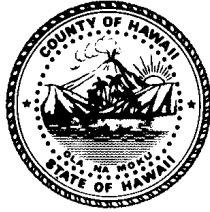


William P. Kenoi  
*Mayor*

William T. Takaba  
*Managing Director*



Lono A. Tyson  
*Director*

Ivan M. Torigoe  
*Deputy Director*

# County of Hawai'i

## DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

25 Aupuni Street • Hilo, Hawai'i 96720

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[http://co.hawaii.hi.us/directory/dir\\_envmng.htm](http://co.hawaii.hi.us/directory/dir_envmng.htm)

February 19, 2010

The Honorable Donna Mercado, Chair  
The Honorable Shan S. Tsutsui, Vice Chair  
Committee on Ways and Means  
Hawai'i State Capitol  
Honolulu, Hawai'i 96813

HEARING DATE: Monday, February 22, 2010  
HEARING TIME: 10:10 a.m.  
HEARING LOCATION: Conference Room 211

**Re: Support Senate Bill 2420, SD1**

Dear Senators Mercado and Tsutsui and Committee Members,

Thank you for the opportunity to present testimony on Senate Bill 2420, SD1.

The County of Hawai'i Department of Environmental Management is pleased to testify in support of this bill.

Best Regards and Aloha,

Lono Tyson  
DIRECTOR

cc: Mayor William Kenoi



February 19, 2010

Re: Support of SB2420 SD1 Relating to the deposit beverage container program

Hearing date: 2/22/2010 10:10 AM

Room 211

Aloha Honorable Members of the WAM committee,

We support SB2420 SD1. However we are disappointed that it has been altered to NOT include all recyclable containers included in the original version. A container should not be discriminated by what it holds but if it can be recycled or not.

Aloha Shell Service has been a State of Hawaii certified redemption center since March of 2005. As the first retailer to offer redemption, we are the only redemption center in the state open 24 hrs a day, 365 days a year.

The deposit beverage container program is a huge success in many ways. It has created more jobs, diverted recyclable materials from the landfills, created an additional income stream for people and for many it is their only source of income. It offers children, too young to have a job, an opportunity to make money and to recycle. Parents bring their physically and mentally challenged children to redeem containers to create self worth or as a way for that child to feel productive. Some people will donate their money to those less fortunate. Sports teams, schools, and other non-profits use the program extensively.

We have increased our manpower (jobs) by 26 man hours per day and have diverted 11,836,883 lbs of containers from our landfill over the past 5 years.

We have also experienced people discarding a lot of containers such as wine and food supplement containers not included in the Hi5 program even though we provide recycling for these items.

The state already has a good working system in place. Adding other products will divert more from our landfills by recycling and will probably create more jobs to handle the additional materials.

We should all think and act responsibly and recycle as much as possible. The price to recycle is minimal when compared to the price we will pay by NOT being a good steward of our islands. Our children, grandchildren and all future generations will thank you for supporting this important bill.

Thank you.

Sincerely yours,

Paul Hanada  
VP/ Owner Aloha Shell Service 808-877-5894

# GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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## MEMORANDUM

**TO:** Senator Donna Mercado Kim  
Chair, Committee on Ways and Means  
**VIA EMAIL:** [WAMTestimony@Capitol.hawaii.gov](mailto:WAMTestimony@Capitol.hawaii.gov)

**FROM:** Gary M. Slovin/Mihoko E. Ito

**DATE:** February 21, 2010

**RE:** **S.B. 2420, SD1 – Relating to the Deposit Beverage Container Program**  
**Decision Making: Monday, February 22, 2010 at 10:10 a.m.**

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Dear Chair Kim and Members of the Committee:

On behalf of the **Distilled Spirits Council of the United States** (“**DISCUS**”), a national trade association representing producers and marketers of distilled spirits sold in the United States, we submit the following comments.

**DISCUS opposes S.B. 2420, SD1**, to the extent that this measure seeks to include hard spirits and wine containers in the definition of “deposit beverage.”

Distilled spirits are already assessed significant taxes and fees in Hawai‘i, including a one and one half cent advance disposal fee per glass container. For a typical bottle of distilled spirits sold here, 25% percent of the retail price goes to pay State and local taxes and fees. When factoring in federal requirements, 51% of the purchase price of each bottle of distilled spirits goes toward taxes and fees.

