

SB 1169



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 1169, RELATING TO THE GLASS ADVANCE DISPOSAL FEE
PROGRAM**

Senate Committee on Energy and Environment

February 5, 2015

Chair Gabbard and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to offer comments on Senate Bill No. 1169, relating to the Glass Advance Disposal Fee Program. This bill would, among other things, establish a glass advance disposal fee working group—and appoint the state auditor as a member—to review and discuss the findings and recommendations contained in our December 2014 audit report, *Audit of the Department of Health Glass Advance Disposal Fee Program* (Report No. 14-16).

I respectfully ask that the state auditor be removed from the working group as it would be a conflict of interest and likely impair our independence. For example, our professional standards—*Government Auditing Standards*—provide that it would be a threat to independence to audit systems we designed or implemented.

Thank you for the opportunity to offer comments on Senate Bill No. 1169. I am available for your questions, should you have any.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony in OPPOSITION to S.B. 1169
RELATING TO THE GLASS ADVANCE DISPOSAL FEE PROGRAM

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Hearing Date: February 5, 2015 Room Number: 225
Time: 2:45 p.m.

1 **Fiscal Implications:** Administrative time and cost of coordinating activities of the proposed working
2 group.

3 **Department Testimony:** The Department of Health respectfully opposes this measure as it is
4 unnecessary. This measure proposes to create a working group to review and discuss the findings and
5 recommendations contained in the 2014 audit report of the Department's Glass Advance Disposal Fee
6 Program.

7 Since the release of the Auditor's report on Glass Advance Disposal Fee Program, the Department has
8 already begun its own follow-up. Our staff will continue to meet with county representatives and other
9 stakeholders to further discuss and analyze each county's glass collection program. The Department is
10 committed to addressing findings and recommendations made by the Auditor and to keeping legislators
11 informed on our progress.

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

13 **Offered Amendments:** None

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Testimony in Support of SB 1169

Dear Chair Gabbard and Members of the Committee on Energy and Environment,

Wine Institute (“WI”) is a public policy association representing 813 California wineries of all sizes. WI supports SB 1169 which creates a working group in the Department of Health tasked to review and discuss the findings and recommendations of the December 2014 audit report of the Department of Health’s Advanced Disposal Fee program. The audit provides excellent information regarding issues with the program and potential changes that could be implemented by the Department.

WI supports the formation of a working group because it will facilitate discussion between government and stakeholder participants to provide recommendations on how to most effectively, economically and efficiently handle glass recycling. WI is interested in being part of further discussions regarding the ADF program and collaborating with other stakeholders and consultants like Oceanit to find solutions that are more efficient and effective than the current system.

Based on the audit report, WI respectfully suggests that SB 1169 be clarified to give equal emphasis to down-cycling as recycling. Appropriate goals for glass recycling and down-cycling must be set by the Department of Health in the Solid Waste Management Plan. Hawaii loses money recycling glass. Shipping glass to the west coast for recycling costs about \$125 per ton, which far outweighs its value of between \$20-\$60 per ton, depending on color and sort. At its highest value - \$60 per ton, Hawaii still loses \$65 per ton, before taking into account the costs of collection, processing and transporting the glass to the docks. With such significant losses in the program, WI looks forward to working with the Department and stakeholders to be part of the solution.

Thank you for the opportunity to testify on this measure.



Executive Officers:

John Schilf, RSM Hawaii - Chairperson
Derek Kurisu, KTA Superstores - Vice Chair
Lisa DeCoito, Aloha Petroleum - Treasurer
John Erickson, Frito-Lay - Secretary
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
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TO:
COMMITTEE ON ENERGY AND ENVIRONMENT
Senator Mike Gabbard, Chair
Senator Josh Green, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 5, 2015
TIME: 2:45pm
PLACE: Conference Room 225

RE: SB1169

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA strongly supports the intent of this measure. In order for this working group to achieve it's goals and find functional solutions to the issues highlighted in the Audit of the Advance Glass Disposal Fee it is vital that a representative from the Hawaii's Food Industry Association be included in the working group.

Hawaii's food and beverage industry is a major active participant in the Advance Disposal Fee program and is greatly affected by any changes to the program. A representative from our industry would be able to provide the working group with valuable insight into how exactly the program is implemented at the level of manufacturers, suppliers, wholesalers, retailers, and consumers, information which the working group will need in order to carry out a number of the goals set forth in this measure.

We ask that this measure be revised to include as part of the working group "A representative of Hawaii's Food and Beverage Industry to be named by the Hawaii Food Industry Association."

Thank you for the opportunity to testify.

