

**Administrator's Determination
Compliance with Economic Impact Statement Requirements of Administrative
Adjudication Law (AAL)**

Guam 2006 Integrated Solid Waste Management Plan

Subsections (d) through (j) of 9 GCA §9301 of the AAL require that an economic impact statement be made when agencies promulgate regulations, fees or fee increases. Subsection (j) provides for an exemption from the requirement when it is determined that regulations and fees will not have an annual economic impact to the general public of five hundred thousand dollars (\$500,000.00) or less.

With the advice of the Attorney General's Office, the Agency has conducted an evaluation of annual cost impacts for those provisions of the plan that are considered unique elements, or elements that are not existing legal obligations. The following findings address the unique elements. Any provision of the plan not mentioned here would stand alone outside of and independent of the Plan. Some of the controlling stand alone factors, include provisions covered by valid permits, subject to existing rules and legal agreements such as the Ordot Consent Decree.

Chapter Two: Solid Waste Management Goals and Objectives

Sections 2.2.2 and 2.2.3 are unique to this ISWMP and call for reductions in the overall waste stream by up to twenty-five percent by July 1, 2018.

Waste diversion and recycling at the source and at Material Resource Recovery Facilities (MRRFs) will require subsequent legislative authority in the form of a mandatory program for diversion and recycling. The cost of developing MRRFs will also require subsequent authorization as part of pending revenue bond legislation or by separate appropriation.

Finding: Although these objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). The estimated annual cost impact to the general public *to develop plans and programs to support legislation* is less than 0.25 of one full-time employee (\$15,000.00).

Chapter Three: Management of Solid Waste Operations and the Formation of a Public Utility: Guam Solid Waste Authority

Establishing a Guam Solid Waste Authority and its policy oversight relationship with the Consolidated Commission on Utilities (CCU) is a unique element of this the 2006 Plan although it was proposed in the original Integrated Solid Waste Plan (the 2000 Plan). This objective with all its requisite financial and operations management, contracting, and environmental compliance functions will not be realized without future legislation.

Finding: Although these objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). The estimated annual cost impact *to develop legislation and prepare the Solid Waste Management Division of the Department of Public Works (DPW) for reorganization* is no more than 0.50 of one full-time employee (\$30,000) in any given year.

Chapter Four: Extended Solid Waste Projections

The Extended Solid Waste Projections are a planning tool unique to this Plan. The projects were modified in 2004 - 2005 from the 2000 Plan and used in the environmental impact statement documents to site the new landfill.

Finding: The process of *refining solid waste projections* to account for additional population growth from expanded military development and any accelerated growth in the tourism industry can be accomplished with an annual cost impact of less than \$5,000.00. This task can be accomplished as an in-house project involving data collection and analysis.

Chapter Five: Collection and Transport

The Plan “advocates *universal source separation and collection* to the greatest extent possible”. To accomplish this, the Plan favors mandatory requirements established through subsequent legislation for commercial collection and transportation operations.

Finding: Although these objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). The estimated annual cost impact associated with *developing mandatory recycling legislation and preparing DPW operations and management oversight to implement the legal requirements* is less than 0.33 of one full-time employee (\$20,000.00) in any given year.

Chapter Six: Disposal and Waste Diversion

The Plan outlines a number of potential disposal and waste diversion alternatives which include various levels of recycling effort to realize a minimum 30-year landfill life span and other community benefits. In order to effectively develop and implement recycling standards the government must work with community stakeholders. Recycling will either be profitable to some extent or require a subsidy to meet stated objectives and standards. Much work remains to be done to reasonably determine the annual cost impact to the public of recycling of the type and scale identified in the Plan. Many of the market factors associated with a regional landfill operation, private access to resources, markets, expertise, and complimentary technology, among others, have not come to light or adequately understood in the local context.

Finding: Although many of the specific recycling and waste diversion objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). It is estimated that the annual cost impact of designing and implementing an optimum recycling (waste diversion systems) with community stakeholders cannot be accurately calculated at this time; however much of the preliminary ground work in this area overlaps with the work identified in Chapter 7 of the Plan.

Chapter Seven: Recycling, Composting, and Special Wastes

The Plan outlines a number of Performance, Functional and Operational Standards that do not currently exist in law, regulation or as part of existing permit regimes. In order to effectively develop and implement standards the government must research, develop, and promulgate standards. The primary government programs to accomplish these tasks are the Guam Environmental Protection Agency (GEPA) Solid Waste Management Program and the DPW Solid Waste Management Division. Dedicated Recycling Officers have not been hired to develop standards; however a number of activities related to this function currently exist within both agencies.

Finding: Although these objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). It is estimated that the annual cost impact of providing *full support for recycling programs* as a direct result of this Plan is less than 0.25 of one full-time employee (\$25,000.00). The only reason any costs are associated with this plan is that there are a number of very basic planning and rule development tasks yet to be accomplished as well as legislation, and Department of Administration approval of new classified positions.

Chapter Eight: Public Education Strategy

The plan calls for a Public Information and Education Strategy to develop support for and guide community efforts toward Plan implementation covering emerging recycling requirements, improving acceptance of existing fees, and other critical solid waste operations. The Plan calls for the direct subsidy of “start-up” education efforts in the amount of four hundred eighty thousand dollars (\$480,000). Approximately \$200,000 was requested for Fiscal Year 2007 by the GEPA in its initial budget request to the Bureau of Budget and Management Research (BBMR). The request was not granted; however, it was decided between GEPA and BBMR that BBMR would attempt to provide the funding (\$100,000.00) under the Governor’s transfer authority.

Finding: Although these objectives are unique elements, their implementation costs cannot be directly attributed to the 2006 ISWMP (the Plan). It is estimated that the annual cost impact of the “*start-up*” *Public Information and Education Strategy* subsidy is approximately one hundred thousand dollars (\$100,000.00), subject to either legislative appropriation or the Governor’s transfer authority. The balance of \$380,000.00 would be targeted in later years and is subject to legislative authorization.

Conclusion

The total estimated annual cost impact of this Plan for Fiscal Year 2007 is one hundred ninety-five thousand dollars (\$195,000.00) and for Fiscal Year 2008 and thereafter \$380,000.00 or less, which is significantly less than the \$500,000.00 cost impact threshold of 9 GCA §9301(j). Therefore, the Agency has determined that the Plan is exempt from the requirements under the AAL to conduct an Economic Impact Assessment.