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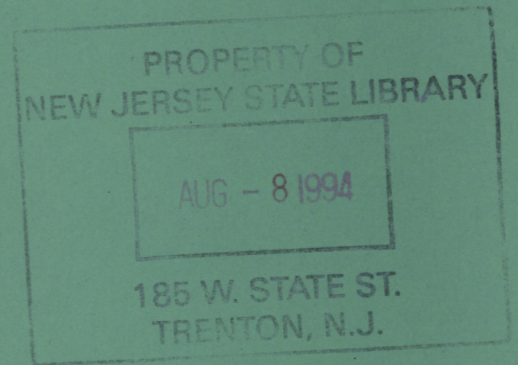
State of New Jersey
**HAZARDOUS WASTE FACILITIES
SITING COMMISSION**



ANNUAL REPORT

FOR

1993



Hazardous Waste Facilities Siting Commission
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The Honorable Christine Todd Whitman
Governor of the State of New Jersey
and Members of the New Jersey Legislature



It is my pleasure to submit the New Jersey Hazardous Waste Facilities Siting Commission's 1993 Annual Report for your review. This report summarizes the Commission's activities from January through December, 1993.

A major focus of the Commission's efforts was the preparation of the 1994 New Jersey Hazardous Waste Facilities Plan Update. The 1989 Plan Update utilized the services of an outside consultant, and cost the State more than \$420,000. After careful review and consideration, the Commission determined that the requirements of the Plan Update could be met far more economically by developing its current staff resources and in-house capability. In spite of many obstacles, both anticipated and unanticipated, work has proceeded, and the draft 1994 Plan Update will be available for public comment in June 1994, at a total cost of less than \$50,000. Changes in computer hardware, software, and data transmission, and the acquisition of staff with some very specific technical skills made this change not only possible, but highly effective. Besides reducing the high cost, this change allowed the Commission to develop a better understanding of New Jersey's hazardous waste industry.

For the years 1988 through 1992, the 1994 Plan Update provides summary descriptions of the actual movement of all types of hazardous waste among generators, transporters, treaters, and disposers. It shows significant interstate traffic driven by economics, specific treatment capabilities, and other market forces; large year to year changes in composition and volume; and the market position of New Jersey treatment, storage, and disposal facilities. Since 1982, when the Commission was created, the hazardous waste industry has become much more sophisticated, more responsible, and more closely regulated. The Commission intends to publish future Plan Updates on an annual basis, with careful analyses of major current issues.

The second major activity, the "designation" of the GAF incinerator site in Linden, involved the only hazardous waste facility site ever designated by the Commission. Since the Commission's creation in April 1982, no other proposed site has gotten as far as the Office of Administrative Law. The 1981 Major Hazardous Waste Facilities Siting Act, P.L. 1981, Chapter 279, contemplated a 12 month procedure to designate a site for a major facility. The GAF application took more than five times that long — 63 months, from October 1988 to December 1993 — and notices of appeal of the Commission's action designating this site have already been filed.

Finally, during 1993, the Commission had several important personnel changes, and has been handicapped by two unfilled commissioner vacancies. Four of the original Commissioners — Ann Auerbach, Roy Gottesman, Tom Leane, and Gordon (Sandy) Millspaugh — have served continuously for more than eleven years to provide continuity during the consideration of the GAF remand. Their selfless dedication has earned broad respect and appreciation and our sincerest thanks.

We are grateful to the Whitman administration for moving nominations actively and promptly. Our sitting Commissioners are being reconfirmed, and qualified new Commissioners have been nominated to fill the vacancies and replace those who have served long beyond their originally specified terms.

Our current priorities are to complete the 1994 Plan Update and begin work on the first of the more responsive and timely annual Plan updates; to develop, with the help of the Hazardous Waste Advisory Council, recommendations for broad legislative measures to improve New Jersey's siting processes and hazardous waste facilities management (ref. N.J.S.A. 13:1E-86).; and to assist the Hazardous Waste Advisory Council in continuing work on a project that will have national as well as statewide significance, the evaluation of ways of measuring the effectiveness of hazardous waste cleanup efforts. We look forward to having the support of both the Governor and the legislature in providing a full contingent of Commission members and in carrying out our legislated responsibilities.

Sincerely,

A handwritten signature in cursive script that reads "Louis R. Matlack".

Louis R. Matlack, Ph.D., Chairman

OVERVIEW

In 1993, the Hazardous Waste Facilities Siting Commission continued working toward its goal of analyzing the State's hazardous waste treatment needs and the siting of necessary new major commercial hazardous waste facilities based on siting criteria adopted by the New Jersey Department of Environmental Protection and Energy (NJDEPE) in conjunction with the Hazardous Waste Advisory Council.

Siting Activities

The Commission completed its analysis of the GAF Chemicals Corporation (GAF) application to site a hazardous waste incinerator in the City of Linden site pursuant to the Major Hazardous Waste Facilities Siting Act, N.J.S.A. 13:1E-49 et seq.

