

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON WAYS AND MEANS
Thursday, April 5, 2018
10:15 a.m.

HOUSE BILL NO. 1570 HD1, PROPOSED SD1
RELATING TO THE ENVIRONMENT

Chairperson Dela Cruz and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC strongly supports House Bill No. 1570 HD1, Proposed SD1 which authorizes ADC to enter into contracts with private businesses to remove select municipal solid waste, glass, and food and green waste from the waste stream for use in other business sectors, including agriculture, construction, and energy production.

As the State’s economy continues to grow, it is critical that innovative processes are applied to the recycling sector to reduce the pressure on the State’s environment and to capture as much value as possible to support local business sectors. The ADC, in its role of developing agriculture initiatives, is uniquely positioned to implement existing and emerging technology towards the goal of optimizing value from waste streams for agricultural uses. Other industry sectors, such as construction or energy, will also benefit immediately as recycled material often has multiple uses.

Thank you for the opportunity to testify, and for your consideration of this bill.

HB-1570-HD-1

Submitted on: 4/4/2018 9:36:54 AM

Testimony for WAM on 4/5/2018 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Micah Munekata	Testifying for Hawaii Department of Agriculture	Support	No

Comments:

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 18-162

April 3, 2018

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

Dear Chair Luke and Members:

Subject: House Bill 1570, Proposed SD1, Relating to the Environment

The City and County of Honolulu's (City) Department of Environmental Services (ENV) continues to oppose the concepts in HB 1570, SD1, Proposed. We have consistently opposed SB2519 and HB 2095 which have made the same proposal as contained in the proposed SD1 to HB 1570, SD1 Proposed. ENV supports diminishing the need for landfill disposal and that is a core portion of our solid waste management plans which include H-power and ongoing efforts to reuse ash and residue from H-power to eliminate the need for a daily use landfill.

The authority proposed to be given by this measure to the Agriculture Development Corporation (ADC) interferes with the City's "flow control" of municipal solid waste by proposing to authorize the ADC to enter into contracts with private businesses to remove select municipal solid waste, glass, and food and green waste from the waste stream for use in other business sectors, including agriculture, construction, and energy production provided that any contract shall benefit agricultural and agriculture-related projects. The City's authority to direct the disposal of municipal solid waste to specified locations is based on HRS Sec. 340A-3, which authorizes counties to require that solid waste be disposed of at designated facilities in order to meet the minimum operating requirements of a resource recovery facility (H-POWER) and ROH Sec. 9-2.3, which provides that the City, in issuing refuse collection licenses, can condition licenses on disposal at designated disposal facilities.

As stated above, this bill would authorize the ADC to enter into contracts with private businesses to remove certain wastes from the waste stream, which infringes on the City's waste flow control in contravention of HRS Sec 340A-3 and ROH Sec. 9-2.3. HB 1570, Proposed SD1, does not specify whether the ADC or the counties' authority

over flow control would have priority were such a change made. Thus, the ADC's authority appears to be in direct conflict with the counties' authority to direct the disposal of solid waste at designated facilities.

In addition, the authority proposed by this bill to "enter into contracts with private businesses to remove select municipal solid waste, glass, and food and green waste from the waste stream for use in other business sectors, including agriculture, construction, and energy production" may exceed the scope of the ADC, as set forth in HRS Ch. 163D. The legislative purpose and powers of the ADC appear to be limited to the area of agriculture and agricultural enterprise. The legislative purpose of the HRS Ch. 163D is stated as follows:

The purpose of this chapter is to create a vehicle and process to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. This chapter establishes a public corporation to administer an aggressive and dynamic agribusiness development program. The corporation shall coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, to carry on the marketing analysis to direct agricultural industry evolution, and to provide the leadership for the development, financing, improvement, or enhancement of agricultural enterprises.

The legislature clearly stated that the purpose of the ADC is to assist and develop agricultural enterprises. As used in HRS Ch. 163D, "agriculture" means:

[T]he production for marketing and exporting of plant and animal life on land and within ponds and other bodies of water for food, fiber, and raw materials for value-added products, and any agricultural enterprise or enterprises organized for the production of agricultural materials or value-added products based on detailed marketing analysis and strategies to exploit profitable potentials in local, national, and international markets, including general farming, cane growing, fruit growing, flower growing, aquaculture, growing of timber and forest products, apiary, grazing, dairying, and the production of any form of livestock or poultry, and their appurtenant services and facilities.