Glass bottles including distilled spirits are already assessed an advance disposal handling fee. The revenues generated from these advance disposal fees are deposited into a special account in the environmental management fund (per Hawai‘i Revised Statutes §342G-84). These moneys are used to fund county glass recovery programs, thus *already* performing the intended function of SB 2420, S.D.1, which is to prevent litter caused by wine and spirits bottles.

February 21, 2010

Page 2

In addition, including wine and distilled spirits to the deposit beverage container program, will create added logistics and costs. Labels for each bottle would need to be changed and these goods would need to be assessed higher prices. This is why the vast majority of states with “bottle bills”—including California—*do not* include wine and distilled spirits.

For these reasons, we respectfully ask that you hold S.B. 2420, SD1. We would note that a similar measure was deferred by the House Committee on Energy and Environmental Protection.

Thank you for the opportunity to submit comments regarding this measure.

February 18, 2010

Via Email: [WAMTestimony@Capitol.hawaii.gov](mailto:WAMTestimony@Capitol.hawaii.gov)

COMMITTEE ON WAYS AND MEANS

Senator Donna Mercado Kim, Chair

Senator Shan S. Tsutsui, Vice Chair

Senate

State Capitol

415 South King Street

Honolulu, Hawaii 96813

Re: S.B. No. 2420 relating to the Deposit Beverage Container Program

Dear Chair Kim, Vice Chair Tsutsui, and Committee Members:

On behalf of the Hawaii Liquor Wholesalers Association (“HLWA”), we respectfully submit the following comments regarding S.B. No. 2420, relating to the deposit beverage container program, which is scheduled before your Committee on Ways and Means for decision making meeting on February 22, 2010. S.B. No. 2420, Section 2 would make wine and hard spirits subject to the deposit beverage container program. HLWA believes that the inclusion of hard spirits and wine in the definition of “Deposit Beverage” in S.B. No. 2420 is inappropriate and unworkable for several reasons.

First, wine and spirits already are subject to the advanced disposal fee for glass containers under Part VII of Hawaii Revised Statutes (“HRS”) chapter 342G. Specifically, HRS section 342G-82 already imposes an advanced disposal fee of one-and-one-half cents per glass container. Changing fee to, effectively, six cents per bottle, imposes more cost on the consumer.

Second, by statute, the advance deposit fees are to be used for glass incentive or “buy back” programs that provide a means of encouraging participation by the public or private collectors, and the paving of the equivalent of one mile of two lane asphalt roadway as part of a research and demonstration program utilizing glassphalt or glass within any other portion of the pavement section, or other demonstration projects approved by the Department of Health. In addition, county programs may include the collection and processing of glass containers, either through existing county agencies or through external contracts for services, subsidizing the transportation of processed material to off-island markets, the development of collection facilities or the provision of containers for glass recycling, or the incremental portions of multi-material programs, additional research and development programs, including grants to private sector entrepreneurs, especially those activities developing higher value uses for the material, and public education and awareness programs focusing on glass recovery, or the incremental portions of multi-material programs. In contrast the fees for deposit beverage program appear to be intended to be substantially to fund the program itself.

Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair  
Committee on Ways and Means  
February 18, 2010  
Page 2 of 2

We also note that one of the primary goals of bottle bills is the reduction of litter; however, to our knowledge glass and spirit bottles are not significant sources of litter and including wine and spirit bottles in the bottle bill would have only a marginal impact with respect to litter.

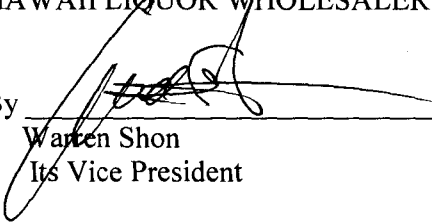
Finally, very few other U.S. jurisdictions impose deposit requirements on wine and spirits, meaning that wine and spirit makers and distributors would need to change their labels to accommodate the requirement of a tiny minority of jurisdictions. For example, California does not include wine and spirits in its deposit program. Imposing this requirement may result in certain products becoming unavailable in the Hawaii market because the cost of changing the labels may exceed the return from Hawaii's relatively small market.

