

SB301

Measure Title: RELATING TO RECYCLING.

Report Title: Department of Health; Advance Disposal Fee Glass; Deposit Beverage Container Glass; Recycling

Description: Mandates the recommendations made by the office of the auditor to the department of health regarding advance disposal fee glass containers and glass recycling. Requires the department of health to report on its implementation of the recommendations to the legislature.

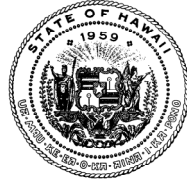
Companion: HB184

Package: None

Current Referral: CPH/AEN, WAM

Introducer(s): K. RHOADS, RUDERMAN

DAVID Y. IGE
GOVERNOR OF HAWAII



VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

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

**WRITTEN
TESTIMONY ONLY**

**Testimony COMMENTING on S.B. 301
RELATING TO RECYCLING**

SENATOR ROSALYN BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: 2/10/2017
Time: 1:15 p.m.

Room Number: 224

1 **Fiscal Implications:** The Department needs an appropriation of \$100,000 from the general fund
2 to conduct the cost-benefit analysis of combining the advance disposal fee (ADF) glass with the
3 deposit beverage container (DBC) glass processing streams.

4 **Department Testimony:** This measure requires the Department to perform a cost-benefit
5 analysis of combining the ADF glass with the DBC glass processing streams and to report on the
6 Department's progress in adopting the recommendations contained in Auditor's Report 14-17.
7 The Department is requesting an appropriation from the general fund, to cover the costs of
8 conducting the analysis.

9 The Department respectfully requests an additional year to submit its report to the
10 legislature. The additional time is needed for the Department to obtain the Governor's approval
11 to contract for this analysis, go through the state's procurement process to hire a contractor, and
12 finally for the contractor to conduct the analysis. This analysis may require visits to neighbor
13 island recyclers that collect and process ADF material in order to determine the effects of
14 combining the ADF glass with the DBC glass processing streams.

15 Thank you for the opportunity to testify on this measure and we appreciate the
16 legislature's support of the state's recycling programs.



SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

The Honorable Mike Gabbard, Chair
The Honorable Gil Riviere, Vice Chair

S.B. No. 301, Relating to Recycling

Hearing: Friday, February 10, 2017, 1:15 p.m.

The Office of Auditor **supports** S.B. No. 301, Relating to Recycling.

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 Hawai'i*, which we released in December 2014. We contracted with Oceanit Laboratories, Inc. (Oceanit) to conduct the study because our office does not have expertise in environmental issues. Oceanit concluded that before Hawai'i can successfully implement local uses of advance disposal fee (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.

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 17-28

February 2, 2017

The Honorable Rosalyn H. Baker, Chair
and Members of the Committee on
Commerce, Consumer Protection and Health
The Honorable Mike Gabbard, Chair
and Members of the Committee on
Agriculture and Environment
State Senate
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Baker, Chair Gabbard and Members:

Subject: Senate Bill 301, Relating to Recycling

The City and County of Honolulu's (City) Department of Environmental Services supports SB 301, 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

Testimony for SB 301
February 2, 2017
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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. Kanikina, P.E.
Director

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 2:21 PM
To: CPH Testimony
Cc: nredfeather@kohalacenter.org
Subject: Submitted testimony for SB301 on Feb 10, 2017 13:15PM

SB301

Submitted on: 2/1/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy Redfeather	Hawaii Island School Garden Network - The Kohala Center	Comments Only	No

Comments: The Yale School of Ecological Engineering once did a project in Jamaica with Dr. Marion Chertow. They discovered that the Island threw out as much glass into the landfill as they purchased new. So they designed small glass recycling plants that could make glass containers to order for businesses in Jamaica. Now Jamaica recycles all it's glass and does not import glass for products made there. Amazing.

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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Katie Jacoy
Western Counsel
Wine Institute
31 West Road N
Tacoma, WA 98406
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kjacoy@wineinstitute.org
360-790-5729

Testimony Commenting on SB 301 Relating to Recycling

Wine Institute (“WI”) is a public policy association representing 835 California wineries of all sizes. WI submits **comments** regarding SB 301, 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 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.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 2:12 PM
To: CPH Testimony
Cc: cchaudron08@gmail.com
Subject: *Submitted testimony for SB301 on Feb 10, 2017 13:15PM*

SB301

Submitted on: 2/1/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Camila Chaudron	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 9:08 PM
To: CPH Testimony
Cc: ryan@earthfriends.com
Subject: Submitted testimony for SB301 on Feb 10, 2017 13:15PM

SB301

Submitted on: 2/8/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
ryan christopher	Individual	Comments Only	No

Comments: We need to get recycling of ALL glass containers back on track. Just HI-5 is not enough. Please consider the children and the mess we leave behind for them!
Thanks

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I am writing to voice my support of SB301 relating to recycling of glass. The recommendations made by the office of the auditor are common sense measures to save taxpayer money. Thank you,

Jordan Moniuszko

Jwm7r@virginia.edu

808-284-3204

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 1:39 PM
To: CPH Testimony
Cc: aubrey_aea@yahoo.com
Subject: *Submitted testimony for SB301 on Feb 10, 2017 13:15PM*

SB301

Submitted on: 2/9/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Aubrey Aea	Individual	Support	No

Comments:

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