The use of municipal solid waste, glass, and food and green waste to produce building materials and energy does not appear to fall within the definition of "agriculture" in HRS §163D-2. Finally, the ADC's powers are set forth in HRS Sec. 163D-4 and do not appear to include the authority to engage in programs or enterprises that handle municipal solid waste for use in other business sectors. The current language would

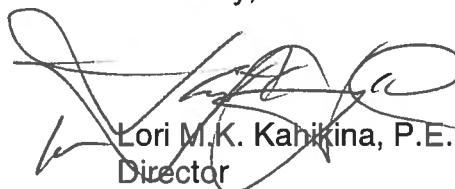
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limit use of products created from the waste stream materials to benefit agriculture and agriculture-related projects, but this does not address the issue of source control for the types of waste already granted to the City and County.

It should be noted that in accordance with HRS Sec. 340A-3, the City does not have authority to require the disposal of **agricultural solid waste** at facilities or in areas designated by the City. "Agricultural solid waste" means the solid waste that results from the rearing of animals and the harvesting of crops. (See HRS §340A-1.) Therefore, the ADC may have authority to enter into contracts with private businesses to remove agricultural solid waste from the waste stream, but there is nothing in this bill to indicate that the legislature intends to limit the ADC's authority to this single waste stream. We continue to strongly recommend that the concepts contained in HB 1570, Proposed SD1 be modified to limit the authority to this single waste stream and the ability of the City and County of Honolulu to control disposition of non-agricultural solid waste be maintained or that the bill not be passed.

Thank you for your consideration.

Sincerely,



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



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SENATE COMMITTEE ON WAYS AND MEANS
Thursday, April 5, 2018, 10:15 AM, Conference Room 211
House Bill 1570, Proposed SD 1, Relating to the Environment

TESTIMONY

Chair Dela Cruz and Committee Members:

If the Senate passes HB 1570, Proposed SD 1, the subject of the Proposed SD 1 will not have had 3 readings or a public hearing in the State House. Under Article III, Section 15 of the Hawaii Constitution, the Legislature is not authorized to enact a bill whose subject has not had three separate readings in the State House and three separate readings in the State Senate.

Thank you for the opportunity to submit testimony.

HB-1570-HD-1

Submitted on: 4/4/2018 7:36:59 AM

Testimony for WAM on 4/5/2018 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S. C. Keith-Agaran, Vice-Chair, and Members of the Committee on Ways and Means:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB1570 HD1 SD1** relating to the Environment; Waste Diversion; and the Agribusiness Development Corporation.

The OCC Legislative Priorities Committee is in favor of **HB1570 HD1 SD1** and supports its passage.

HB1570 HD1 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), as it authorizes the agribusiness development corporation to enter into contracts with private businesses to remove select municipal solid waste, glass, and food and green waste from the waste stream for use in other business sectors, including agriculture, construction, and energy production; provided the contracts benefit agricultural and agriculture-related projects.

Specifically, the DPH Platform states, "[t]he Democratic Party of Hawai'i believes that the preservation and restoration of our natural environment is essential. We support a sustainable society that utilizes the earth in such a way that future generations will benefit from the practices of our generation. We support the restoration, preservation, and protection of our native ecosystems on each island. We believe in integrated approaches, practices, and support public policies that create and maintain a sustainable way of life in Hawai'i.

We believe in supporting best management practices in sustaining our environment and in increased citizen involvement. We support programs that encourage sustainable clean, efficient, creative and environmentally friendly modes of transportation, recycling and waste reduction. (Platform of DPH, P. 8, Lines 407-415 (2016)).

We promote solid waste policies that divert green waste and food scraps for making invasive species free compost and enhanced mulch available to our farmers, landscapers, and residents. (Platform of DPH, P. 3, Lines 115-116 (2016)).

"Agriculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability. We encourage the responsible development of ocean resources in order to achieve sustainability of our marine resources and ensure and improve the health of our reef and marine life.

This approach includes, but is not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include development of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times. (Platform of DPH, P. 2, Lines 76-86 (2016)).

We will promote ethical and safe production of livestock, dairy products, poultry and eggs. (Platform of DPH, P. 2, Lines 76-88 (2016)).

As an island state, securing affordable food for all is a priority. We support healthy, sustainable, and diversified local food production, and "Buy Local" strategies to assure greater food security and food safety. (Platform of DPH, P. 3, Lines 97-99 (2016)).

We recognize the essential link between the availability of adequate and affordable water and low-cost electrical power as essential components of viable agricultural businesses. (Platform of DPH, P. 3, Lines 101-102 (2016)).

Given that **HB1570 HD1 SD1** authorizes the agribusiness development corporation to enter into contracts with private businesses to remove select municipal solid waste, glass, and food and green waste from the waste stream for use in other business sectors, including agriculture, construction, and energy production; provided the contracts benefit agricultural and agriculture-related projects, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

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