Thank you for your consideration of the foregoing.

Very truly yours,

HAWAII LIQUOR WHOLESALERS ASSOCIATION

By

  
Warren Shon  
Its Vice President

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [bill@ejlounge.com](mailto:bill@ejlounge.com)  
**Subject:** Testimony for SB2420 on 2/22/2010 10:10:00 AM  
**Date:** Wednesday, February 17, 2010 6:29:36 PM

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Testimony for WAM 2/22/2010 10:10:00 AM SB2420

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Bill Comerford  
Organization: Hawaii Bar Owners Association  
Address: 10 Marin Lane Honolulu, HI  
Phone: 808-223-3997  
E-mail: [bill@ejlounge.com](mailto:bill@ejlounge.com)  
Submitted on: 2/17/2010

Comments:

WE STONGLY OPPOSE THIS BILL

Regretably this shows what the bottle bill has always been. It is not a means to remove bottles and cans from the environment. It is merely a tax under a different name. Please just call it the bottle tax as that is exactly what it is for the bar industry. We recycle all our bottles and cans only to be forced into a system that will not allow for commercial redemption of our recyclables with a returnable deposit. Where did the surplus go when the economy hit the skids? It went into the general fund. So please remove this bill and place it where it belongs under taxation.

Current bills seek to raise the liquor taxes, soda taxes, the minimum wage, tobacco taxes, etc etc, Where and when will you do something for our industry an industry that BRINGS TOURISTS to Hawaii? Please stop punishing us.

WE STONGLY OPPOSE THIS BILL



**From:** [Hawai'i Geographic Society](#)  
**To:** [WAM Testimony](#)  
**Subject:** Testimony in Support of SB 2420 SD1  
**Date:** Sunday, February 21, 2010 11:59:12 AM

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This testimony is from an individual voter who happens to be involved with a small, not-for-profit organization, interested in Hawai'i Geography. I also spend 25% of my time in Oregon owing to Church connections and work.

The Hawai'i bottle bill is in many ways superior to the Oregon bill. The reverse vending machines reject more than they accept; and many items like fruit juice in cans are exempted. Hawai'i on the other hand needs to tighten our bottle bill to make it EVEN MORE EFFECTIVE:

All aluminum containers should be required to conform to the 6¢ fee. I understand that certain "supplements" are exempted from this fee....such as "energy drinks." This is silly, an energy drink is mostly water, with coloring and allegedly some added vitamins, etc.

LET'S MAKE OUR BOTTLE BILL COMPREHENSIVE!

Regarding glass containers, presently beverage bottles are only partially involved: Please add liquor and wine bottles to the list of containers covered by the Hawai'i bill.

Mahalo for your consideration and deliberations!

Prof Willis H A Moore  
P O Box 37214  
49 S Hotel Street  
Honolulu HI 96837-0214  
808-521-7779

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Established in 1947 as Kiwanis World Adventure Tour Society of Hawai'i, The Hawai'i Geographic Society continues to fulfill its VISION:  
The diffusion of geographic knowledge about Hawai'i, the Pacific Islands, the Pacific Rim, and of the World.  
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1-800-538-3950 = USA  
808-538-3952 = worldwide



# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
808.538.6616 hawaii.chapter@sierraclub.org

## SENATE COMMITTEE ON WAYS AND MEANS

February 22, 2010, 10:10 A.M.  
(Testimony is 1 page long)

### TESTIMONY IN STRONG SUPPORT OF SB 2420 SD1

Aloha Chair Kim and Members of the Committees:

The Hawai'i Chapter of the Sierra Club strongly **supports** SB 2420 SD1, which removes a loophole for energy drinks and logically expands the beverage container program to include hard spirits and wine bottles. This is smart expansion of our beverage container law and comprehensive recycling program.

Hawaii'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.

Despite its success with redeeming over four billion beverage containers, **the bottle law can be improved**. Energy drinks -- like Red Bull and Monster -- are becoming increasingly popular. One estimate showed this was a \$3 billion industry in 2005, with a 50% increase in growth each year. We estimate that millions of these drinks are sold each year. Unfortunately these drinks are utilizing a loophole -- a "dietary supplement" exemption -- in order to evade complying with our beverage container (HI-5) law. There is no logical basis to exempt this growing class of beverages from our incredibly successful recycling program.