The Commission concurred with the findings of Administrative Law Judge Joseph Lavery in regard to this industrial site application. Safe siting of hazardous waste facilities has always been of primary concern to the Commission. Toward this end, the Commission determined that direct access routes to the GAF hazardous waste incinerator site be used either by way of rail access or direct exit ramps to the site from the New Jersey Turnpike. This agency action also eliminated the use of local access routes that pass through the City of Linden for the transport of hazardous waste.

1994 Hazardous Waste Facilities Plan Update

Preparation of the *1994 Hazardous Waste Facilities Plan Update* was a high priority in 1993. This 1994 Plan Update has taken a more pragmatic approach to hazardous waste planning rather than use a hypothetical approach. The Commission relied on in-house staff instead of consultants to analyze and interpret manifest data for this Plan Update. An actual record was developed which indicated precisely how hazardous waste was managed in New Jersey and out-of-state.

Commission and Staff Changes

When recommendations of an administrative law judge are being considered, as in the case of the GAF site application, the Siting Act requires that two additional commissioners be appointed to the Commission, one representing the host municipality and one representing the county. Beatrice Bernzott, representing Union County, and Jeffrey Sias, representing the City of Linden, were appointed to the Commission in April 1992. In November 1993, Ms. Bernzott resigned from the Commission, and was replaced in December by Ms. Ellen Contente Faria, who joined the Commission to represent Union County.

In February, the Commission appointed Joseph E. Gilson, Jr. as its third Executive Director. Administrative Associate Maryann Farfalla left in July, and Administrative Assistant Christine Gozikowski joined the Commission staff in September. Rose Mary Schwarz, a writer and editor specializing in computer graphics applications and desktop publishing, was hired on a part time temporary basis in February and became permanent in September. The Commission acquired additional computing expertise by hiring part time programmer and systems consultant Marie Dursin to generate queries and reports from the manifest data base needed to prepare the *1994 Hazardous Waste Facilities Plan Update*.

SITING ACTIVITIES

New Jersey's hazardous waste facility siting process provides three distinct alternative routes for siting new hazardous waste facilities in this state, i.e., Commission selected sites; new sites proposed by industry; or expansions of existing major commercial hazardous waste facilities. All three of these alternatives have been actively pursued since the mid-1980's. Between 1984 and 1989, the Commission eliminated eleven potential greenfields sites that had been screened and under consideration, leaving the State with no feasible potential site.

GAF Chemicals Corporation, Linden, New Jersey

Background

In October 1988, GAF proposed for site designation a section of its former manufacturing site in Linden. The company's application calls for a 150 ton per day state-of-the-art hazardous waste rotary kiln incinerator. The GAF application was sent to the Office of Administrative Law (OAL) in February 1991. The record on this administrative law proceeding was closed in April 1992, and in May 1992, Administrative Law Judge Joseph Lavery issued an initial decision pertaining to the GAF site application.

In June 1992, the Commission overturned Judge Lavery on groundwater and remanded the GAF facility application back to the Office of Administrative Law for further development of the hearing record. This action was the result of the Commission finding that the record on the GAF site application (OAL hearing) was insufficiently developed as it pertained to the issue of protection of population and safe transportation and consequently withheld their final action on the matter.

Progress in 1993

In January 1993, Judge Lavery ordered that no evidence suggesting the proposed use of local access routes to transport hazardous waste to the proposed facility would be allowed into the record. The only means of access to the Tremley Point industrial area in Linden presently is by way of South Wood Avenue, which is a main local thoroughfare through the City of Linden.

As a result of Judge Lavery's Order, counsel for GAF issued an interlocutory appeal to the Commission for reconsideration of the Order. On February 1, 1993, the Commission decided to grant GAF's motion to consider an interlocutory appeal of Judge Lavery's January 12th order, and also awarded the City of Linden an additional \$50,000 to assist in the City's participation in the OAL remand proceeding. On February 8, 1993, the Commission reversed Judge Lavery's Order (Resolution No. 178) and also provided clarification of its intended action as set forth in the June 1992 remand, explaining that it did not intend to exclude evidence in regard to proposed local routes for transporting hazardous waste, but rather intended the record to be expanded.

By reversing Judge Lavery's Order, the Commission allowed GAF to introduce evidence during the remand proceeding that proposed local transportation routes that utilized portions of South Wood Avenue. In addition, the Commission clarified that it expected GAF to provide additional expert testimony in regard to truck routes to the proposed site that do not use portions of South Wood Avenue such as the construction of direct access ramps from the New Jersey Turnpike to the site and the potential use of an improved, existing Linden Industrial Mutual Aid Council (LIMAC) evacuation route. Furthermore, the Commission clarified that it had requested additional expert testimony on the feasibility of rail and barge transport to the site.

