NEIL ABERCROMBIE GOVERNOR OF HAWAII





WILLIAM J. AILA, JR. CHAIRPERSON BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI

WILLIAM M. TAM

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCES ENFOREMENT ENGINEERING FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS

#### STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of WILLIAM J. AILA, JR. Chairperson

Before the Senate Committee on WAYS & MEANS

Wednesday, February 29, 2012 9:15 AM State Capitol, Conference Room 211

#### In consideration of SENATE BILL 2511, SENATE DRAFT 1 RELATING TO ENVIRONMENTAL PROTECTION

Senate Bill 2511, Senate Draft 1 requires the collection of a 10 cent fee on single-use checkout bags. Among other recipients, portions of the revenues generated would be deposited into the natural area reserve fund for watershed protection. The Department of Land and Natural Resources (Department) supports this measure.

Fortunately there are cost-effective and long-term solutions to reverse the trend of forest degradation. The Department's Watershed Program supports public-private partnerships to leverage state funds and provide a diverse range of local jobs. However, funding for these efforts is not sufficient and forest losses continue. In 2000, the State legislature directed the Department to identify additional funding sources to protect Hawaii's watershed forests. But a decade later, the only dedicated funding source for watershed partnerships is the Natural Area Reserve Fund (NAR Fund), which receives a percentage of the State Conveyance Tax from the sale of real property. With recent cuts to the State general funds, a variety of natural resource programs have increasingly relied on the NAR Fund. This has significantly compromised the funds allocated to watershed protection. In Fiscal Year 2011, 11 partnerships split \$1.25 million, and the five island-based committees that control invasive species and contribute to watershed protection have no authorized dedicated funding whatsoever. Their general fund allocation was eliminated, and they now receive annual legislative allocations from the NAR Fund. In recent years, the NAR Fund has become the funding source for a variety of worthy natural resource programs. But its capacity is stretched to the limit as it is carved up into smaller and smaller shares. While watershed partnerships have typically been able to leverage dedicated state funds with at least 1:1 matching funds, declining state revenues have reduced their ability to find matching contributions. This significantly compromises their ability to protect and maintain priority watershed areas into the future.

An October 2011 statewide poll demonstrated Hawaii's residents' willingness to support increased funding of watershed protection. In addition to a high rating of urgency to protect upland forests for water supplies, 78% of respondents were supportive of increasing funding of watershed protection from \$1 million to \$11 million. When respondents were presented with various means by which the increased funds could be raised, a majority supported the use of environment-related taxes (7.4 out of 10, with 10 indicating "Strong Support"). While the proposed bag fee is not a tax, these results suggest that the public recognizes the immediate need to significantly increase investments in watershed protection.

This measure reduces and mitigates damage from single-use checkout bags while providing wide-ranging benefits to Hawaii's environmental and economic health for current and future generations. Funds deposited in the natural area reserve fund would implement the Department's *The Rain Follows the Forest* plan (available online at <u>http://Hawaii.gov/dlnr/rain</u>) to protect Hawaii's sources of water, which are threatened from hotter and drier conditions from climate change, as well as loss of watershed forests.

The actions proposed in the plan protect the natural resources threatened by the consumption of single-use checkout bags from deforestation, fossil fuel use, and marine debris pollution. In addition to increasing fresh water supplies, forests prevent erosion that muddies beaches, coral reefs, and fisheries. Forests reduce Hawaii's greenhouse gas emissions, and mitigate many damaging impacts from climate change. Protection sustains the native wildlife and plants unique to our islands and sacred to the Hawaiian culture. The Department's goal is to double the level of forest protection in the next ten years, requiring approximately \$11 million per year. This initiative will create over 150 local jobs. Projects are ready in each county to begin reaching job creation and accomplishment targets. Funds would be allocated in a statewide competitive process to maximize effectiveness and accountability.

Forests are enormous economic assets in Hawaii. In addition to protecting the coral reefs, beaches, and wildlife that make Hawaii a desirable visitor destination, forests are essential to provide water at affordable rates. Hawaii's native forests absorb moisture from rainfall and passing clouds that condense on the thick vegetation and can increase groundwater supply by up to 50%. However, over half of forests have already been lost to invasive species, causing extensive water loss across landscapes. Even a small percentage reduction in groundwater recharge can cost millions per year in increased pumping to transport water for human use. When groundwater levels decline to a point that they cannot be pumped, expensive alternative water sources are needed - long transport pipes, new wells, and even desalination plants. With forest degradation ongoing and accelerating, the longer Hawai`i waits to take significant action to halt this destruction, the higher the costs will be to reverse the damage and ensure Hawaii's water supply and natural beauty for current and future generations.

Senate Bill 2511, Senate Draft 1 is a responsible measure that would both reduce damage from bag consumption while providing dedicated funding for essential environmental programs.

In closing, the Department proposes an amendment to clarify the date fees take effect:

SECTION 10. This Act shall take effect on July 1, 2012[-], provided that no fee in this Act shall be collected until January 1, 2013.



## **CONSERVATION COUNCIL FOR HAWAI'I**

Testimony Submitted to the Senate Committee on Ways and Means Hearing: Wednesday, February 29, 2012 9:15 a.m. Conference Room 211

Support for SB 2511 SD 1 Relating to Environmental Protection

Aloha. Mahalo nui loa for introducing and hearing SB 2511 SD 1. The Conservation Council for Hawai'i supports this bill, which establishes a fee for single-use checkout bags provided to customers. SB 2511 will encourage people to use reusable bags when shopping. It will reduce solid waste in our landfills as well as litter on the land and in the ocean. SB 2511 SD 1 is also consistent with local policies to reduce single-use disposal bags in Kaua'i and Maui counties.

CCH is dedicated to protecting native Hawaiian plants, animals, and ecosystems for future generations, and we are very concerned about the harm to seabirds, sea turtles, monk seals, dolphins, and whales. caused by plastic bags and other marine debris. We also appreciate the energy savings that would be realized by reducing the number of single-use checkout bags manufactured for, and shipped to Hawai'i.

We support the proposal in SB 2511 SD 1 to allocate funds from the bag fees to the Natural Area Reserve Fund, which supports so many important programs for the benefit of Hawai'i's people, including the Natural Area Reserves System, Forest Stewardship Program, Natural Area Partnership Program, Watershed Partnerships, and the Youth Conservation Corps.

Please invest in Hawai'i's natural environment, its people, and our future by supporting SB 2511 SD 1. Mahalo for the opportunity to testify.

Sincerely,

Marjorie Ziegler Executive Director

🧭 🔌 🌾 Hawaiʻi's Voice for Wildlife – Ko Leo Hawaiʻi no na holoholona lohiu

Telephone/Fax 808.593.0255 • email: info@conservehi.org • web: www@conservehi.org P.O. Box 2923 • Honolulu, HI 96802 • Office: 250 Ward Ave., Suite 220 • Honolulu, HI 96814 President: Hannah Springer \* Vice-President: Julie Leialoha \* Treasurer: Rick Barboza \* Secretary: Maka'ala Ka'aumoana Directors: Lida Pigott Burney \* Koalani Kaulukukui \* Robin Kaye Executive Director: Marjorie Ziegler



League of Women Voters of Hawaii 49 South Hotel Street, Room 314 | Honolulu, HI 96813 www.lwv-hawaii.com | 808.531.7488 | voters@lwvhawaii.com

> COMMITTEE ON WAYS AND MEANS Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

#### Wednesday, February 29, 2012 9:15 Conference Room 211 SB2511 RELATING TO ENVIRONMENTAL PROTECTION

TESTIMONY IN SUPPORT of SB 2511 S.D.1 Anna Hoover, Legislative Committee Member, League of Women Voters of Hawaii

Chair Ige, Vice Chair Kidani and members of the Ways and Means Committee:

Thank you for the opportunity to submit testimony representing the statewide members of League of Women Voters of Hawaii supporting a fee on single use plastic bags and the use of some of the resulting funds for the natural area reserve.

