

**SB 775**

LINDA LINGLE  
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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In reply, please refer to:  
File:

## SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

### S.B. 775, Relating to Recycling

Testimony of Chiyome Leinaala Fukino, M.D.  
Director of Health

February 17, 2009  
2:45 P.M.

1 **Department's Position:** The Department of Health appreciates the intent of this bill but opposes new  
2 task forces in these difficult fiscal times.

3 **Fiscal Implications:** Undetermined. Resources will be needed for a task force.

4 **Purpose and Justification:** This bill requires the department to establish a task force to prepare a  
5 report on recycling programs in other states and countries and to create a plan for implementing a  
6 statewide recycling program based on the task force's findings. The measure provides for an unspecified  
7 appropriation out of the Deposit Beverage Container Program special fund.

8 The Department of Health appreciates the intent of this bill to encourage more recycling  
9 programs. We agree that there should be more recycling and reduction of sources of waste. However,  
10 the department opposes additional expenditures in these difficult fiscal times. We do support S.B. 884,  
11 which would transfer some DBC special fund monies to help the state's current fiscal situation.

12 Thank you for the opportunity to testify on this measure.

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**To: Senator Mike Gabbard, Chair  
Senator J. Kalani English, Vice Chair  
Committee on Energy & Environment**

**Fr: Terry G. Telfer, President  
Reynolds Recycling**

**Date: Tuesday, February 17, 2009, 2:45 pm, Conference Room 225**

**Re: Testimony against SB 775, Relating to the Deposit Beverage Container Program**

Thank you for the opportunity to testify on this bill.

Reynolds Recycling operates the oldest and largest network of redemption centers in Hawaii. Hawaii's redemption center operators have taken great strides in helping to make the Deposit Beverage Container law a success. For the fiscal year ending June 30, 2008 the redemption rate was 72 %. This was up 4% from the previous year, and is reported to be steadily rising in FY 09. The DOH has recently stated the redemption rate for the last five months was over 81%.

The Bottle Deposit Law was designed to encourage the redemption and recycling of all beverage containers. This program is self-funding from the remaining deposits from un-redeemed containers, and handling fees for all beverage containers. This program was designed to reach a balance of money coming in and going out at an 80% redemption rate. We are already past this number.

While the Deposit Beverage Container Special Fund was reported to have an unencumbered balance of \$23 million for FY 2007, \$17 million for FY 2008, and is currently at \$13 million. At this rate, we estimate the total unencumbered fund would be zero to \$3 million in 12 months. The recycling community is justly concerned that having surpassed 80% participation rate these funds will disappear, putting the program at risk, and forcing the DOH to raise the handling fee paid by all consumers.

Due to the financial climate of the state, we do not feel that it is in the best interest of the program to raise the handling fee paid by consumers at this time.

As a leader in Hawaii's recycling industry, Reynolds Recycling remains committed to protecting Hawaii's future by recycling today, and in the future. We respectfully oppose SB 775.



# **WINDWARD AHUPUA'A ALLIANCE**

From the Peaks of *Na Ko'olau* to the Outer Reefs

*Community-Based Planning  
Sustainable Economic Development  
Restoration, Preservation, Protection & Public Access  
Educational & Cultural Programs*

## **COMMITTEE ON ENERGY AND ENVIRONMENT**

**Senator Mike Gabbard, *Chair***

**Senator J. Kalani English, *Vice Chair***

**2:45 pm**

**Tuesday, February 17, 2009**

**Conference Room 225**

### **SB 775 - RELATING TO RECYCLING**

**Defer**

My name is Shannon Wood speaking on behalf of the *Windward Ahupua'a Alliance* regarding **SB 775 - RELATING TO RECYCLING**. After examining the bill, I am not convinced that it is necessary to set up still another task force which would spend a lot of time & energy on something that can be handled in other ways.

For example, *Department of Health* staff or the *Legislative Auditor's* office or even graduate students in a number of disciplines at either *UH-Manoa* or *Hawai'i Pacific University* could do the work of the proposed task force faster, more efficiently, and cheaper.

Therefore, I suggest that you defer **SB 775 - RELATING TO RECYCLING**.  
*Mahalo.*