications overwhelmingly point to problems by preferring corrugated in the supply chain of Oregon.

In conclusion, I recommend the Oregon legislature set-aside SB 4089. The bill in my estimation does not achieve the goals intended, environmentally nor from a supply chain logistics efficiency and safety standpoint.

Regards,

Ian Carter

President

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Appendix A

- Product Damage to carried goods
- Material Handling Safety
- Uniform load vs Point Load
- Strength / Loading
    - Static loading
    - Dynamic loading
    - Loss of functionality after forklift handling damage
    - Flexural properties in the material handling process
    - Deflection of the pallet when stored in warehouse racks
    - Load Weights exceeding 2500 pounds
- Coated corrugated is may not be easily recyclable
- Higher environmental cost of production
- Pulp / paper mill pollution
    - Water Pollution
        - Temperature
        - Chemicals
    - Air pollution
    - Effluent runoff
    - energy usage
- Fire Danger – Rate of degradation
    - Approval from Fire Marshals
- Moisture situations
    - Trucks loaded in the Oregon Rain
    - Incidental water from leaking product
        - OLCC
        - Health and Human Services
        - Food products for WIC
        - Food in the schools
    - Product moved from storage to exterior job sites
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