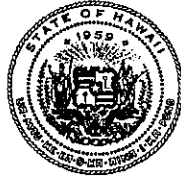


SB 2823

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

S.B. 2823, RELATING TO SOLID WASTE

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

February 14, 2012
2:55pm

1 **Department's Position:** The Department of Health strongly supports this bill.

2 **Fiscal Implications:** Increase annual revenue from approximately \$500,000 to \$1,000,000.

3 **Purpose and Justification:** The purpose of this bill is to modify the existing solid waste management
4 surcharge so that it applies to waste-to-energy facilities and facilities that prepare waste for disposal
5 outside the state of Hawaii.

6 The changes proposed in this bill will help the department address the changing waste
7 management field and provide adequate funding for the Solid Waste Program. The solid waste
8 management surcharge is the main funding source for the department's solid waste regulatory program.
9 The current surcharge is 35 cents per ton and is applied to landfills and incinerators, including H-Power.

10 The department is aware of waste-to-energy facilities that are proposing the use of new
11 technologies that the current solid waste management surcharge would not apply to. The recent past has
12 also seen attempts to ship waste out of the state for disposal. The department feels that it is appropriate
13 that the surcharge be modified to apply to these facilities as they are permitted and regulated by the solid
14 waste program.

1 Increasing the amount of the fee would allow the Solid Waste Program to pay for its operating
2 costs which have steadily increased over the years. Current revenue is below sustainable levels.
3 Allowing the changes proposed in this bill would help the solid waste program to maintain current
4 staffing levels.

5 Thank you for the opportunity to testify on this measure.

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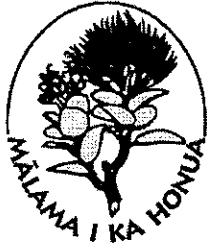
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Sierra Club

Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

February 14, 2012, 2:55 P.M.
(Testimony is 1 page long)

TESTIMONY IN STRONG SUPPORT OF SB 2822

Aloha Chair Gabbard and Members of the Committee:

The Sierra Club, Hawaii Chapter, with 10,000 dues paying members and supporters statewide, ***strongly supports*** SB 2822, establishing a comprehensive electronic waste (or e-waste) recycling program.

E-waste from computers, televisions, and other high-tech devices is an increasing problem. This type of waste frequently contains toxic materials, such as lead in the circuit board soldering or in the cathode ray tube. Moreover, with landfill issues on nearly every island, policies to divert waste from landfills should be encouraged.

Further, we note the current law has not met with as much success. Although well-intentioned, it has proven too weak to hold manufacturers to their recycling responsibilities. Forty-one manufacturers registered with the state of Hawai'i in 2010, but only six manufacturers collected over 98% of all recycled electronics in that year. Twenty manufacturers failed to recycle any covered electronics. Apple Inc. alone accounted for 62% of all electronic waste collected and the success of its program is likely largely attributable to the fact it provides free recycling for all educational levels, including private schools. The Hawaii Department of Education coordinated the collection of covered electronics from six colleges and one high school on four islands and Apple provided recycling and disposal services.

Creating a comprehensive recycling law is sound policy and will help our growing waste crisis. Landfills are overflowing on each island -- it's time to start reducing the amount of opala we create.

Mahalo for the opportunity to testify.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol website

February 14, 2012

TO: HONORABLE SENATORS MIKE GABBARD, CHAIR, J. KALANI ENGLISH, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

SUBJECT: **OPPOSITION TO S.B. 2823, RELATING TO SOLID WASTE.** Increases the solid waste management surcharge to \$1.25 per ton of solid waste disposed of in landfills or shipped out-of-state; increases the solid waste management surcharge to 60 cents per ton of solid waste disposed of at waste-to-energy facilities that accept 150,000 tons or more of solid waste annually; provides for no surcharges to waste-to-energy facilities that accept less than 150,000 tons of solid waste annually and for ash disposed of in landfills that originates from a waste-to-energy facility, and defines "waste-to-energy facility".

HEARING

DATE: Tuesday, February 14, 2012
TIME: 2:55 p.m.
PLACE: Conference Room 225

Dear Chair Gabbard, Vice Chair English and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is celebrating its 80th anniversary this year; GCA remains the largest construction association in the State of Hawaii. GCA is in **opposition** to S.B. 2823, Relating to Solid Waste and the sections related to an increase in the waste management surcharge.

This bill "increases the solid waste management surcharge" from 35 cents to \$1.25 per ton of solid waste disposed at a landfill. The bill also permits no surcharge for waste to energy facilities that accept less than 150,000 tons of solid waste annually and for ash.

We are strongly opposed to any increase in the solid waste management surcharge. This increased surcharge would be passed on to contractors and owners, and raise the cost of all construction projects, such as rail, transit-oriented development, shipyard maintenance, as well as commercial and residential building and renovation. In today's economic situation, increasing construction costs will adversely affect economic recovery.

We are also very concerned about the sudden implementation of this increased cost for construction. Many of our members have existing contracts in place for which Contractors had based their costs on the known disposal costs at the time of the bidding process. Any sudden increase in disposal costs after award of the contract will lead to unanticipated cost increases to the contractors which may not be recovered from the owner.

We recommend that S.B. 2823 be held. Thank you for the opportunity to provide testimony on this measure.