Further, expanding our beverage container program to include hard spirits and wine bottles is a necessary expansion of our recycling policy. The advance deposit fee of one cent is plainly not working. Millions of bottles and containers are not being recycled. If we want to move Hawai'i to a sustainable future and help solve our growing landfill crisis, we need to start taking the "small changes" necessary to eliminate our problems.

Please move this measure forward. Mahalo for this opportunity to provide testimony.



# WINE INSTITUTE

P.O. Box 3  
Mercer Island  
Washington 98040  
(206) 232-5171  
Fax (206) 232-4130

February 22, 2010

**TO:** Senate Ways and Means Committee  
Senator Donna Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**FROM:** Katie Jacoy  
Wine Institute

**DATE:** Monday, February 22, 2010  
Conference Room 211  
10:10 a.m.

**RE: SB 2420, SD1, Relating to the Deposit Beverage Container Program**

Chair Kim and Members of the Committee:

Wine Institute, representing 920 California wineries of all sizes, opposes including wine bottles in the Hawaii Deposit Beverage Container Program as proposed in SB 2420, SD1. Wine Institute (WI), like Hawaii, is committed to environmental stewardship. Through our Sustainable Winegrowing Program, we provide California vintners and growers with information on how to conserve natural resources, protect the environment and enhance relationships with employees, neighbors and local communities. WI, therefore, supports efficient and cost-effective mechanisms to increase the recycling of wine bottles. To that end, we believe that resources in Hawaii would be better dedicated to a comprehensive curbside recycling program than expanding the bottle bill to include wine bottles.

Curbside is the ideal recycling method for wine bottles, since pick-up is where the product is primarily consumed – at home. Wine bottles are heavy, breakable, and take up limited household storage space, so they are not well suited for recycling programs that require the consumer to return them to a retail location or redemption center. (Only Maine and Iowa include wine bottles in their bottle redemption laws.)

A comprehensive curbside recycling program would likely be more effective in increasing the recycling rate for wine bottles, rather than simply putting a "fee" on every bottle. A deposit fee is essentially a tax increase. SB 2420, SD1, would add a \$.05 deposit fee for every wine bottle, which just increases the price for wine.

Applying the deposit requirements to wine would also increase costs to wineries, which typically translate into higher prices for consumers. To comply, a winery would either have to adopt special labeling procedures for wine being sold in Hawaii or include the Hawaii deposit and refund value on all wine labels. Wine labels are already cluttered with information to comply with federal labeling requirements, including mandatory warnings. Small wineries do not have the space, equipment, and financial resources to deal with duplicate inventories and special labeling procedures. There would also be additional costs to wineries associated with collecting and remitting deposits on winery direct sales to Hawaii consumers.

Hawaii wine consumers already pay one of the highest prices in the United States for their wine. The price of wine for Hawaii consumers is already increased by excise tax (eighth highest in the country), general excise tax of 4.17% (or 4.712% for the City and County of Honolulu), and the higher transportation costs to ship wine to Hawaii. We urge you not to add more costs that will just result in higher prices for consumers.

Wine bottles do not typically create a litter problem and are more likely recycled at curbside. So we urge you NOT to add wine bottles to Hawaii's Deposit Beverage Container Program, which will just make wine more costly in Hawaii.

Thank you for allowing me to provide testimony on this matter.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [kauaiBrad@hotmail.com](mailto:kauaiBrad@hotmail.com)  
**Subject:** Testimony for SB2420 on 2/22/2010 10:10:00 AM  
**Date:** Saturday, February 20, 2010 3:18:52 PM

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Testimony for WAM 2/22/2010 10:10:00 AM SB2420

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Brad Parsons  
Organization: Sierra Club  
Address: Hanalei, HI 96722  
Phone:  
E-mail: [kauaiBrad@hotmail.com](mailto:kauaiBrad@hotmail.com)  
Submitted on: 2/20/2010

Comments:

Aloha Senators:

Hawaii's bottle law has been 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.