The OAL remand hearings consisted of a total of 19 hearing days, 13 days between February 16 and May 20, 1993, and six days between September 1 and September 14, 1993. During these hearings, expert testimony was presented by both GAF and the City of Linden on alternate transportation routes.

The Commission received Judge Lavery's initial decision on remand on November 30, 1993. Judge Lavery concluded that three alternatives — the barge alternative, the use of the LIMAC evacuation route, and the use of any local routes — did not meet the siting criteria. He further concluded that the rail alternative and the Turnpike direct access ramps alternative, as presented by GAF, satisfied the siting criteria with respect to the protection of the local population and safe transportation routes.

The Commission was allowed 30 days' deliberation on Judge Lavery's initial decision on remand as well as on the entire record developed during the proceedings. During the month of December, five public meetings were held to elicit public comment and input on the GAF site application. Public meetings were held at the War Memorial in Trenton on December 13th, 16th, 27th, and 28th, and at Linden High School in Linden on December 22nd. On December 28, 1993, the Commission, by Resolution No. 186, determined that a major hazardous waste facility may be constructed at the GAF site in Linden, provided that transportation of hazardous waste to the site is accomplished by rail spur or through direct access ramps to the site from the New Jersey Turnpike. This constituted final Commission action on this site application. The Commission also determined that hazardous waste was not to be transported to the site using local routes (South Wood Avenue) that pass through the City of Linden.

E.I. DuPont de Nemours and Co., Inc., Carneys Point, New Jersey

In August 1993, E.I. DuPont de Nemours and Co., Inc. announced that it would end its six year effort to build a commercial hazardous waste incinerator at its Chambers Works plant in Deepwater, New Jersey. DuPont said it was terminating the project because the company had to reconsider capital expenditures, to date some 40 million dollars, in light of the lingering recession.

DuPont is still pursuing an expansion to its already existing on-site hazardous waste landfill to provide ultimate disposal service for its 40 million gallon per day aqueous hazardous waste treatment facility.

Rollins Environmental Services Inc. (NJ), Bridgeport, New Jersey

In October 1993, Rollins Environmental announced its plans to defer permitting and construction of a proposed Rotary Reactor incinerator designed to process low BTU solids and sludges. The Company cited continuing delays by the U.S. Environmental Protection Agency (USEPA) in issuing regulations pertaining to contaminated media and lack of clear direction from the USEPA on its revised "Combustion Strategy" as reasons for stopping the project.

Rollins is continuing its plans to expand the existing Container Processing Center with additional storage area. They are submitting an Environmental and Health Impact Statement (EHIS) for this expansion and will submit an additional EHIS upon resumption of the permitting effort for the Rotary Reactor.

Cycle Chem, Inc./Clean Venture Inc., Elizabeth, New Jersey

In December 1993, a DEPE permit was issued to Cycle Chem for a major upgrade to its treatment facility. The company intends to install a bulk storage tank farm consisting of 12 vertical tanks with the capacity of 100,000 gallons; construct a permanent 31,000 square feet canopy over the entire storage area; construct a bulk solids stabilization system and expand the NJDEPE certified on-site laboratory facility.

STATE AND REGIONAL PLANNING

For several years, the Commission and NJDEPE personnel had participated in the Northeast States Capacity Assurance Project, which was designed to explore the possibility of a self-contained northeast regional waste management option to handle the eastern states' capacity shortfalls safely. In 1993, the USEPA determined that treatment and disposal requirements for state hazardous waste management should be evaluated on a national basis, rather than as previously determined on a regional basis, and that all EPA regions should be included.

Previous conclusions reached by the Northeast States' Consortium still remain valid:

- a) in the foreseeable future there is enough waste to support a commercial land disposal facility in the Northeast;
- b) direct costs are secondary for landfill users because liability and compliance are the most important factors that a generator considers;
- c) facility operators want states to provide technically rational, politically neutral siting processes.