The improper disposal of single use plastic bags is recognized as an environmental hazard. Curtailing this use in Hawaii by imposing a fee on each bag will mean fewer bags disposed of improperly finding their way to our landscape and waters and thus safeguarding our natural environment. The images we see of sea turtles ensnared in plastic bags that have washed from mauka areas is but one of many examples that causes us all to reflect on the impact of plastic bags on the natural environment.

The League continues our support of placing some of the collected funds into the natural area reserve fund where it will be used for protecting native ecosystems and habitats for rare native plants and animals and protecting forested watersheds for water recharge,

The League of Women Voters environmental protections and anti-pollution positions aim to prevent ecological degradation and to reduce and control pollutants before they do harm. Environmental protection and pollution control, including waste management should be considered a cost of providing a product or service. Our position is that consumers must expect to pay some of the costs of environmental protection.

We ask you to pass SB 2511 S.D. 1.



February 29, 2012

Senate Committee on Ways and Means

## Re: SB 2511 SD1: Relating to Environmental Protection

Dear Chair Ige, Vice Chair Kidani, and Members of the Committee,

We appreciate the opportunity to submit our testimony and express our support for SB 2511 SD1. As you may know Times Supermarket in based on Oahu and operates 26 stores with locations in Maui, Kauai and Oahu.

As an island based company, we understand the constraints of limited space and the preservation of the unique landscape of Hawaii. It is for this reason that we support your efforts in mitigating challenging issues such as single use bags, and the disposal of bags in landfills.

Currently two island counties have implemented bag policies where we operate stores, and while we support the attempt to change consumer behavior, we believe that that best method for doing so is by implementing a fee. There are various models across the nation that address this issue with a fee, while at the same time creating fiscal opportunities for regional needs.

In Maui and Kauai we don't have the ability to charge a fee to help consumers adapt to the ordinances currently in place. Tourists have shifted to paper which is considerably more expensive and environmentally damaging to produce than plastic. The statewide adoption of SB 2511 SD1 would provide the ability for Times Supermarket to better manage a bag policy and continue to promote higher environmental consciences to our consumers.

Having a fee for both plastic and paper given the model that is before us in SB 2511 SD1, with a few additions should provide a more affective policy that creates a win for the state, consumers and retailers. Such additions would include providing a waiver of the fee to consumers that participate in low income programs such as WIC, EBT and other federal programs as well as the ability to create a uniformed approach for all retailers, large and small, throughout the state.

By providing a preemption of all currently implemented policies, the state of Hawaii would be able to ensure better enforcement of the law and create additional revenue in jurisdictions that currently would be exempt from SB 2511 SD1. The idea is to maximize the revenues generated by the law to better address the purposes of this bill and educate consumers on conservation and re-useable product practices. We do have concerns about the reduction in fee allocation as currently worded, but look forward to continuing the positive dialog about this bill.

Please feel free to contact me should you have any questions regarding this matter at (209) 957-2555, ext 153 or Bob Stout, President of Time Supermarket at (808) 831-0811. We thank you in advance for your consideration and we look forward to continuing the dialogue.

Respectfully,

Bob Gutierrez Director of Government Affairs, Times Supermarket



Senator David Ige, Chair Senator Michelle Kidani, Vice Chair Committee on Ways & Means State Capitol, Honolulu, HI 96813

HEARING Wednesday, February 29, 2012 9:15 am Conference Room 211

#### RE: SB 2511, SD1 Relating to Environmental Protection

Chair Ige, Vice Chair Kidani, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

**RMH supports SB2511**, **SD1**, which requires businesses in the State to collect a fee for single-use checkout bags provided to a customer; allows businesses to keep twenty per cent of the fees for the first year of the program and ten per cent of the fees thereafter, subject to income and general excises taxes; requires fees to be collected on single-use checkout bags not prohibited by county ordinance; deposits \$800,000 annually of fees into a special account in the general fund for costs relating to the single-use checkout buy fee; \$11,000,000 into the natural area reserves fund, and the remainder into the general fund.

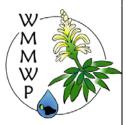
This measure is a practical and manageable option to an outright ban on plastic bags and places the responsibility for the careless discard and misuse, or the wise re-use and management, of these items on the consumer. Hawaii's retailers unquestionably support the broadest use of reusable tote bags as the ultimate solution for the environment. However, we do know that consumers' acceptance and use of reusable bags will not be universal, affordable or practical at all times. This measure allows us to provide options as demanded by our customers.

SB2511, SD1 represents an understanding of and consideration for the concerns and issues proffered by all the stakeholders over the past two years. We urge its passage. Thank you for the opportunity to testify.

-Carol Pringill

Carol Pregill, President

RETAIL MERCHANTS OF HAWAII 1240 Ala Moana Boulevard, Suite 215 Honolulu, HI 96814 ph: 808-592-4200 / fax: 808-592-4202



## West Maui Mountains Watershed Partnership

March 27, 2011

## Supporting S.B. 2511 SD 1

Relating to Environmental Protection Senate Committee on Ways and Means Wednesday, February 29, 2012, 9:00AM, Room 211

Aloha Legislators,

The West Maui Mountains Watershed Partnership Supports SB 2511 to provide funding to the Department of Land and Natural Resources for watershed protection programs. Identifying funding sources for the DLNR's "Rain Follows the Forest" watershed protection initiative is a highly worthy cause.

The proposed bill would allow for resource management to be increased, reverse the degradation of additional forests resources, and further secure the water resources that our state depends on for residential, agricultural and commercial use. Funding will also be leveraged with federal, county, or private grant sources to further stimulate local economies, **bring in millions of outside dollars and provide more jobs**.

As a partnership and as individual entities, we understand that the roots of our success has been built upon the waters which flow from our forests. Without the forest we cannot depend on the water which nourishes our personal and economic interests and understand the necessity of natural resource stewardship even during challenging financial times. Our forefathers recognized this need and we need to echo that wisdom now that the demand for water resources is increasing and supply is decreasing.

The DLNR's watershed initiative proposes a sound investment in our forests. We hope that you can join us in lending your support for watershed protection.

By unanimous consent and on behalf of our partners,

Mahalo nui loa,

Christopher N. Brosius Watershed Coordinator

West Maui Mountains Watershed Partnership P.O. Box 13240 Lahaina, Hawai'i 96761 Phone (808) 661-6600 Fax: (808) 661-6604

#### Watershed Partners

County of Maui

Dept. of Land & Natural Resources

Ka'anapali Land Company, LLC

Kahoma Land, LLC

Kamehameha Schools

Makila Land Co., LLC

Maui County Department of Water Supply

> Maui Land & Pineapple Company Inc

Wailuku Water Co. LLC

> The Nature Conservancy



The Senate Committee on Ways and Means Wednesday, February 29, 2012 9:15 a.m., Conference Room 211 State Capitol

## Testimony in Support of SB 2511 SD1

Aloha Chair Ige, and Members of the Committee,

The Coordinating Group on Alien Pest Species (CGAPS) **supports SB 2511 SD1**, *Relating to environmental protection*, which would require businesses to collect a fee for singleuse bags at checkout. Part of the fee would provide critical funding for the Natural Area Reserves Fund (NARF) for watershed protection, which has been chronically underfunded for decades.