Despite its success with redeeming over four billion beverage containers, the bottle law can be improved. Millions of hard spirit and wine bottles are sold in Hawai`i each year and currently are not recycled under this program. Additionally, energy drinks -- like Red Bull and Monster -- are becoming increasingly popular. One estimate showed this was a \$3 billion industry in 2005, with a 50% increase in growth each year. These beverage containers should not evade our comprehensive recycling law.

Please pass SB 2420.

Mahalo,  
Brad Parsons

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [judie@aloha.net](mailto:judie@aloha.net)  
**Subject:** Testimony for SB2420 on 2/22/2010 10:10:00 AM  
**Date:** Sunday, February 21, 2010 2:00:57 PM

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Testimony for WAM 2/22/2010 10:10:00 AM SB2420

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Judie Lundborg  
Organization: Individual  
Address: 4865 G Nonour Rd Kapaa, Hi  
Phone: 808-639-0212  
E-mail: [judie@aloha.net](mailto:judie@aloha.net)  
Submitted on: 2/21/2010

Comments:

Unitl this bill came up, I didn't realize that energy drinks and liquor bottles were exempt from the Bottle Bill. I strongly support SB 2420 in removing these exemptions.  
Aloha

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [psgegen@hotmail.com](mailto:psgegen@hotmail.com)  
**Subject:** Testimony for SB2420 on 2/22/2010 10:10:00 AM  
**Date:** Sunday, February 21, 2010 4:22:07 PM

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Testimony for WAM 2/22/2010 10:10:00 AM SB2420

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Pat Gegen  
Organization: Individual  
Address: 4015 Waha Road Kalaheo, HI 96741  
Phone: 8086352081  
E-mail: [psgegen@hotmail.com](mailto:psgegen@hotmail.com)  
Submitted on: 2/21/2010

Comments:

Please improve and pass this bill making the container bill more inclusive. Our school (Kalaheo Elementary - I am the PTSA President) recycles cans and bottles for cash. We would love it if we could also redeem wine and liquor bottles as well as cans like Red Bull(supplements?) and Monster. Please make it more inclusive to ease the burden on our landfills as that is where many of these other items end up.

Thank you for your consideration into this matter.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [connie.clausen@gmail.com](mailto:connie.clausen@gmail.com)  
**Subject:** Testimony for SB2420 on 2/22/2010 10:10:00 AM  
**Date:** Monday, February 22, 2010 7:49:16 AM

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Testimony for WAM 2/22/2010 10:10:00 AM SB2420

Conference room: 211  
Testifier position: support  
Testifier will be present: No  
Submitted by: Connie Clausen  
Organization: Individual  
Address: 3644 Lawaiuka Rd Lawai, HI  
Phone: 808-651-4217  
E-mail: [connie.clausen@gmail.com](mailto:connie.clausen@gmail.com)  
Submitted on: 2/22/2010

Comments:

Hawaii's bottle law has been an overwhelming success for Hawaii's environment, with over 930 million bottles and cans diverted from Hawaii's landfills annually. Despite its success with redeeming over four billion beverage containers, the bottle law can be improved.

Millions of hard spirit and wine bottles are sold in Hawaii each year and currently are not recycled under this program. Additionally, energy drinks -- like Red Bull and Monster -- are becoming increasingly popular. One estimate showed this was a \$3 billion industry in 2005, with a 50% increase in growth each year. These beverage containers should not evade our comprehensive recycling law.



**From:** [RAYNEREGUSH@aol.com](mailto:RAYNEREGUSH@aol.com)  
**To:** [WAM Testimony](#)  
**Subject:** Testimony in Support of SB 2420 SD1  
**Date:** Saturday, February 20, 2010 3:42:14 PM

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Please support SB 2420 SD1 which will appropriately enhance Hawaii's important bottle law. Diverting glass and cans from the state's landfills should be one of our foremost goals for solid waste management and protecting the environment.

To improve the bottle law, beverage containers for liquor, wine and energy drinks need to be included. Increasing the scope of our recycling programs will have tremendous impacts in reducing litter, growing jobs and sensibly managing an enormous waste stream.

Please support SB 2420 SD1. Mahalo

Rayne Regush  
5743 Koali Street  
Kapaa, HI 96746