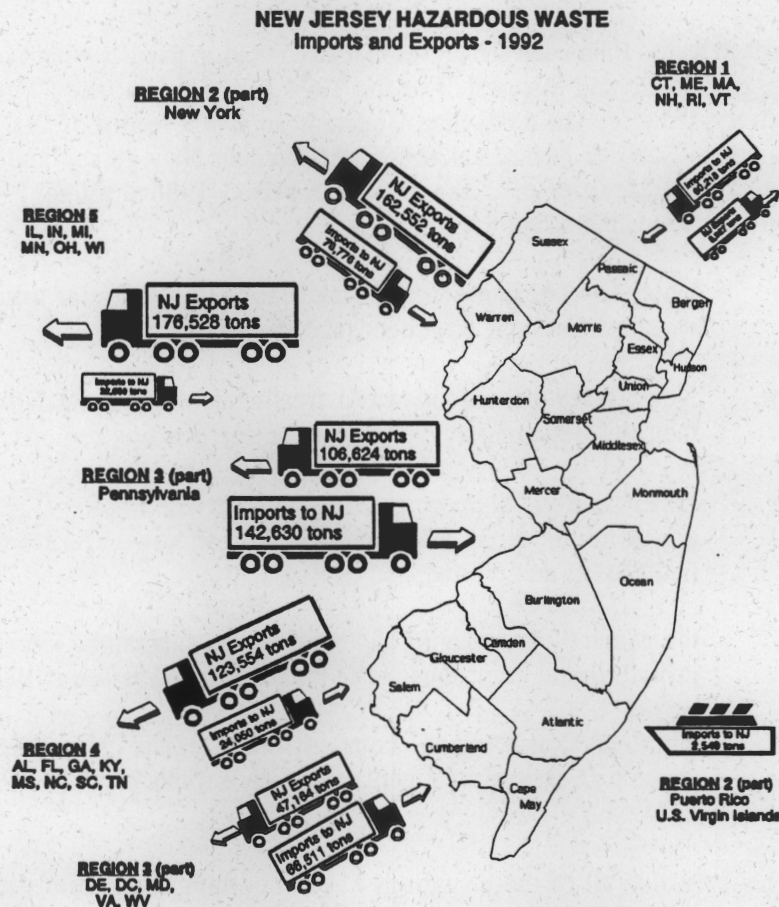


Figure 1

New Jersey is heavily involved in hazardous waste treatment, storage, and disposal on a regional level through its imports from and exports to other states, and expects to continue its active participation in any regional and national planning process.

1994 HAZARDOUS WASTE FACILITIES PLAN UPDATE

The Major Hazardous Waste Facilities Siting Act (N.J.S.A. 13:1E-58) requires the Commission to prepare a hazardous waste facilities plan and to update it regularly. The purpose of the plan is to define the State's future needs for commercial treatment, storage and disposal facilities, taking into account the impact of source reduction and recycling as ways to minimize the amount of hazardous waste generated and treated or disposed of in the State.

When the first Hazardous Waste Facilities Plan was prepared in 1985, and continuing with the first Plan Update in 1989, the Commission had relied on outside consultants to generate the required technical information and assist in the analyses required to produce the Plan. After a thorough review of the existing computerized planning system during the spring of 1993, it was determined there were far too many limitations to continue to use this system. Instead, the Commission instructed staff to become self sufficient in analyzing data and producing the Plan. This has produced a much greater understanding of the hazardous waste management industry both in-state and out-of-state, and has also resulted in considerable cost savings.

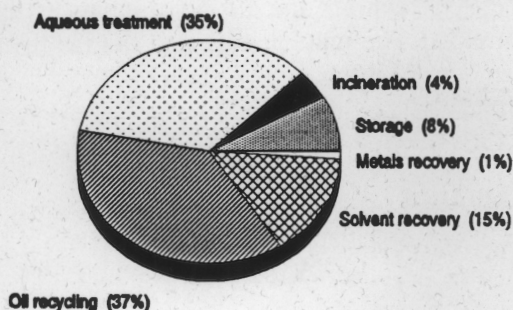
The previous approach to the Plan used strategies that attempted to predict where hazardous waste *should* go for processing, treatment, and disposal. For the 1994 Plan Update, the Commission chose a more pragmatic approach to planning. The 1994 Plan Update is an actual record of hazardous waste processed or treated in New Jersey, and of hazardous waste generated in New Jersey and treated, processed, or disposed of at out-of-state facilities over the five year period 1988 through 1992. Several important findings have been identified, including the following:

- a) a high level of interdependence exists among states for hazardous waste processing, treatment, and disposal;
- b) New Jersey hazardous waste treatment, storage, and disposal facilities have major importance for surrounding regions;
- c) USEPA Best Demonstrated Available Technology (BDAT) guidelines have had a negligible impact on how hazardous waste is disposed and treated;
- d) the cement kiln industry has experienced substantial unexpected growth in the hazardous waste treatment market since 1988; and
- e) a high level of economic competitiveness exists in the hazardous waste processing, treatment, and disposal market.

The Commission believes that all of these findings have important implications for planning and policy making relating to hazardous waste for the State of New Jersey.

The following charts are based on preliminary 1993 data, subject to audit by Bureau of Advisement & Manifest and by the Commission.

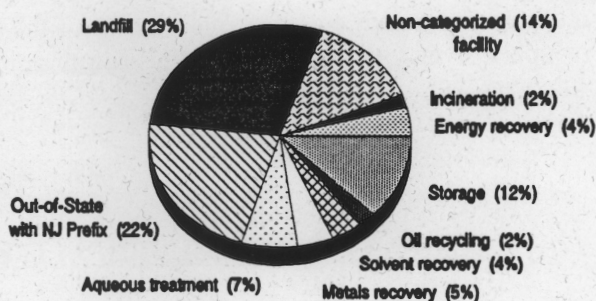
NEW JERSEY HAZARDOUS WASTE - 1993
Primary Managed In-State



