

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 06, 2011 3:26 PM
To: FINTestimony
Cc: darylanne.dawson@gmail.com
Subject: Testimony for SB1363 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB1363

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Daryl Dawson
Organization: Individual
Address:
Phone:
E-mail: darylanne.dawson@gmail.com
Submitted on: 4/6/2011

LATE TESTIMONY

Comments:
Leaders of Hawaii,

Let's become world leaders. Below is my testimony on why we should impose a fee on single-use plastic/paper bags. Thanks for your consideration.

The excessive use of plastic bags is a classic case of market failure. The true cost of these bags is not built into the price paid for them by the consumer. The true cost of these plastic bags includes not just the cost of production but also the cost of disposal of these bags. Without these costs included in the price paid by the consumers we have market failure resulting in the over consumption of plastic bags and all too often the improper disposal thereof causing irreparable harm to our communities and environments.

But how does the consumer pay for these bags? The bags are produced and sold to the grocer who then includes it in his overhead considerations and spreads the cost by slightly increasing the price of his goods to cover the cost. Thus the consumer pays for the bag by an increased cost in other goods. Herein lies the essential point, there is no marginal cost of plastic bag consumption by the consumer, for him the price is the same whether he asks to have his groceries single, double or quadruple bagged. There is no incentive for him to decrease his consumption of the good; ie there is no connection between price and consumption due to the lack of a marginal cost.

When the grocer sees the consumer leave his store with the bags to him they are disposed thus any costs down the line resulting from said bags does nothing to incentivize him to consume less.

Now as I have shown there is nothing to incentivize the consumer to use less bags and only a very small amount to incentivize the grocer to consume less bags (only the cost of production of these bags). Yet these bags cost more than just to produce; they cost something to dispose of. This disposal cost is unaccounted for in the economy, it becomes an externality. It is paid for by the neighbor who must clean up blown bags from the park, the sea life who eats the bag and dies or the cost of increased trash collection services to the municipality. This

is a problem that will not just float out to sea and disintegrate, it is an eternal problem stemming from the inherent market structure and "longevity" of the material itself. And it is a problem that we and a must fix because the market cannot...

Cheers and Aloha,

Daryl

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 06, 2011 4:02 PM
To: FINTestimony
Cc: redahi@hawaii.rr.com
Subject: Testimony for SB1363 on 4/6/2011 4:00:00 PM

LATE TESTIMONY

Testimony for FIN 4/6/2011 4:00:00 PM SB1363

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: B.A. McClintock
Organization: Individual
Address:
Phone:
E-mail: redahi@hawaii.rr.com
Submitted on: 4/6/2011

Comments:
Please support.