

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

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IN REPLY REFER TO:
WAS 17-52

February 21, 2017

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan Dela Cruz, Vice Chair
and Members of the Committee on Ways and Means
State Senate
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Tokuda, Vice Chair Dela Cruz and Members:

Subject: Senate Bill 301, S.D.1, Relating to Recycling

The City and County of Honolulu's (City) Department of Environmental Services supports SB 301 SD1, which would increase the efficiency of glass recycling subsidy program administration and could result in increased funding for non-deposit glass recycling.

Glass recycling in Hawaii is subsidized by two programs; non-deposit glass recycling is subsidized by the Advanced Disposal Fee (ADF) program, while deposit beverage container glass recycling is subsidized by the Deposit Beverage Container (DBC/Hi-5) program. Each program requires that its glass be processed and marketed separately from other glass in order to be eligible for the subsidy. This creates a significant inefficiency in processing operations in that it effectively requires recycling companies to maintain separate processing and shipping operations for glass sorted according to the fund from which the subsidy is paid. The City recommends that the ADF and Hi-5 glass recycling subsidy programs be combined. This would eliminate the fund source issue and allow for combination of these processing streams.

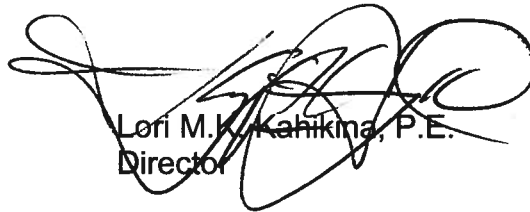
In addition to the operational inefficiencies caused by having to keep these material streams separate, limited funding for non-deposit glass recycling continues to be problematic for the City. The glass ADF, which provides funding for non-deposit glass recycling, was set at 1.5 cents per container more than 20 years ago and has not since been adjusted to accommodate for changes in recovery rates or operating costs. The cost to ship glass to West Coast recycling facilities, where it's remanufactured into new glass containers, significantly exceeds the market value of the glass, and the

be problematic for the City. The glass ADF, which provides funding for non-deposit glass recycling, was set at 1.5 cents per container more than 20 years ago and has not since been adjusted to accommodate for changes in recovery rates or operating costs. The cost to ship glass to West Coast recycling facilities, where it's remanufactured into new glass containers, significantly exceeds the market value of the glass, and the amount of funding the City receives for its non-deposit glass recycling program through the State's ADF program does not provide adequate resources to subsidize the recycling effort. A subsidy program with sufficient financial support is needed to support the diversion of ADF glass from disposal to recycling.

On Oahu, lack of funding continues to impact the City's ability to provide adequate support for the recycling of more than 7,000 tons of non-deposit glass collected annually from 160,000 homes in the residential curbside recycling program, glass buy-back centers, and the bar and restaurant industry.

Thank you for your consideration.

Sincerely,



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



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Testimony Commenting on SB 301, SD1 Relating to Recycling

Wine Institute (“WI”) is a public policy association representing 835 California wineries of all sizes. WI submits **comments** regarding SB 301, SD1, which proposes to mandate the recommendations made by the office of the auditor to the Department of Health (DOH) regarding advance disposal fee glass containers and glass recycling.

SB 301, SD1 selectively requires implementation of the Audit of the Department of Health’s Glass Advance Disposal Fee Program and A Study to Identify Local Alternatives to Shipping Non-Deposit Glass out of the State of Hawai’i, submitted to the Governor and the Legislature in December 2014. Specifically, the bill requires DOH to: 1) perform a cost-benefit analysis regarding combining the Advanced Disposal Fee (ADF) and deposit beverage glass waste streams, 2) adopt a down-cycling policy, 3) work with stakeholders to create policies and rules regarding stockpiling glass, and 4) increase recovery rates to 75%.

Before considering any changes to the ADF program, there should be thorough consideration of the issues and recommendations provided in the Auditor’s study. The study provides excellent information regarding issues with the program and potential changes that should be implemented by DOH. The Wine Institute supports the formation of a working group to move forward on the study’s findings, and determine the best hierarchy for waste management practices relating to glass given Hawaii’s unique circumstances. Currently, as the study notes, ADF glass is shipped to the mainland where the price paid for it is so low (\$5 to \$9 per ton) that it doesn’t come close to covering the cost of transporting the glass (\$100 to \$125 per ton).

Wine Institute also believes that permitting down-cycling is a key step towards considering alternatives to shipping bottles off island using fossil fuels. A working group could also consider critical issues, such as combining the glass streams from the deposit beverage container program and the ADF program, any policy changes needed to place down-cycling on equal footing with recycling for the entire glass stream, and whether there is a down-cycling alternative that is better for Hawaii than expending dollars and resources to ship glass to the mainland where there is little market for the

materials. The consultant hired by the State Auditor to study local alternatives, Oceanit Laboratories, may be a helpful participant in any such discussions.

For these reasons, we respectfully urge this Committee to consider additional study of the broader issues relating to glass waste management. Thank for very much for the opportunity to submit testimony.



SIERRA CLUB OF HAWAI'I
MĀLAMA I KA HONUA. *Cherish the Earth.*

SENATE WAYS AND MEANS COMMITTEE

Thursday, February 23, 2017 1:35PM Room 211

In SUPPORT SB301 Relating to Recycling

LATE

Aloha Chairwoman Tokuda and members of the Ways and Means Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i STRONGLY supports SB301, which mandates the Department of Health to adopt the Auditor's recommendations for improving our recycling program.

Since 1968, the Sierra Club of Hawai'i has been working to protect the unique natural and cultural resources of our islands. Our organization was instrumental in establishing Hawai'i's current recycling laws, including the Bottle Bill.

Hawai'i's bottle law has proven to be an overwhelming success for Hawaii's environment, with *over 930 million bottles and cans diverted from Hawaii's landfills annually*. Beyond waste diversion, our recycling law reduces litter, creates jobs, and provides opportunities for churches, charities, and schools to fundraise. The recycling program proves that a little change can make a big difference.

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.

Thank you very much for this opportunity to provide testimony on this important issue.

Mahalo,

Marti Townsend
Director

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2017 3:05 PM
To: WAM Testimony
Cc: mghsmart@yahoo.com
Subject: Submitted testimony for SB301 on Feb 23, 2017 13:35PM

SB301

Submitted on: 2/22/2017

Testimony for WAM on Feb 23, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Smart	Individual	Oppose	No

Comments: Eliminate the deposit fee on all containers by repealing the "bottle bill" and repealing all plastic/polystyrene ban bills. Management costs of these programs are greater than the benefits. Waste sorting capabilities exist that would serve the community better. Glass/plastic/aluminum containers should be voluntarily recycled at no cost to the resident or government. Instead of more fees, improved refuse sorting would be all beneficial. Glass, plastic and aluminum could be machine sorted for use at either the H-power plant or recycling. (see the article: "Machines are better than people at sorting household trash" published by ScienceNordic. An improved waste sorting system would benefit our community and reduce costs. No more taxpayer funds should be expended on inefficient fee-based recycling mandates.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 7:53 AM
To: WAM Testimony
Cc: alohashellservice@hawaii.rr.com
Subject: Submitted testimony for SB301 on Feb 23, 2017 13:35PM

SB301

Submitted on: 2/23/2017
Testimony for WAM on Feb 23, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Hanada	Individual	Comments Only	No

Comments: No brainer option. Include wine bottles in the deposit beverage container program. The system has been working since 2005.

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