Primary Managed In-State = 217,255 tons

Figure 2

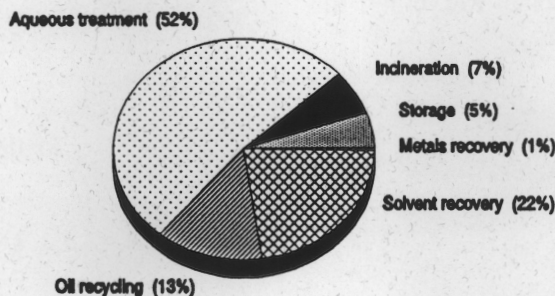
NEW JERSEY HAZARDOUS WASTE - 1993
Primary Managed Out-of-State



NJ Primary Exported = 401,742 tons

Figure 3

NEW JERSEY HAZARDOUS WASTE - 1993
NJ Imports/NJ TSD Managed



NJ Imports Managed = 380,420 tons

Figure 4

As these preliminary 1993 data show, oil recycling/fuel blending and aqueous treatment are the predominant management methods used for hazardous waste that is primary generated and managed in New Jersey (Figure 2). Aqueous treatment is also used for about half (52%) of the hazardous waste shipped to New Jersey transfer, storage, and disposal facilities (Figure 4) from out-of-state generators. Of the hazardous waste that is initially generated in New Jersey but is exported for out-of-state management, 29% is sent to out-of-state landfills (Figure 3). Tracking of primary exported waste is limited to the types of information required on the manifest. As a result, the data show that 22% of New Jersey hazardous waste exports are sent to out-of-state facilities with an EPA ID number beginning with "NJ", which are facilities that handle waste only considered hazardous in New Jersey, and that 14% of New Jersey primary generated hazardous waste go to facilities in other states for which the management method used by the out-of-state facility has not as yet been determined.

GROSS RECEIPTS TAX

The Siting Act requires the owner or operator of every major hazardous waste facility located in New Jersey to file each year with the chief fiscal officer of the municipality where the facility is located a statement showing the gross receipts from all charges imposed for the treatment, storage, or disposal of hazardous waste at the facility. More importantly, the Act requires the facility to pay to the host municipality a sum equal to five percent of the gross receipts. The municipality and the facility owner or operator may petition the Commission to adjust the amount of the tax.

1993 Tax Payments

<u>COMPANY NAME / MUNICIPALITY</u>	<u>AMOUNT</u>
Chemical Waste Management City of Newark	\$142,230.44
E.I. DuPont de Nemours Carneys Point Township	\$1,330,531.11
Marisol, Inc. Borough of Middlesex	\$7,762.50
Republic Environmental Recycling, Inc. Borough of Clayton	\$57,584.00
Rollins Environmental Services Logan Township	\$1,083,970.72
Safety-Kleen Corp. Borough of Clayton	\$25,782.00
SRSNJ-Safety Kleen City of Linden	<u>\$60,000.00</u>
TOTAL*	<u>\$2,707,860.77</u>

* Gross receipts tax paid by facilities in 1993 was \$506,982 less than the \$3,214,843 paid in 1992 due to general business conditions in the hazardous waste industry.

In 1993, the Commission continued to contact major waste oil recyclers informing them of their obligation to pay the gross receipts tax. One facility, Remtech Environmental Group, is now considered to be in default and is being sued by the City of Camden for payment of the 5% gross receipts tax which has not been paid since 1989. In October 1993, the DEPE issued a final denial of an existing permit to Standard Tank Cleaning, Inc. This facility never paid the gross receipts tax.

HAZARDOUS WASTE ADVISORY COUNCIL

The Hazardous Waste Advisory Council consists of representatives from environmental or public interest organizations, municipal and county elected or appointed officials, community organizations, fire fighters, and various hazardous waste facility users and operators. The Council is required by P.L. 1989, c.243 to review the audit report of NJDEPE'S hazardous waste site remediation program annually. In addition, the Council advises the Commission and the NJDEPE in all areas of hazardous waste management. Council members serve for three-year terms.

Three appointments were made to the Council in 1993: In May, Donald Schneider of Gloucester County was appointed to replace Stephen Kehs, whose term as a County Officer on the Advisory Council had expired. In June, Robert Fixter of S&W Waste, Inc. in South Kearny (Hudson County) was appointed to fill a vacancy as an Industry User of On-Site Facilities or TSDs. Also in June, Paul Brush of Ocean County was appointed to replace George Buckwald in another County Officer position on the Council. Mr. Harry Moscatello of Monmouth County has been nominated and is currently awaiting confirmation for the remaining vacancy for a private sector representative.

Term expirations will occur for a number of Advisory Council positions during 1994. These include two representatives of environmental organizations (Cynthia Jacobson and Katherine Becker), two municipal officials (Raymond DiFrancesco and Joseph Foy), and representatives of Industry (Asim Ray), Licensed Transport (William Ehrhardt), Licensed Operator (Randall Vieser), Firefighters (James Butler, Jr.), the Academic Community (John Liskowitz), and Community Organizations (Carlos Murawczyk).

