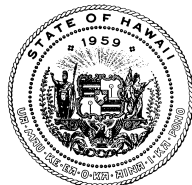


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LATE

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:

COMMITTEE ON WAYS AND MEANS

S.B. 1131, S.D.1, RELATING TO RECYCLING

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

February 22, 2013
9:00 a.m.

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

2 **Fiscal Implications:** The department estimates approximately \$1.9 million in additional annual
3 revenue.

4 **Purpose and Justification:** The glass advance disposal fee (ADF) program was created as a state
5 program in 1994. Under the program, the department collects a fee of 1.5 cents per container from the
6 distributors of non-deposit glass container sold in the state. The majority of funds are passed to the
7 counties, in amounts proportional to population, for the operation of glass buyback programs.

8 Glass recycling lags behind other materials because of its lower material value, and the fact that
9 its higher density leads to higher shipping costs. In an effort to increase glass recycling volumes, the
10 City and County of Honolulu increased its payout rate in FY 2011-12. The higher subsidy rate had the
11 intended effect of increasing the amount of glass collected. This was partly due to the increased
12 availability of glass recycling opportunities for the general public. For the majority of the program's
13 existence, collections have focused nearly exclusively on the commercial sector. However, the higher
14 payout rate encouraged recyclers to begin offering collection to the general public. The increased

1 collections forced the City and County of Honolulu to reduce the payout rate mid-year so that funds
2 could last the duration of the fiscal year.

3 Increasing the ADF would enable the department to increase funding to all counties to bolster
4 their glass recycling efforts.

5 Our goal is to create social and physical environments that promote and support good health for
6 all.

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

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DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

EDUARDO P. MANGLALLAN
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 13-39

February 21, 2013

The Honorable David Y. Ige, Chair
and Members of the Committee on
Ways & Means
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Ige and Members:


Subject: Senate Bill 1131, SD1, Relating to Recycling

The City and County of Honolulu's Department of Environmental Services (ENV) supports adequate funding of programs to support glass recycling. Senate Bill (SB) 1131, SD1, would increase the advance disposal fee (ADF) collected for non-deposit glass containers.

The glass ADF was set at 1.5 cents per container more than 15 years ago and has not been adjusted to accommodate changes in recovery rates or costs. Current revenue levels do not cover needed expenditures to subsidize glass recycling efforts. The cost to ship glass to West Coast facilities to be remanufactured into new container glass exceeds the market value of the glass. Without sufficient funding support for non-deposit glass containers through a subsidy program, the opportunities for glass recycling are very limited.

Thank you for your consideration.

Sincerely,


Lori M.K. Kahikina, P.E.
Director



Sierra Club Hawai'i Chapter

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

LATE

SENATE COMMITTEE ON WAYS AND MEANS

February 22, 2013, 9:00 A.M.
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 1131 SD1

Chair Ige and members of the Committee:

The Sierra Club, Hawaii Chapter, with over 10,000 dues paying members and supporters statewide, respectfully *supports* SB 1131 SD1. This measure establishes a tiered advance disposal fee for different sized glass containers.

Numerous items, such as wine bottles, are not included in Hawaii's overwhelmingly successful bottle law. And based on the size and cost of recycling items like wine bottles, incentives built into the bottle law may not be enough to encourage recyclers to take these items. The cost/benefit ratio doesn't pencil out.

By creating a tiered payment system, we can incentivize the recycling of larger and heavier glass items. We also avoid the supposed burden of having to label each container.

If we want to move Hawaii to a sustainable future and help solve our growing landfill crisis, we need to start taking the "small changes" necessary to eliminate our problems. While the Sierra Club would prefer a more comprehensive recycling program, we believe this is a good first step.

Mahalo for the opportunity to testify.



LATE

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THE SENATE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

COMMITTEE ON WAYS AND MEANS

Testimony in Opposition to SB 1131, SD 1

Wine Institute ("WI") is a public policy association representing 962 California wineries and associated businesses. WI opposes SB 1131, SD 1 because it proposes a significant increase in the advance disposal fee (ADF) on glass wine bottles from \$.015 to \$.06 without demonstration of a compelling need or efficient use for this amount of new revenue. This fee increase would likely result in higher wine prices for Hawaii consumers.

According to the Beverage Information Group's 2012 Wine Handbook, the total consumption of table wine in Hawaii in 2011 was 1,790,700 cases, which equals 21,488,400 750ml bottles. Under the current fee of 1.5 cents, the Advanced Disposal Fee on these wine bottles raised about \$322,326. Under the bill, each of these bottles, since they contain more than 12 ounces, would be subject to a 6 cent fee. On wine bottles alone, this would have raised about \$1,289,304. This is more than the total expenditures for county collection programs in 2011, which were reported to be \$1,121,097. (Table 11, Report to Twenty-Sixth Legislature 2012, Annual Report on Solid Waste Management, December 2011.)

The bill's Justification Sheet explains that the City and County of Honolulu spent their allotment before the end of the 2011-2012 fiscal year, but without a study of the overall fiscal situation of the program and glass recycling goals, it is impossible to gage whether this significant fee increase is warranted. We question if there are adequate cost controls in this program if every time a county decides to pay more to recyclers there is a corresponding request to increase the fee to cover the costs.

We urge the Legislature to study the fiscal soundness of the program and the recycling goals before deciding to substantially increasing the ADF.