MCCORRISTON MILLER MUKAI MacKINNON LLP

ATTORNEYS AT LAW

FACSIMILE TRANSMITTAL

Account No.: 49833

FACSIMILE NO.: 808-586-6679**TO:** Senate Committee on Energy and Environment**FROM:** Hawaii Liquor Wholesalers Association**DATE:** February 4, 2015**TOTAL NUMBER OF PAGES SENT (including this page):** 10**RE:** SB 1169 - RELATING TO THE GLASS ADVANCE DISPOSAL FEE PROGRAM.
Hearing Date: February 5, 2015, 2:45 PM

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TRANSMITTED HERewith IS/ARE THE FOLLOWING:

TESTIMONY IN OPPOSITION SUBMITTED BY HAWAII LIQUOR WHOLESALERS ASSOCIATION.

If you do not receive all of the pages, please call as soon as possible: (808) 529-7500

Hawaii Liquor Wholesalers Association
222 South Vineyard Street, Suite 401
Honolulu, HI 96813-2453
(808) 531-4551

February 4, 2015

Via Fax: 808-586-6679

Senate Committee on Energy and Environment
Senator Mike Gabbard, Chair
Senator Josh Green, Vice-Chair
Hawaii State Capitol
415 South King Street
Honolulu, Hawaii 96813

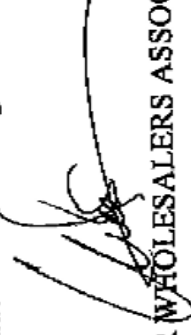
RE: SB 1169 - RELATING TO THE GLASS ADVANCE DISPOSAL FEE PROGRAM.

Dear Chair Gabbard, Vice Chair Green and Committee Members:

The Hawaii Liquor Wholesalers Association ("HLWA"), respectfully submits the following written testimony supporting in part SB 1169, which would establish a working group to review the audit of the Department of Health advance disposal fee program (Report No. 14-16), which is to be heard by your Committee on February 5, 2015.

A study to identify local alternatives to shipping non deposit glass out of the State of Hawaii (Report No. 14-17) was also done. A copy of that study was submitted to the Legislature. Because the findings of that study are an integral part of the disposition of non deposit glass, we suggest changes to the Bill, as shown on the attached black line and clean versions of the Bill to reference the study as well as having the working group address the findings and recommendations contained in the study.

Thank you for your consideration of this matter.



HAWAII LIQUOR WHOLESALERS ASSOCIATION

THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2015
STATE OF HAWAII

S.B. NO. 1169

A BILL FOR AN ACT

RELATING TO THE GLASS ADVANCE DISPOSAL FEE PROGRAM.

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

SECTION 1. (a) There is established in the department of health, for administrative purposes only, a glass advance disposal fee working group to review and discuss the findings and recommendations contained in the December 2014 audit report of the department of health's glass advance disposal fee program (Report No. 14-16) and the study to identify local alternatives to shipping non-deposit glass out of the state of Hawaii (Report; No. 14-17).

The working group shall include the following members or their designees:

- (1) The state auditor;
- (2) The director of health;
- (3) The state solid waste management coordinator; and
- (4) One representative with county glass collection program experience from each of the four counties, to be selected by the mayor of each respective county.

(5) One representative with non-deposit glass importation experience to be selected by the Senate President.

6) One representative with recycling of glass experience to be selected by the Senate President.

(b) The working group shall examine and evaluate the glass advance disposal fee program by:

(1) Determining the feasibility of a glass advance disposal fee increase;

(2) Determining whether the purpose of the glass advance disposal fee is to fully fund or merely supplement county glass collection programs;

(3) Determining whether the glass advance disposal fee achieves the department of health's collection and recycling goals for non-deposit glass;

(4) Developing solutions to address any glass advance disposal fee problem areas; ~~and~~

(5) Developing solution to address the findings and recommendations contained in the December 2014 study (Report No. 14-17); and

(5) Considering any other issues the working group deems appropriate, based on the findings and recommendations contained in the December 2014 audit report of the department of health's glass advance disposal fee program

(Report No. 14-16) and December 2014 study (Report No.

14-17).

(c) The working group shall submit a written report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

(d) The members of the working group shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

(e) The working group shall cease to exist on June 30, 2016.

SECTION 2. This Act shall take effect upon its approval.

INTRODUCED BY: _____

Report Title:

Solid Waste Management; Glass Advance Disposal Fee Program; Working Group; Department of Health

Description:

Creates a working group to review and discuss the findings and recommendations contained in the 2014 audit report of the department of health's glass advance disposal fee program. Requires the working group to submit a written report to the legislature prior to the regular session of 2016.

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

THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2015
STATE OF HAWAII

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 - (3) Determining whether the glass advance disposal fee achieves the department of health's collection and recycling goals for non-deposit glass;
 - (4) Developing solutions to address any glass advance disposal fee problem areas;
 - (5) Developing solution to address the findings and recommendations contained in the December 2014 study (Report No. 14-17); and
 - (6) Considering any other issues the working group deems appropriate, based on the findings and recommendations contained in the December 2014 audit report of the department of health's glass advance disposal fee

program (Report No. 14-16) and December 2014 study (Report No. 14-17).

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