**TESTIMONY OF IAN L. SANDISON
ON BEHALF OF SCHNITZER STEEL HAWAII CORP.
ON SB 2823
(RELATING TO SOLID WASTE)
BEFORE THE
COMMITTEE ON ENERGY AND ENVIRONMENT
SENATE
HAWAII STATE LEGISLATURE**

February 14, 2012

Dear Chair Gabbard, Vice Chair English, and Members of the Committee:

My name is Ian Sandison and on behalf of Schnitzer Steel Hawaii Corp. ("Schnitzer"), I am pleased to have this opportunity to testify in support of SB 2823 as amended. As currently drafted, this bill increases the solid waste management surcharge, applies that surcharge to solid waste shipped out of state, creates incentives for solid waste disposal at waste-to-energy facilities, and exempts ash from waste-to-energy facilities from the surcharge. The amendments proposed by Schnitzer will (1) exempt residue from facilities engaged in recycling from the surcharge, and (2) close a loophole, by imposing the surcharge on businesses that profit from shipping solid waste out-of-state without going through a waste reduction facility.

Schnitzer is Hawaii's largest recycler. Schnitzer's operations in Hawaii employ approximately 50 people, and include equipment and processes to recycle ferrous and non-ferrous scrap metal. Its state-of-the-art metal shredder can reduce a full-size automobile into fist-sized pieces of shredded steel scrap in approximately 30 seconds. For each ton of scrap metal received by Schnitzer, its recycling operation reduces the volume by 80%. Much of this material would otherwise take up significant space in the Waimanalo Gulch Sanitary Landfill, or be simply abandoned on Hawaii's streets and vacant lots.

Recycling operations produce some residual waste. Schnitzer shreds approximately 120,000 tons of scrap metal every year. In so doing, it generates approximately 20,000 tons of recycling residue. That residue consists primarily of plastics, glass, carpet and other nonmetallic automobile and appliance components.

SB 2823 currently exempts ash originating from waste-to-energy facilities from the surcharge. Amending this exemption to include residue from recycling facilities is

appropriate because, like waste-to-energy facilities, the primary public benefit of recycling is reduction of the volume of solid waste going to a landfill or otherwise transported out-of-state. Also like waste-to-energy facilities, all recycling facilities produce some residual waste that cannot be further reused. Exempting facilities engaged in recycling from the surcharge will encourage the growth of the local recycling industry and is a matter of fundamental fairness to those recyclers.

Amending SB 2823 to impose the surcharge on businesses that profit from shipping solid waste out-of-state without going through a waste reduction facility is appropriate because it closes a loophole in the current draft of the bill. Businesses that ship recyclable materials out-of-state for processing still produce a solid waste stream. Those businesses, however, would fall through the cracks because they avoid going through a waste reduction facility. Without this amendment, businesses will be perversely encouraged to avoid waste reduction which is contrary to the fundamental public purpose of the bill.

Thank you very much for the opportunity to submit this testimony to your Committee.

A BILL FOR AN ACT

RELATING TO SOLID WASTE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purposes of this Act are to:

- (1) Clarify that the solid waste management surcharge applies to solid waste shipped outside the State for disposal;
- (2) Clarify that the solid waste management surcharge applies to solid waste disposed of at waste-to-energy facilities; and
- (3) Increase the solid waste management surcharge using a tiered structure commensurate with the impact of the means of disposal on the department.

SECTION 2. Section 342G-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

""Waste-to-energy facility" means a facility that uses a waste source either to create energy in the form of electricity or heat or to derive a form of fuel through processes that

include incineration, gasification, thermal depolymerization, pyrolysis, plasma arc gasification, anaerobic digestion, fermentation, and mechanical biological treatment."

SECTION 3. Section 342G-62, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established a solid waste management surcharge. The solid waste management surcharge shall be [~~35~~ cents]:

- (1) \$1.25 per ton of solid waste disposed of within the State at permitted or unpermitted [~~solid waste disposal facilities.~~] Landfills or transferred to solid waste reduction facilities within the State that collect solid waste for transport to an out-of-state landfill or incineration facility **or otherwise shipped out of state including solid waste contained as part of scrap metal being recycled out-of-state;** provided that there shall be no surcharge for ash **or other residue** originating from waste-to-energy facilities **or facilities engaged in recycling** within the State that is disposed of at any permitted or unpermitted landfill within the State; and

(2) 60 cents per ton of solid waste disposed of within the State at permitted or unpermitted waste-to-energy facilities; provided that there shall be no surcharge for solid waste disposed of within the State at permitted or unpermitted waste-to-energy facilities that accept less than 150,000 tons of solid waste annually.

The surcharge shall be paid by the person or entity doing the disposal[-] at a permitted or unpermitted landfill or at a waste-to-energy facility, or the person or entity responsible for the preparation of the out-of-state transfer of collected solid waste, as the case may be. The owner or operator of the facility shall transfer all moneys collected from the surcharge to the department through a quarterly reporting and payment schedule. Estimates of quarterly solid waste disposal shall be submitted prior to the first day of each quarter and the transfer of moneys collected shall occur within thirty days of the end of each quarter."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on January 1, 2013.

INTRODUCED BY: _____

BY REQUEST

Report Title:

Solid Waste; Disposal Surcharge

Description:

Increases the solid waste management surcharge to \$1.25 per ton of solid waste disposed of in landfills or shipped out-of-state; increases the solid waste management surcharge to 60 cents per ton of solid waste disposed of at waste-to-energy facilities that accept 150,000 tons or more of solid waste annually; provides for no surcharges to waste-to-energy facilities that accept less than 150,000 tons of solid waste annually and for ash disposed of in landfills that originates from a waste-to-energy facility, and defines "waste-to-energy facility".

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.