CGAPS appreciates this initiative as a source of funds for watershed protection, restoration, and acquisition, and we encourage DLNR to take a landscape view of priority actions that benefit watersheds. Mahalo for your consideration.

Aloha,

Christy Martin Coordinating Group on Alien Pest Species (CGAPS) Ph: (808) 722-0995 HAWAI'I CONSERVATION ALLIANCE

A Partnership Dedicated to Environmental Stewardship, Community Engagement and Conservation Capacity

#### ALLIANCE MEMBERS Bishop Museum

Hawai'i Department of Agriculture

Hawai'i Department of Land & Natural Resources, Division of Aquatic Resources

Hawai'i Department of Land & Natural Resources, Division of Forestry & Wildlife

Kamehameha Schools

The Nature Conservancy Hawai'i

National Tropical Botanical Garden

National Park Service

NOAA National Marine Fisheries Service

NOAA, Office of National Marine Sanctuaries

Office of Hawaiian Affairs

University of Hawaiʻi at Mānoa Center for Conservation Research & Training

U.S. Department of Agriculture Forest Service, Pacific Southwest Research Station

U.S. Department of Agriculture Forest Service - Pacific Southwest Region

U.S. Department of Agriculture Natural Resources Conservation Service

U.S. Department of Defense Army Garrison Hawai'i Natural Resources Program

U.S. Fish & Wildlife Service National Wildlife Refuge Complex

U.S. Fish & Wildlife Service Ecological Services

U.S. Geological Survey - Pacific Island Ecosystems Research Center

#### HCA EXECUTIVE COMMITEE Michelle Mansker, 2012 Chair

'Aulani Wilhelm, 2011 Chair

Christian Giardina, 2010 Chair

Miranda Smith, 2013 Chair

Ken Kaneshiro, Executive Chair

#### HCA STAFF

Lihla Noori, Executive Director director@hawaiiconservation.org

Mariza Silva, Program Coordinator coordinator@hawaiiconservation.org

Pam Ozenberger, Outreach Assistant outreach@hawaiiconservation.org

## STATEMENT IN SUPPORT OF STATE OF HAWAI'I WATERSHED INITIATIVE

The Hawai'i Conservation Alliance (HCA) is a cooperative collaboration of conservation leaders representing 19 state and federal agencies, educational institutions, and nonprofit organizations. HCA's mission is to provide unified leadership and advocacy on conservation issues critical to Hawai'i. Collectively, we are responsible for managing the biodiversity of Hawai'i's lands and waters with over 1,600 square miles of land and 140,000 square miles of marine area designated for biodiversity protection. HCA strives to manage these resources in a manner that integrates Native Hawaiian approaches and knowledge systems with conventional conservation efforts to care for Hawai'i's 'āina and people.

The HCA strongly supports the watershed restoration proposal entitled "The Rain Follows the Forest" put forth by the Department of Land and Natural Resources (DLNR). This timely proposal will advance broad goals of community sustainability, ecosystem integrity, and biodiversity conservation by: 1) controlling key threats to priority watersheds, including invasive plant and animal species, fire, and plant diseases; 2) restoring the integrity and water retention capacity of these watersheds through protection and replanting of native species; and 3) educating Hawai'i's public as to the value of ecologically intact watersheds. By providing effective forest management, this initiative will help to replenish streams and aquifers diminished by decades of ecological neglect.

The HCA further supports the DLNR watershed proposal because it is congruent with the broader goals and management efforts of the HCA. These include:

- 1) Reversing ecosystem degradation;
- 2) Enhancing ecosystem functioning and resulting goods and services;
- 3) Preservation of native ecosystems;
- 4) Increasing the diversity of native species;
- 5) Maintaining native biodiversity for future generations; and
- 6) Ensuring a sustainable management of Hawai'i's natural resources for island communities.

The HCA, therefore, stands ready to support and contribute to Hawai'i's watershed restoration efforts through:

- 1) Collaboration at various levels;
- 2) Management of adjacent land parcels by members such as Kamehameha Schools, National Park Service and The Nature Conservancy, among others;
- 3) Enhancing biosecurity efforts to prevent emergence of new threats; and
- Facilitation of funding opportunities through programs with agencies such as National Oceanic and Atmospheric Administration, Natural Resource Conservation Service, and U.S. Forest Service, U.S. Fish & Wildlife Service among others.
- 5) Increasing community, cultural and technical capacity to state efforts in support of sustainable land to sea watershed management.

In summary, "The Rain Follows the Forest" plan promotes the irreplaceable natural environment and its life giving benefits are maintained by and across generations. The HCA commends the DLNR for putting forward this important proposal.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)

1050 Bishop St. Box 235 Honolulu, HI 96813 Fax : 808-791-0702 Telephone : 808-533-1292

DATE: Wednesday, February 29, 2012 TIME: 9:15 a.m. PLACE: Conference Room 211

TO: COMMITTEE ON WAYS AND MEANS Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

## RE: SB 2511 RELATING TO ENVIRONMENTAL PROTECTION

Chairs & Committee Members:

HFIA <u>strongly supports</u> this measure, as a means of encouraging consumers to reduce the use of both paper and plastic single use bags. This bill ensures that our environmental protection bills relating to single use plastic bags are consistent and effective.

Our stores are on track to spend \$30K-\$60K more per store annually on bag costs in counties where plastic is banned. In order to cover these costs retailers need part of the fee to go back to the retailer. Otherwise retailers will still be losing money due to the cost of paper and ultimately be forced to pass that cost on to the price of food.

Without a fee on paper, our current plastic bag ban bills will simply result in a shift to paper bags. Paper bags are less environmentally friendly than plastic bags and cost as much as 10 times more than plastic bags. We appreciate that this bill allows the fee to be implemented on all islands, which ensures that all islands will see a reduction in the use of single use bags. If we want to encourage reusable bag use, a fee is a good way to do so. A plastic bag ban does not accomplish this goal.

Thank you for the opportunity to provide this testimony.

## THE TRUST for PUBLIC LAND

## CONSERVING LAND FOR PEOPLE

## THE TRUST FOR PUBLIC LAND'S TESTIMONY IN SUPPORT OF SB 2511 SD 1 RELATING TO ENVIRONMENTAL PROTECTION Senate Committee on Ways & Means Wednesday, February 29, 2012, 9:15 a.m., Room 11

The Trust for Public Land's Hawaiian Islands Program supports SB 2511 SD1 relating to environmental protection, which charges a fee for single use plastic bags and allocates revenues from such fees to the Natural Area Reserve fund and watershed protection which could support the Department of Land and Natural Resources' "Hahai No Ka Ua i Ka Ulula'au" - "The Rain Follows the Forest" watershed protection initiative.

