

LATE

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



**To: Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection**

**Fr: Bruce Iverson, Director of Marketing & Development
Reynolds Recycling**

Date: Thursday, February 3, 2011, 2:45 in Conference Room 225

Re: Testimony in opposition to SB1134, Relating to the Deposit Beverage Container Program

Reynolds Recycling operates the largest network of redemption centers in Hawaii. Reynolds and other redemption center operators have invested heavily to make the Deposit Beverage Container law a success. The Department of Health has already stated "that the program is well on its way to reaching its eighty per cent goal of redemption of deposit containers, which is an indicator of the programs success".

There are several reasons why we oppose this bill.

1. If there was a significant shortage of redemption opportunities there would surely be consumer complaints about any perceived shortage. For all of 2009, the State DOH received a total of 42 complaints for all issues related to the Bottle Deposit Law out of millions of transactions.

Currently in Hawaii there are 117 *¹ or more redemption centers. There are also 74 postal offices in the state of Hawaii. With almost 50% more redemption centers than post offices, the mandated increase is unnecessary.

2. A mandated increase of redemption centers would adversely impact the current recycling industry, which has spent tens of millions of dollars in providing the infrastructure to make this program the success that it is. Mandating big box stores to open redemption centers may initially increase redemption centers, but the recycling industry is already working to continually increase these without any government mandate.

3. The only proven way to insure a high redemption rate is to increase the value of the deposit. Michigan with a deposit of 10 cents per container has a continuously high redemption rate of over 95%*². When you consider that the deposit of 5 cents placed on containers in the 70's has a current value of one penny, than the need to place a real value on these containers is obvious. The higher the deposit, the higher the redemption rate.

While we support the desire to encourage consumer convenience, we at Reynolds Recycling have a vested interest in doing that already. The recycling industry has in five years sited 50% more redemption centers than the government has opened post offices in one hundred years.

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 SB1134.

Thank you.

*1 (Data from Hawaii DOH, Acting Solid Waste Management Coordinator, Lane Otsu, February 1, 2011)

*2 (Data from Department of Natural Resources and Environment, Waste and Hazardous Materials Division, Lansing, Michigan 48933, Updated April 8, 2010)