Site Remediation Report

The Hazardous Waste Advisory Council released its first review of New Jersey's Hazardous Waste Site Remediation Program, as required by P.L.1989, c.243 in 1991. In 1992, the Council made recommendations to the Governor and the Legislature based on a review of the NJDEPE's hazardous waste site remediation program.

One major recommendation of the Council was that the NJDEPE, in cooperation with OMB, establish better means to measure the effectiveness and progress of the hazardous waste site remediation program. A national workshop organized by the Council was suggested to aid the NJDEPE in developing ways and means to measure the effectiveness and progress of remediation efforts. Funding for the workshop was obtained to provide a forum for experts from New Jersey and other states to discuss methods to measure the effectiveness and progress of hazardous site cleanup programs. This funding came from the Victoria Foundation and the USEPA through the efforts of the Commission and Dr. John Liskowitz, Chairman of the Council. The workshop will be conducted in 1994 and a report is expected by late 1994.

The Council was unable to carry out its statutory responsibilities under the Siting Act during 1993 because no state funding was approved or appropriated for the Council for either FY 1993 or FY 1994. Private funding cannot be relied upon as a funding source for the Council. Without state support, the Council will continue to be unable to fulfill the function described for it by the Siting Act.

COMMISSION-SUPPORTED ACTIVITIES

Pollution Prevention

With the establishment of the NJDEPE's Office of Pollution Prevention and the signing into law of the Pollution Prevention Act (N.J.S.A. 13:1D-35) in August 1991, New Jersey is solidly in the forefront of a comprehensive hazardous waste management strategy that stresses prevention and source reduction. Pollution prevention planning and facility wide permitting are identified as the two main provisions of the Pollution Prevention Act. Facilities are required by the Act to establish five year goals to reduce the use and generation of hazardous substances.

Pollution prevention efforts receive continued support from the Commission. The Executive Director serves on the Pollution Prevention Advisory Board. In addition, the Commission has requested the assistance of the Office of Pollution Prevention to identify waste minimization progress that has occurred since the last *Hazardous Waste Facilities Plan Update* in 1989. During 1993, the Office of Pollution Prevention completed final regulations, developed the *Pollution Prevention Planning Guide*, and developed the Industrial Pollution Prevention Plan Summary Form which covered facilities will complete and submit to the NJDEPE for the public record.

Three volunteer companies participated in a pre-pilot facility wide permitting program during 1992, and the pilot program for issuing facility wide permits was continued in 1993 with an additional fifteen volunteer companies participating. Information from this program was used to prepare pollution prevention regulations. The Office of Pollution Prevention expects to issue the first facility wide permits to these volunteer companies during the summer of 1994.

New Jersey Technical Assistance Program

The New Jersey Technical Assistance Program (NJTAP) is a free, confidential program addressing single and multiple media (air, water and land) industrial pollution sources. Services to the industrial community include evaluating existing operating conditions and recommending practical, economically feasible ways to enhance production while, at the same time, minimizing and recycling hazardous wastes. NJTAP is designed to help small companies reduce the volume of hazardous and other wastes generated.

The NJTAP program began operating in 1990 under a grant obtained by the Commission from the U.S. Environmental Protection Agency (USEPA) in the amount of \$225,000. In 1991, the Commission granted a contract extension of \$100,000 to this grant so this program could continue its work in the area of pollution prevention. In 1993, the USEPA awarded an additional \$10,500 to the Commission for the development of a Vocational Environment Education Pilot Project (VEEP) through the NJTAP program.

The VEEP project was intended to educate trainees preparing to enter the workforce about pollution prevention tools and best operating practices in certain targeted industrial sectors. During 1993, NJTAP completed a curriculum guide for environmental education instructors for use in Vocational Education Training Centers. This curriculum is directed toward auto body repair specialists and printing press operators. It covers all aspects of materials handling, safety, and waste reduction procedures to be used in the workplace.

Also in 1993, NJTAP and Waste Advantage, Inc. completed their work with three volunteer companies, through the Office of Pollution Prevention, in order to formulate the state's facility wide permitting approach. Information from this pre-pilot program identified waste quantities, waste costs, waste sources, and developed source reduction recommendations for each of the three large industrial companies.

PERSONNEL / FINANCIAL

During the final months of 1993, prompt action by Governor Whitman's appointments office staff initiated processing of a number of re-appointments for Commissioners whose terms had expired up to three years previously, as well as nominations for new Commissioners to fill vacant positions. By the end of 1993, none of the nominees had been confirmed, but confirmations were expected by the second quarter of 1994.