Watershed conservation has proved to be a cost-effective alternative to expensive water-treatment technology in keeping drinking water clean. Natural hydrological systems recharge and cleanse the watershed. Native forests increase the availability of water by absorbing it, storing it, and releasing it slowly during times of scarcity.

In 2001, the Trust for Public Land and the American Water Works Association conducted a study of 27 water suppliers and discovered that the more forest cover a watershed has, the fewer dollars water suppliers (e.g., county boards of water supply) must spend on treatment costs. According to the study, for every 10 percent increase in the source area's forest cover, treatment and chemical costs decreased approximately 20 percent, up to about 60 percent forest cover. For example, when 60 percent of the watershed is forested, average annual treatment costs are \$297,110. When only 10 percent is forested, average annual costs rise to \$923,450.

One of the clearest demonstrations of the economic value of watershed conservation came in 1989, after the Environmental Protection Agency (EPA) ordered New York City to build a \$6 billion to \$8 billion water-filtration plant that would cost \$300 million a year to operate. Instead, the city got EPA's permission to spend \$1.2 billion over the first ten years to restore and protect its watersheds, letting a 2,000 square-mile forest do the work of the water filtration plant. Similarly, the city of Auburn, Maine, saved \$30 million in capital costs and an additional \$750,00 in annual operating costs by spending \$570,000 to acquire and protect land in its watershed.

Offsetting the negative environmental impacts of single use plastic bags by investing in the health of our native forest watersheds is a wise one. It will pay off in avoided treatment costs, and clean drinking water for future generations.

Mahalo for this opportunity to testify -

tha Hong

Lea Hong Hawaiian Islands Program Director 1136 Union Mall, Suite 202 524-8563 (office), 783-3653 (cell)

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	shiromal@hawaii.edu
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 8:17:59 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Lisa Shiroma Organization: Surfrider Foundation E-mail: shiromal@hawaii.edu Submitted on: 2/28/2012

#### Comments:

I support this bill because I have seen its effectiveness in a similar bill that is in effect in Okinawa. Shoppers there make a strong effort to bring their own reusable bags now because they do not want to pay extra for plastic bags. Not everyone cares about the impact plastic bags make on the environment but everyone cares about being charged extra! I think this bill will motivate people in Hawaii to be more aware about plastic bags and increase the use of reusable bags.



February 28, 2012

To: Chair Ige, Vice Chair Kidani and Members of the Senate Committee on Ways and Means From: Susan Houghton, Director of Public Affairs and Government Relations

#### Re: Safeway Support for SB 2511SD1: Relating to Environmental Protection

I am writing to lend Safeway support for SB 2511 SD1. Our company operates 19 stores in Hawaii – of which 13 are on the island of Oahu.

We applaud your desire to tackle this important issue. We believe it is extremely important to encourage all consumers to reduce the use of both paper and plastic bags. Both have significant effects on the environment.

We are aware that Hawaii Island, Maui and Kauai have already adopted strict plastic bag bans; however, we believe a fee-based system on both plastic and paper is the preferred route. The city of San Francisco completely banned plastic bags several years ago – but did not address the issue of paper bag use. As a retailer with 15 stores in that city, we saw our costs for paper bags increase substantially – by more than \$1 million a year. This figure is in addition to the costs we were already absorbing to provide paper bags to our customers.

We believe consumers need a strong disincentive to truly change their behavior. By placing a fee on both plastic and paper, you are encouraging all consumers to think "reusable." Safeway provides a number of low-cost reusable bag options and we would be happy to participate in an initial reusable bag-giveaway program to promote this important concept. We would also be happy to provide free paper or plastic bags to any customer on such federally approved low-income programs as WIC or Food Stamps.

The key to SB 2511 SD1 is also retailer uniformity. In order to ensure there is no competitive advantage, the legislation must apply to all retailers - regardless of size or origin. While we would prefer a preemption clause that creates geographic uniformity as well, we also understand the need for local control and county-specific ordinances. We are concerned with the reduced allocation for businesses that collect the fee after the initial phase-in of the measure, but look forward to continued positive dialog with you about this measure.

Thank you for the opportunity to share our views on this important legislation. Should you have additional questions, please do not hesitate to contact me at (925) 467-2212 or George Glukfeld, our Hawaii district manager at (808) 524-4554.

Sincerely,

m

Susan M. Houghton, Director of Public Affairs and Government Relations

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Single-use checkout bag fee

BILL NUMBER: SB 2511, SD-1

INTRODUCED BY: Senate Committees on Energy and Environment and Economic Development and Technology and Water, Land, and Housing

BRIEF SUMMARY: Adds a new part to HRS chapter 342H to establish a single-use checkout bag fee. On January 1, 2013 requires all businesses in the state to charge and collect a fee of 10 cents for each single-use checkout bag that is provided to customers. After July 1, 2016 if the department of health determines that the statewide distribution of single-use checkout bags has not decreased by at least 25% from the effective date of this act, then the fee shall increase to 25 cents on January 1, 2017. Each customer transaction receipt shall show the number of single-use checkout bags provided and the amount of the fee charged.

Allows a business to retain: (1) up to 20% of the bag fees collected between January 1, 2013 and December 31, 2013; and (2) up to 10% of the bag fees collected from January 1, 2014 and thereafter. All fees retained shall be subject to HRS chapters 235 and 237 provided that any taxes imposed on the fees retained shall not be charged to the customer. Requires businesses subject to the single-use bag fee requirements to conduct educational outreach to their customers regarding the single-use checkout bag fee program.

No later than the last day of each month, businesses subject to the single-use bag fee are to remit to the department the fees collected by the last day of each month, less the allowable amount retained, during the immediately preceding month; provided that a small business may remit the fees on a quarterly basis on the last day of the month following the end of a quarter. Businesses shall be subject to penalties and interest for late or underpaid fees. Fees collected shall be deposited into a special account of the environmental management special fund provided: (1) the first \$800,000 of the fees collected annually shall be expended by the department of health for administrative, education, audit, compliance, and enforcement activities associated with collection of the single-use checkout bag fee; (2) of the remaining balance: (a) 20% shall be deposited into the environmental response revolving fund; and (b) 80% shall be deposited into the natural area reserve fund to be expended by the department of land and natural resources for watershed protection, restoration, and acquisition.

Violations of the single-use bag fee program shall be subject to a fine of no less than \$1,000 for each violation. Further establishes provisions relating to injunctive and other relief, interaction with any county ordinances, and business reporting of the number of single-use checkout bags provided to customers and the number of reusable bags provided to customers.

Requires the department of health to submit to the legislature an annual report, no later than twenty days prior to the convening of each regular session, delineating the department 's efforts to effectuate the single-use bag fee program, the number of single-use bags distributed, the statewide reduction rate in the

## SB 2511, SD-1 - Continued

amount of single-use bags distributed, and any recommended policy changes needed to better effectuate the single-use bag fee program.

No later than 3/31/13, each business that is required to charge and collect the single-use checkout bag fee shall submit to the department of health a one-time report listing the number of single-use checkout bags and reusable bags provided to customers by that business for the 2012 calendar year.

