



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

In reply, please refer to:
File:

SENATE COMMITTEE ON WAYS AND MEANS

S.B. 2823, RELATING TO SOLID WASTE

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

**February 28, 2012
9:00 a.m.**

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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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol website

February 28, 2012

TO: HONORABLE SENATORS DAVID IGE, CHAIR, MICHELLE KIDANI, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON WAYS AND MEANS

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 28, 2012
TIME: 9:00 a.m.
PLACE: Conference Room 211

Dear Chair Ige, Vice Chair Kidani 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.