Commissioners who have been nominated for re-appointment included Commission Chairman Louis Matlack, Vice Chairman James Ferris, Abigail Studdiford, and Thomas Leane. J.B. Wiley, Jr. of Somerset County and John H. Schroeder of Burlington County are nominated to replace Industrial Firm representatives Dr. Roy Gottesman, whose term officially expired in 1990, and Maxwell Weiss, who retired in July 1992. Katherine Becker, currently a member of the Hazardous Waste Advisory Council, is being nominated to replace Ann Auerbach, representing an Environmental/Public Interest Organization. A replacement has not yet been named for Joseph Gilson, who resigned as a commissioner to become Executive Director of the Commission in February 1993.

In addition to the nine Commissioners appointed by the Governor, two "host community" Commissioners serve during the consideration of a facility application. Jeff Sias has represented Linden in exemplary fashion. In December 1993, Ellen Faria replaced Beatrice Bernzott as Union County's representative. Ellen's professional competence as a toxicologist and sensitivity as a parent and Linden resident have helped the Commission.

In February 1993, Joseph E. Gilson, who had served as a commissioner since October 1990, was appointed as the third Executive Director of the Siting Commission. In September, Christine Gozikowski joined the Commission staff as its Administrative Assistant, responsible for day to day administration of Commission business as well as personnel and budget matters. Rose Mary Schwarz, a writer and editor specializing in computer graphics applications and desktop publishing, came to the Commission on a temporary basis in February, and became a permanent member of staff in September. An invaluable addition to the staff in 1993 was Marie Dursin, who has served as our part time systems consultant. Her primary responsibility has been to generate reports from the manifest data base which served as the basis for the *1994 Hazardous Waste Facilities Plan Update*.

In the fiscal year beginning July 1, 1993, \$225,000 was allocated to the Commission by the Legislature. However, \$20,000 requested for the Hazardous Waste Advisory Council was not appropriated. During 1993, the Commission had three full-time and two part-time employees.

PUBLIC PARTICIPATION AND EDUCATION

Outreach programs to universities, colleges, schools, public and private organizations interested in hazardous waste management and treatment are provided by the Commission staff. The Commission has also participated in conferences with the New Jersey Alliance for Action, the HazMat Conference, Mercer County College, and the Governor's Capital Investment Infrastructure Task Force.

The Commission continues to receive public comment on all business conducted at its monthly meetings. Transcripts of these meetings and formal minutes are available for public review.

Response to public requests for information is a high priority. Copies of the Siting Act, the Hazardous Waste Facility Siting Criteria, the Hazardous Waste Facilities Plan update, and various documents describing incineration technology, industrial pollution prevention activities, and small quantity generator practices are available upon request from the Commission office.

THE FUTURE

The Commission is committed to its mandate of finding solutions to the many and increasingly complex problems of hazardous waste management. During 1994, we will continue to work closely with government and industry to keep abreast of dynamic changes occurring in the hazardous waste industry and publish the Commission Plan Update on an annual basis. Our annual Plan Update will provide authoritative data to help decision makers understand the significance of these changes.

The Commission's role in the review of the proposed site for the GAF incinerator ended with the resolution of conditional designation in December 1993. The Commission will monitor the progress of the New Jersey Turnpike Authority's exit ramp review and will provide any additional information that may be needed if it falls within the Commission's resolution of December 28, 1993. The Commission will also review applications for site designation as they are submitted, and will continue to work with both government agencies and private industry to promote the timely and expeditious review and development of new facilities.

This is a time of increasing awareness of the fragility of our environmental balance and the need to clean up the abuses of the past and prevent their occurrence in the future. At the same time, there is increasing awareness of the limitations of both environmental and financial resources. Unless adequate and safe facilities are made available, proper cleanup may prove impossible. Then the State may not be able to ensure the safety of its residents. The responsibility for providing these facilities must be shared by the public and private sectors. If government can find a way to ensure safety without over-regulation, it can promote industrial initiatives and development. Publishing the Hazardous Waste Facilities Plan Update on an annual basis is one way of providing more timely information to help ensure wise decision making.

We live in a time of change. Ten years ago, many people felt we could no longer look toward neighboring states for hazardous waste capacity. Now it has become evident that we *must* look toward neighboring states and regions just as they *must* look to us. The Commission recognizes the interdependence among states for hazardous waste processing, treatment, and disposal; as well as the important role that New Jersey hazardous waste facilities play in hazardous waste management for its neighbor states and surrounding regions. Changes in technology, in industrial processing methods, in public attitudes, in the regulatory environment, and in the economy have forced companies to change the way they deal with hazardous waste.

The Commission believes that New Jersey must continue aggressive efforts to support source reduction, materials recovery/reuse and recycling, and high technology waste treatment methods. Additionally, we must persist in the controversial process of siting in-state hazardous waste facilities. While we believe New Jersey should work toward establishing interstate and regional agreements to satisfy capacity shortfalls, we support the expansion of existing hazardous waste facilities and/or the siting of new facilities if such facilities can lessen New Jersey's dependence on out-of-state treatment, storage, and disposal facilities.