Defines "single-use checkout bag," as: (1) a bag made of plastic that is less than 2.25 mils thick, or a paper package or sack, whether recyclable or non-recyclable, that is provided by a business to a customer, and is designed for one-time use to contain and transport merchandise. A single-use check out bag does not include: (1) bags used by customers inside a business to package loose items, such as fruits, vegetables, nuts, grains, or candies, or small hardware items; (2) bags used to contain or wrap frozen foods, meat or fish, flowers or potted plants, or other items to contain dampness; (3) bags used to protect or transport prepared foods or bakery goods; (4) bags provided by pharmacists to contain prescription medications; (5) newspaper bags for home newspaper delivery; (6) door-hanger bags; (7) laundry, dry cleaning, or garment bags, including bags provided by hotels to guests to contain wet or dirty clothing; (8) bags sold in packages containing multiple bags intended for use as garbage, pet waste, or yard waste bags; (9) bags used to contain live animals, such as fish or insects sold in pet stores; or (10) bags used to transport chemical pesticides, drain-cleaning chemicals, or other caustic chemicals sold at the retail level; provided that this exemption shall be limited to one bag per customer. Defines "reusable bag" as a bag with handles that is specifically designed and manufactured for multiple reuse and is made of: (1) cloth or other machine-washable fabric; or (2) durable material suitable for reuse, including plastic that is at least 2.25 mils thick.

#### EFFECTIVE DATE: July 1, 2012

STAFF COMMENTS: While the legislature has acknowledged that the excessive use of single-use checkout bags is a hazard to the environment, rather than a ban or limitation on the use of such check out bags, this measure proposes a single-use checkout bag fee on each single-use checkout bag that is provided to customers with the revenues derived from the fee deposited into the environmental response revolving fund and the natural area reserve fund for watershed protection, restoration, and acquisition. While each single-use checkout bag provided to customers may cost customers 10 cents per bag, it is questionable whether: (1) the fee imposed would encourage customers to use reusable bags; or (2) the amount derived from this program is sufficient to address the requirements of the stated program areas.

That said, lawmakers and taxpayers should recognize this proposal for what it is, that is, it is nothing more than another way to raise more money to fund questionable state programs. While proponents may argue that such a fee will discourage consumers from using single-use check-out bags, the real reason for this measure is to merely to raise more money to fund government programs. As such, the department of health should be ashamed for having introduced this measure initially as it merely expands government at a time when everyone realizes that state government has grown beyond what taxpayers are able to support. It attempts to hide behind the environmental argument that single-use plastic bags litter the state's environment. Since the Neighbor Island counties have already moved to ban the use of these bags, this measure really will apply only to Honolulu.

Taxpayers need only to recall the fiasco of the "bottle tax" on beverage containers. Instead of providing a financial incentive to consumers to recycle their beverage containers, the bottle tax merely created a

surplus of funds because beverage containers were not being returned for the nickel deposit fee and for those that were returned and redeemed, the bulk are probably returned by school groups, nonprofits and the homeless who scavenge the parks and streets to provide a source of income. Despite the return of some of these containers, the balance in the beverage container fund has soared to over \$30 million.

And while lawmakers may think that this is a penalty on those consumers who chose not to return their beverage containers, note well that this is more than \$30 million that is not circulating in the state's economy, creating the jobs that Hawaii's people so desperately need.

Under the proposed measure, a fee is imposed for each bag provided to the consumer. A business would have to bag a customer's purchases, then complete the transaction after counting the number of singleuse checkout bags it provided to the customer. Although the proposal would allow the business to retain a portion of the fees collected, the actual amount will depend on the number of bags "sold" to customers and, therefore, it is impossible to determine whether or not the fee amount retained will be sufficient or insufficient to cover the cost of compliance with the program. Note well that the amount of the retained fee will be subject to the state's general excise and income taxes. Thus, as drafted, this fee merely adds to the cost of doing business in Hawaii. So much for lawmakers' lofty promise not to affect the state's fragile economy.

Taxpayers should also be wary of the fact that supporters of this measure are the beneficiaries of the proceeds, the environmental response revolving fund and the natural area reserve fund, the later of which is already the recipient of part of the conveyance tax. However, unlike the conveyance tax which will constantly be paid as real property changes hands, should this fee be successful in discouraging the use of these bags and the funds dry up, what then will they do to keep the program funded? The only alternative to severely cutting back a bloated program is to raise taxes. Thus, adoption of this fee now will surely promise an increase of general taxes in the future. Not only that, but the Honolulu City Council is already considering a ban on such bags. What then is the use for this legislation?

If the intent of this proposal is truly to protect the environment from the misuse and abuse of single-use bags, then just ban the use of such bags as the three Neighbor Islands have already done. This disingenuous attempt by lawmakers is so transparent in its attempt to raise new revenues that it is an insult to taxpayers who are already overburdened and who have had to endure the addition of more and more taxes in recent years as lawmakers try to close the budget gap. Retailers might just welcome such a ban as it would reduce their costs since they would not have to provide bags as a courtesy. Ah, but that would mean that there would not be another source of money for lawmakers to spend.

It should be noted that in an effort to reduce the use of single-use checkout bags, several businesses have their own programs to encourage consumers to utilize reusable bags and such programs have been successful in reducing the number of plastic or paper bags provided to customers. Others, like the big box stores, do not provide their customer any type of bags to take away their purchases and that system seems to work just as well.

To reiterate, this proposal is nothing more than a grab for money. It is one more measure that will increase the cost of living and doing business in Hawaii while truly not accomplishing the goal of "cleaning up the environment" that it seems to hide behind. Lawmakers may have been successful in tricking taxpayers once with the "bottle bill," but a second time is truly reprehensible.

Digested 2/27/12



Testimony of the Maui Invasive Species Committee Senate Bill 2511 SD1 Relating to Environmental Protection Before the Senate Committee on Ways and Means Conference Room 211

February 29, 2012, 9:15AM

The Maui Invasive Species Committee (MISC) supports S.B. 2511 SD1, which will impose a fee on single-use bags, with revenue generated by the fee to support protection of our forested watersheds. Our native forests provide life-giving waters for human consumption and are home to plant and animal species found nowhere else in the world. Healthy forests also mean healthy reefs.

Hundreds of studies have documented the damage caused by invasive plants and animals. Resources to protect our forested watersheds have never been adequate. This bill will provide needed revenue, at least in the short run, to support watershed protection while simultaneously helping to limit the proliferation of plastic bags and reduce waste.

Please support this important initiative.

Thank you for your consideration and for your kokua.



The Nature Conservancy of Hawaiʻi 923 Nuʻuanu Avenue Honolulu, Hawaiʻi 96817 Tel (808) 537-4508 Fax (808) 545-2019 nature.org/hawaii

Testimony of The Nature Conservancy of Hawai'i Supporting S.B. 2511 SD1 Relating to Environmental Protection Senate Committee on Ways and Means Wednesday, February 29, 2012, 9:15AM, Room 211

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawaii's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 10 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.

The Nature Conservancy supports S.B. 2511 SD1, and the proposed offset fee on single-use check out bags. The production, distribution, use, and disposal of single-use check out bags are a significant contributor to litter in Hawai'i, are a threat to marine and bird life, and contribute to greenhouse gas emissions that exacerbate the effects climate change.

Climate change is an imminent and unprecedented threat to natural systems (*e.g.*, forests, coastlines, coral reefs, wetlands) and to every person in Hawai'i that—whether they know it or not—depends on services from the natural environment for their livelihoods, health and welfare. Even if we drastically reduce CO2 emissions now, we will still feel the effects of climate change. In Hawai'i, science indicates that this may include:

- More frequent and more severe storms, and increased runoff and siltation;
- Overall, less rainfall and therefore less fresh water;
- Higher temperatures that may affect the health of forested watersheds;
- Climatic conditions even more conducive to invasive plants, insects and diseases;
- Sea level rise and high wave events that will harm coastal areas and groundwater systems; and
- Ocean acidification that will inhibit the growth of protective coral reefs.

