

**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 1260,
RELATING TO RECYCLING**

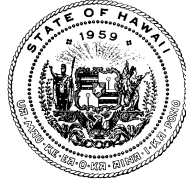
House Committee on Energy & Environmental Protection

March 17, 2015

Chair Lee, Vice Chair Lowen, and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to testify in support of Senate Bill No. 1260. The purpose of this measure is to mandate the Department of Health to adopt and implement the recommendations made in Report No. 14-17, *A Study to Identify Local Alternatives to Shipping Non-Deposit Glass out of the State of Hawaii*, which we released in December 2014. We contracted with Oceanit Laboratories, Inc. to conduct the study because our office does not have expertise in environmental issues. Oceanit concluded that before Hawaii can successfully implement local uses of ADF glass, it must first address significant obstacles to local down-cycling of ADF glass. This measure would require implementation of recommendations made to the Department of Health to address such obstacles.

Thank you again for the opportunity to testify in support of Senate Bill NO. 1260. I am available to answer any questions you may have.



**STATE OF HAWAII
DEPARTMENT OF HEALTH**

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**Testimony COMMENTING on S.B. 1260
RELATING TO RECYCLING**

REPRESENTATIVE CHRIS LEE, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Hearing Date: March 17, 2015

Room Number: 325

1 **Fiscal Implications:** Unknown

2 **Department Testimony:** The Department offers comments on this measure. The goal of this
3 measure is "...to mandate the department of health to adopt and implement the recommendations
4 made by the office of the Auditor." This measure requires the Department to: 1) perform a cost-
5 benefit analysis of, and consider, combining the Glass Advance Disposal Fee (ADF) and Deposit
6 Beverage Container programs; 2) update the Department's 2008 Draft Glass Recycling Policy; 3)
7 work with stakeholders to make practical policies and rules governing the stockpiling of glass;
8 and 4) increase the recovery rate of ADF glass to 75%.

9 This measure may be unnecessary as the Department is actively following up on the Auditor's
10 recommendations. Given the Auditor's focus on administrative issues, we are focusing our
11 initial response on tightening contract management, specifically beginning with revising the
12 scopes of services in our contracts with the counties. We will also be implementing written
13 procedures for contract administration, accounting, and the collection and compilation of data
14 that will be used in consideration of future program changes. We believe that these are the
15 logical first steps in follow-up to the Auditor's report.

16 While we understand the desire to make some of the changes proposed by this bill, we believe
17 that it is premature to do so at this point. That is not to say that some, or all, of the changes will
18 not be considered, only that we will consider and analyze these proposals after we have
19 completed analysis of all county programs and have begun collection of more comprehensive

1 data. We assure you that we will include all pertinent stakeholders as we continue our analysis
2 and in developing proposals to modify and improve the glass ADF program.

3 Thank you for the opportunity to testify on this measure

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TO:
COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Representative Chris Lee, Chair
Representative Nicole E. Lowen, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 17, 2015
TIME: 8:30am
PLACE: Conference Room 325

RE: SB1260

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.

We support the intent of this measure and believe that the Advance Disposal Fee Program should adopt many of the recommendations made in the December 2014, Audit of the Department of Health's Glass Advance Disposal Fee Program. We are also very supportive of the section of this measure that would update and finalize the 2008 Department of Health Policy Glass Recycling Draft dated July 1, 2008, to equally allow recycling or down-cycling.

We would ask that this measure be revised to remove the paragraph (1) of Section 1 and paragraph (1) of Section 2, which recommend considering combining the Advance Disposal Fee processing stream with the Deposit Beverage Container glass processing stream. We believe that a clear distinction must be maintained between the two programs and that in order for the ADF Program and the HI-5 program to both operate at optimum levels and accomplish their separate goals it is important that they continue to be separate programs.

Combining the programs on any level which would lead to the ADF being changed to \$.05 or lead to the ADF being charged to customers themselves will lead to an increased financial burden on customers and/or businesses and will not further the recycling goals of the state.

The Audit discusses among the problems associated with the ADF is that it is viewed by the Health Department as "an appendage to the larger Deposit Beverage Container Program"¹. We believe that any attempt to combine

¹ Audit of the Department of Health's Glass Advance Disposal Fee Program, The Auditor, State of Hawaii, Report No. 14-16, December 2014, Chapter 2, Page 7

the programs will exacerbate the already considerable issues with the ADF which were identified in the Audit, and we therefore ask that this measure be amended as noted above.

Thank you for the opportunity to testify.

lowen2-Thomas

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 15, 2015 1:48 PM
To: EEPtestimony
Cc: amybrinker@mac.com
Subject: *Submitted testimony for SB1260 on Mar 17, 2015 08:30AM*

SB1260

Submitted on: 3/15/2015

Testimony for EEP on Mar 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

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lowen2-Thomas

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Cc: jamesjtz@aol.com
Subject: *Submitted testimony for SB1260 on Mar 17, 2015 08:30AM*

SB1260

Submitted on: 3/15/2015

Testimony for EEP on Mar 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments:

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