The members of the Hazardous Waste Facilities Siting Commission invite all interested parties, both public and private, individual and corporate, scientific and industrial, legal and educational, to join our efforts to seek responsible, environmentally safe, and affordable solutions to the problems of hazardous waste management.

LEGISLATIVE
SERVICES COMMISSION

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Chairman

ASSEMBLYMAN
CARABED "CHUCK" HAYTAIAN
Vice-Chairman

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OFFICE OF THE STATE AUDITOR
FINANCIAL COMPLIANCE REVIEW
NEW JERSEY HAZARDOUS WASTE FACILITIES
SITING COMMISSION

JULY 1, 1992 TO JUNE 30, 1993

FINANCIAL COMPLIANCE REVIEW

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The Honorable Christine Todd Whitman
Governor of New Jersey

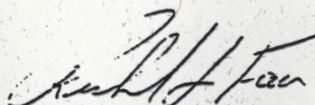
The Honorable Donald T. DiFrancesco
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The Honorable Garabed "Chuck" Haytaian
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
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N.J.S.A 13:1E-83 requires the State Auditor to annually review the Hazardous Waste Facilities Siting Commission's activities pursuant to the provisions of N.J.S.A. 52:24 et seq. Our review of these activities for the fiscal year ended June 30, 1993 encompassed (1) a review of internal control procedures, (2) tests of financial transactions, and (3) tests of adherence to state laws, policies and procedures governing its financial activities.

Our review found that the fiscal activities of the commission were adequately controlled and that financial transactions were generally completed in accordance with applicable statutes, regulations and policies.


Richard L. Fair
State Auditor
June 14, 1994

NEW JERSEY HAZARDOUS WASTE FACILITIES
SITING COMMISSION

BACKGROUND

The New Jersey Hazardous Waste Facilities Siting Commission was established in September 1981 pursuant to N.J.S.A. 13:1E, the Major Hazardous Waste Facilities Siting Act. The commission is responsible for the preparation and revision of the Major Hazardous Waste Facilities Plan, establishment of a public information program concerning such facilities, and the proposal and adoption of site designations for new hazardous waste facilities.

Nine members of the commission are appointed by the governor with the advice and consent of the Senate. These members serve for a term of three years without compensation. In 1992 two additional voting members were added to the board. These members are appointed by the governing bodies of the county and municipality where the proposed hazardous waste facility is to be located. During fiscal year 1993 the commission was chaired by Mr. Louis Matlack. The current Executive Director is Mr. Joseph E. Gilson.

Currently there is only one site under consideration for designation as a major hazardous waste facility in New Jersey, the International Specialty Products (ISP) Tremley Point Property (formerly GAF Inc.) in the City of Linden. The City of Linden has protested the location of a waste facility within its boundaries. On February 1, 1991 the commission referred the matter to the Office of Administrative Law (OAL) for an adjudicatory hearing which is required by law. On May 6, 1992 the OAL issued an initial decision; however, the commission declared that the record was insufficiently developed and consequently withheld final decision on the matter. On June 4, 1992, the commission declared that the record was insufficiently developed in regard to protection of population and safe transportation and consequently withheld final action on the matter remanding the case for further hearing and development of the record back to the OAL. On November 29, 1993, OAL Judge Lavery issued an initial decision on the remand to the commission. On December 28, 1993, the commission by Resolution No. 186 determined that a major hazardous waste facility may be constructed at the GAF site in the City of Linden, provided transportation of hazardous waste to the site is accomplished by rail spur or through direct access ramps to the site from the New Jersey Turnpike. The commission also determined that hazardous waste was not to be transported to the site using local routes that pass through the City of Linden.

Funding for the commission was provided by the legislature through an annual appropriation. All accounts are maintained within the structure of the Department of Environmental Protection and Energy's agency accounting system and transactions are processed through the department's Division of Environmental Planning and Administration, Administrative Operations. The accounts of the Hazardous Waste Facilities Siting Commission are an integral part of the General Fund of the State of New Jersey.

OBJECTIVES

The objectives of our engagement were to review internal control procedures, test financial transactions, and to test adherence to applicable state laws, policies and procedures governing the various transactions.

SCOPE

Our review was limited to financial activity during the period July 1, 1992 through June 30, 1993.

METHODOLOGY

We conducted a review of the commission's internal control structure and interviewed individuals to develop an understanding of the agency's operations. An analytical review of appropriation activity for the past two years was performed to identify any material fluctuations. Samples of the various financial transactions were selected and tested for compliance with applicable policies and procedures.

SUMMARY

During our review period, appropriations available for spending totaled \$300,000. Expenditures totaled \$216,200 of which \$123,000 was for salaries, \$43,000 for other operating expenses and \$50,000 to the City of Linden. Our review of the board's activities found that the board was adhering to State laws, policies and procedures. We noted no material weaknesses in the accounting and administrative control systems that would prevent the board from complying with the provisions of the Major Hazardous Waste Facilities Siting Act.

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