We must plan and implement mitigative and adaptive measures to ensure the resilience of our natural and human systems. One of the most effective tools we have to help address the effects of climate change in Hawai'i is to protect our forests. Healthy Hawaiian forests that are not overrun by invasive species act like a sponge, collecting rain and moisture from passing clouds, slowly delivering fresh water into streams and aquifers, absorbing greenhouse gases, and reducing runoff and siltation into near shore waters during storm events.

For these reasons, we support this measure and particularly favor the allocation of a portion of the revenue generated to protect Hawaii's forested watersheds. We also support the allocation of revenue for program management by the State and affected businesses.

#### BOARD OF TRUSTEES

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From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	<u>clk5356@gmail.com</u>
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 9:44:07 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Carolyn Knoll Organization: Individual E-mail: clk5356@gmail.com Submitted on: 2/27/2012

Comments:

This is one of the best bills ever. Let's be the first state to ban plastic bags. Please support this bill!!

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	elikvodovoz@yahoo.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 6:31:59 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Elik Vodovoz Organization: Individual E-mail: elikvodovoz@yahoo.com Submitted on: 2/28/2012

Comments:

Reduction in overall use of plastic is something that should be an environmental goal worldwide. Plastic will never fully break down and ends up in our oceans. It is extremely important that we in Hawaii try to preserve the beautiful islands and a key aspect of preserving is cutting consumption of plastic bags. Please pass this bill.

The value of tourism to the State of Hawai'i's economy cannot be under-estimated. Related to that, the quality of the natural ecosystem is the driving force that enchants millions of people to visit here each year. Anything that detracts from the enjoyment of this island paradise WILL have a tangible negative impact on the desire of people to continue to visit here. Something as simple and now ubiquitous as the plastic bag increasingly taints the natural vistas that these tourists seek to experience.

The vast number of volunteers who dedicate their time to cleaning up the beach here highlight the need to remediate this tainted landscape. Personally, I have participated in a beach clean up every month that I have lived here. There are ALWAYS plastic bags, and often in strange and difficult locations to access. The plastic bag - that too few of us ever think about - really has an extremely sordid impact on all life (please review <a href="http://neptune911.wordpress.com/2011/10/11/more-plastic-debris-than-plan">http://neptune911.wordpress.com/2011/10/11/more-plastic-debris-than-plan</a> & the creative <a href="http://www.youtube.com/watch?v=GLgh9h2ePYw">http://www.youtube.com/watch?v=GLgh9h2ePYw</a> ). These negative impacts of plastic bags are something that needs dire attention – for it IS also impacting the very base of our marine food chain. Instead of picking up bags, we need help to reduce their use in society. This bill SB 2511 helps to achieve this and is leads the nation as a State. Hawai'i is, and should remain, special in its respect and appreciation for the land and ocean that surrounds us.

The need for this bill can be seen in any store. I always try to bring reusable bags when I shop. However even then if I am not watching, the store packer will pack them into plastic bags and THEN put them into the reusable bag! This is as crazy as the plastic bag that is almost mandatorily imposed upon any small convenience store customer – even if it's a single, plastic-wrapped item that one buys, it seems you are not allowed to leave the store unless you take it in another small plastic bag... Things are out of control and the amount of plastic entering our world and oceans must be reduced.

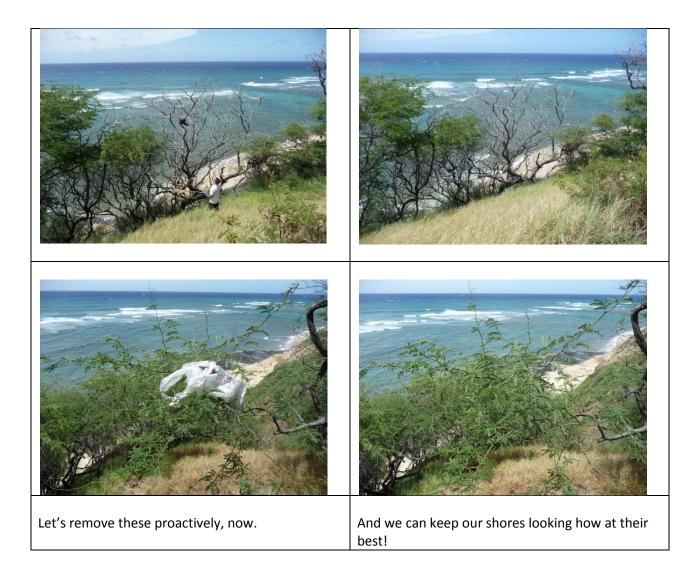
All the plastic that has ever been produced still exists; plastic is forever. We must do all we can to simply use less. Please support SB 2511 !!!

Please enjoy the online resources provided and following are some of the efforts of my weekend activities:

Before

After

Apparently this bag lived here for years, tainting	
the often-photographed view of Diamond Head:	



Malama Pono, James McCay 2957 Kalakaua Avenue #216, Honolulu, HI 96815-4650

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	jbautista619@yahoo.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AN
Date:	Monday, February 27, 2012 7:46:57 PM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Jerome Bautista Organization: Individual E-mail: jbautista619@yahoo.com Submitted on: 2/27/2012

#### Comments:

We are all blessed to live in beautiful Hawaii, and in order to continue preserving Hawaii's unique flora and fauna, I urge our representatives to support and push bill SB2511. Being a volunteer at Waikiki Aquarium and having done beach clean ups with Surf Rider and Friends of Hanauma Bay, the dangers single use plastic bags have become more apparent to me. Many of the bags are non-biodegradeable and will forever line our landfills. Not only are they nearly ubiquitous littering our roadsides, beaches, and oceans, they pose a serious threat to Hawaii's species. Endangered animals such as the Hawaiian Monk Seal and Green Sea Turtles can ingest and suffocate from the bags. Supporting this bill woud help reduce the usage of single-use plastic bags and also support the state's watershed programs. It's a win win situation, keep our aina beautiful for everyone to enjoy, boost the beauty of Hawaii to our tourists, and keep nature and our watersheds protected from the litter. Mahalo for your time and consideration.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	jonoblodgett@gmail.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 8:53:30 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Jono Blodgett Organization: Individual E-mail: jonoblodgett@gmail.com Submitted on: 2/28/2012

Comments:

I strongly support legislative efforts to reduce the use of paper and plastic bags.

Over 400 plastic bags are used by each person annually.

We use an astounding 100 billion throwaway plastic bags every year made from some 12 million barrels of oil.

These bags foul our open spaces, pollute our fragile marine environment and kill thousands of animals every year.

We need to preserve our watersheds in order to ensure fresh drinking water for future generations. Please pass the single use bag fee bill and protect Hawaii's fragile environment.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	<u>karingill@yahoo.com</u>
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 8:55:15 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Karin Gill Organization: Individual E-mail: karingill@yahoo.com Submitted on: 2/28/2012

Comments: Strong support.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	laura@lauramargulies.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 6:29:32 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Laura Margulies Organization: Individual E-mail: laura@lauramargulies.com Submitted on: 2/28/2012

Comments:

Please pass this very important bill. It is the first step in reducing our wasteful and extremely harmful addiction to single use plastics. It is the least we can do to protect the islands and the ocean for coming generations. People do not reduce their reliance on single use bags on their own (I see how many people still take bags at Foodland and am disgusted) so this bill will push them in the right direction. Mahalo,

Laura Margulies

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	ferentinos@hawaii.rr.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 5:41:18 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Lisa Ferentinos Organization: Individual E-mail: ferentinos@hawaii.rr.com Submitted on: 2/27/2012

Comments:

Future generations are depending on us to protect our forests, the source of our fresh water. At the same time, it will encourage people to begin to consider the impact of the waste they are creating, another threat to the sustainability of life. Please do the right thing and support this bill.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	alan.y.nakamura@tsocorp.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 6:10:32 PM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Alan Y. Nakamura Organization: Individual E-mail: alan.y.nakamura@tsocorp.com Submitted on: 2/27/2012

Comments: HAWAII FOOD INDUSTRY ASSOCIATION (HFIA) 1050 Bishop St. Box 235 Honolulu, HI 96813 Fax : 808-791-0702 Telephone : 808-533-1292

DATE: Wednesday, February 29, 2012 TIME: 9:15 a.m. PLACE: Conference Room 211

TO: COMMITTEE ON WAYS AND MEANS Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair

FROM: Hawaii Food Industry Association – Alan Nakamura – Vice-Chair

RE: SB 2511 RELATING TO ENVIRONMENTAL PROTECTION Chairs & amp; Committee Members:

Please support this bill to encourage consumers to bring reusable bags to retailers while shopping, thus reducing the use of both paper and plastic bags. This should aid in generating much-needed funds for the environmental management special fund while greatly reducing the number of both types of bags in the environment and landfills.

Without a fee on paper, our current plastic bag ban bills will simply result in a shift to paper bags. Plastic bag bans on Kauai and Maui have already resulted in higher package costs for retailers and eventually the costs will be passed on to consumers. If we want to encourage reusable bag use, a fee is a good way to do so. A plastic bag ban does not accomplish this goal.

Thank you for the opportunity to provide this testimony.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	maguinger@hawaii.rr.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 12:05:43 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Mary A. Guinger Organization: Individual E-mail: maguinger@hawaii.rr.com Submitted on: 2/28/2012

Comments:

Charging for a plastic bag will decrease demand which will decrease the blight on our Islands. Do we want Hawaii to be known as a big trash pit or a beautiful place to live and visit? This will not only encourage tourism, it will advance a world market for beautiful cloth bags made in Hawaii. The bags will be a "must buy" sovereign. Trader Joe's move over. Aloha!

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	amethyst.zimmerman@gmail.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 7:07:42 AM
Attachments:	TestimonyPaperBag.pdf

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Amethyst Zimmerman Organization: Individual E-mail: amethyst.zimmerman@gmail.com Submitted on: 2/28/2012

Comments:

Many members of all generations alive today agree on two things: 1) our culture is one of instant gratification and 2) as individuals we are are not taking responsibility for our own actions. These two phenomena infiltrate our culture on many levels from everyday petty disputes to lawsuits worth millions of dollars. I believe if we want our world to change for the better we must start taking responsibility for our actions. Taking responsibility for one's actions is an exercise to be practiced minuteto-minute.

Walking in the park this morning, I saw a dozen plastic and paper bags scattered in the beautiful otherwise natural environment that surrounded me. Imagine how much weight we could lift off the world's shoulders by removing these unnecessary culprits. By doing so, we will be saving invaluable resources and protecting our environment. Countless examples - from price of gas to surcharges for bags - in Europe and the US have shown that affecting people's pocket books is – without a doubt – one of the most effective ways of implementing change. We are not asking society to give up a 'comfort' but rather to take responsibility for the resources it is using. It is that simple.

#### TESTIMONY ON BEHALF OF S.B. 2511.SD1 – RELATING TO THE ENVIRONMENTAL PROTECTION

#### February 29, 2012

**(COMMENTS)** Thank you for the opportunity to submit testimony in support of S.B. 2511 SD1. My name is Michael Buck, former Hawaii State Forester / Wildlife Director and current Sustainable Forests Representative for the National Association of State Foresters. I have spent much of my professional career dealing with this subject area in Hawaii and applaud the intent of this measure as well as the sponsors who have introduced it. The intent of my testimony is to provide some policy and economic perspective of managing Hawaii's forested watersheds in light of the enormous pressure you have as decision makers to allocate limited funds over a range of needs and requests.

Hawaii's forests exist today only because of a considerable investment and political consensus established over a century ago that involved extensive fencing, animal control, and reforestation. While natural resource valuation is not an exact science, Hawaii's forested watersheds are obviously enormous assets to our economy and society and the need for dependable supplies of fresh water is expected to increase in the future. Yet, many of our priority forested watershed landscapes are slowly degrading, and so is our water supply. Hawaii's 11 watershed partnerships provide an innovative framework for the landscape level forest management activities needed, yet they are faced with inconsistent funding. The bottom line is that we are reaping the benefits of past investments made and are not assuring Hawaii's future population of a dependable supply of water. A permanent funding mechanism for watershed management in Hawaii's is needed.

When we pay our water bill in Hawaii, little or no monies are going to manage the forested watershed where that water originates. The price consumers pay for water generally includes: the amortized cost of infrastructure to collect, purify and distribute water; the cost of energy to move water from source to tap; and, the cost of staff and materials to maintain, monitor and administer water services. No cost is assigned to water resources in their natural state or the costs associated with insuring sustainable forested watersheds to collect and percolate our water supplies.

The question of who should pay the watershed bill has been an ongoing debate at the legislature for years. Allocating a portion of the conveyance tax in 2001 provided a portion of the dedicated funding needed but that has been diminished from reduced real estate values and other programs. All citizens and business sectors benefit from our forested watersheds, yet issues of State/county relationships, military use of water, role of tourism sector, and agricultural subsidies have complicated the identification of a fair and equitable mechanism for that payment.

It is important to remember that private lands comprise @ one half of the priority watershed areas in the State (and two thirds on the island of Oahu). Historically, private landowners allowed their forests to be managed by the Territory, under surrender agreements, but retained the water rights and did not pay any property tax. But times have changed as real property tax incentives for watersheds have not been adopted by the counties, the public now "owns" the water, and the majority of these lands are now in restrictive Conservation limits. While restrictive zoning can prevent development in priority forested watersheds (which is a good thing!), it does not pay for watershed management.

A 1911 quote (over a 100 years ago) from Ralph Hosmer, Hawaii's first territorial forester, helps frame the economic argument:

"Why this constantly recurring talk of forests and forest protection. Why not leave it to government officials to look after the forests? That is what they are paid for. The answer to these questions is simply and solely because in Hawaii forestry is a business necessity. Wherever it can be got water is the most valuable product that the native Hawaiian forest can be made to yield. In Hawaii, without the native forest we should be without water. I am not making this plea on the grounds of abstract altruism. I am merely putting up to you as a business proposition."

In 2001, a team of economists at the University of Hawaii did a natural resource valuation of the Koolau Mountains watershed on the island of Oahu. This forested watershed spans over 100,000 acres with an estimated sustained yield of over 133 billion gallons of water each year. It recharges the major aquifer that provides the majority of water for the city of Honolulu and Pearl Harbor. Their preliminary economic analysis of the amenities provided by the Koolau Mountains watershed on Oahu show an estimated Net Present Value of 7.44 to 14.0 billion dollars. Amenities considered in the analysis were ground water quantity, water quality, instream uses, species habitat, biodiversity, subsistence, hunting, aesthetic, commercial harvests, ecotourism, and climate control. Net present value per acre was estimated at \$76,000 to \$143,535, with a mean annual stream of benefits at roughly \$165 million or \$1,700 per acre.

Even without exploring Hawaii's other forested watersheds in comparable depth, the authors found prima facie reasons for concluding that other forested watersheds around the state would be at least as valuable as that of the Koolau Mountains. Management costs for this area are less than one-half of one percent of the value of the asset that was being maintained - a sound investment.

We need to restore the historical commitment Hawaii had to manage watershed resources in the early 1900s as we reap the benefits from that investment. Senate Bill 2511 SD1 provides important resources to enhance Hawaii's historical commitment to sustain its water supply and economic viability.

Thank you for the opportunity to submit testimony.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	mfsleh@ulukanu.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 8:39:41 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Michal Stover Organization: Individual E-mail: mfsleh@ulukanu.com Submitted on: 2/27/2012

Comments:

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	nihipalim001@hawaii.rr.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 5:13:29 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Michele Nihipali Organization: Individual E-mail: nihipalim001@hawaii.rr.com Submitted on: 2/28/2012

Comments: Dear Senators:

As a resident who lives across the street from the beach, every day I pick up plastic bags that have blown from the highway into my yard. I can't even imagine how many end up in the ocean. I bring my reusable bags to the grocery store every time I shop because I see people leaving with 10-15 plastic bags a trip. Now is the time to clean up Oahu and begin change so no more plastic bags are left blowing in the wind.

Thank you for your consideration in this matter.

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	phaedra.ranges@gmail.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 10:35:06 PM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: phaedra ranges Organization: Individual E-mail: phaedra.ranges@gmail.com Submitted on: 2/27/2012

Comments:

I strongly support legislative efforts to reduce the use of paper and plastic bags.

Over 400 plastic bags are used by each person annually.

We use an astounding 100 billion throwaway plastic bags every year made from some 12 million barrels of oil.

These bags foul our open spaces, pollute our fragile marine environment and kill thousands of animals every year.

We need to preserve our watersheds in order to ensure fresh drinking water for future generations. Please pass the single use bag fee bill and protect Hawaii's fragile environment. Thank you!!

Phaedra Ranges, PhD

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	phylfrus@gmail.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 4:23:20 PM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Phyllis Frus Organization: Individual E-mail: phylfrus@gmail.com Submitted on: 2/27/2012

#### Comments:

Hawai'i needs this single-use bag and watershed restoration bill, which would be a win-win for the environment and the people. The terrible burden and expense of plastic debris would be reduced--look at the success story of Washington, DC, which saw an 80% reduction in bag use with a mere 5-cent fee--and until people get used to bringing their own reusable bags, a significant amount of plastic AND paper bag fees would go toward protecting the watershed. People will get used to it, even those who can't afford the fees; they can bring their own or reuse the ones they buy many times. Again, DC provides the example: a survey of residents and business owners showed that "75% of customers were using fewer bags while 78% of business owners experienced either zero or positive effect on their business." And the Anacostia River benefited from the revenue produced. A friend visited from DC a month ago, and he treated our "free" plastic bags as treasure---no more single-use for him. This bill takes care of the paper-bag loophole too.

We and the environment need fewer resources going in and less litter and trash coming out. Thank you for supporting this excellent bill and convincing colleagues to support it too.

Phyllis Frus Waikiki

Rachel Harvey 316 Keaniani St. Kailua, HI 96734

WAM Public Hearing Conference Room 211 February 29th, 2012, 9:15am Testimony of Rachel Harvey In Support of Senate Bill 2511

Aloha Representatives,

I am writing to comment in support of Senate Bill 2511. Regulating single-use plastic and paper bags with a fee will help make Hawaii a model state for sustainable change. Further, I appreciate that revenues from bag fees will support the natural area reserves fund and the watershed initiative.

Hawaii, especially Oahu, is at a crucial moment for waste management. Despite the efforts of the H-Power waste-to-energy program, our facilities and landfills are overwhelmed. According to an article in the Honolulu Advertiser (March 8, 2010), people on Oahu use an estimated "300 million bags or more annually." Legislating source reduction and behavior changing regulation is the targeted solution.

The harmful cost of single-use plastics stretches from the oil it takes to produce it, to the health of the consumer, to the cost of disposal, and finally to the marine ecosystems it wrecks. Plastic is a material that the Earth cannot digest. Once discarded in the environment, plastic breaks down into smaller and smaller particles. Patches of plastic pollution cover millions of square miles of ocean near Hawaii. Tragically, this plastic also ends up in the stomachs of marine birds and animals. Moreover, the creation and distribution of plastic products increases our polluting carbon emissions and dependence on fossil fuels. The U.S. goes through 100 billion plastic bags each year, requiring 12 million barrels of oil to produce, and less than 5% are ever recycled.

It is equally important to regulate the use of single-use paper bags. Not only do paper bags use far more fossil fuel in production and manufacturing, but they also require twenty times as much fresh water as plastic bags. Additionally, most paper comes from tree pulp, so the impact of paper bag production on forests is enormous. A 2008 article from the National Cooperative Grocers Association states that each year the United States consumes 10 billion paper grocery bags, requiring 14 million trees. Paper bag production delivers a negative blow to the fight against climate change and global warming. Forests (major absorbers of greenhouse gases) have to be cut down, and then the subsequent manufacturing of bags produces greenhouse gases.

Reusable bags allow new avenues for marketing and save the retailer and consumer money. Reusable cloth and nylon bags can be purchased for a dollar (or are sometimes free) and used for years and years. Consumers actually pay hidden costs for so-called free bags. Further, reducing the consumption of single-use plastic bags will bring in money for our state and save money in clean-up costs. The taxpayer cost to subsidize the recycling, collection, and disposal of plastic and paper bags is often more than the cost of the bag. Our taxpayer dollars are being used to subsidize the cost of waste. Much of this money could be redirected to benefit our state. Similar laws have been passed worldwide and have proven to be successful. For example, when Washington D.C. instituted its recent five-cent fee, bag use declined from an average of 22.5 million per month to 3 million in the very first month, and fees generated about \$150,000 for use by the city.

This bill effectively addresses the issue of single-use check out bag plastic pollution by positively changing consumer behavior, decreasing external costs, and decreasing the amount of waste Hawaii produces.

I am a community coordinator for Plastic Free Hawaii (Kailua Chapter) by the Kokua Hawaii Foundation. We are a coalition of community members and businesses striving to educate the stores, restaurants, residents, and visitors of Kailua on the environmental and health benefits of going plastic free. http://plasticfreekailua.blogspot.com/

Mahalo for the opportunity to testify on this matter.

Sincerely, Rachel Harvey

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	rachel_neville@yahoo.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 7:40:16 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Rachel Neville Organization: Individual E-mail: rachel\_neville@yahoo.com Submitted on: 2/27/2012

Comments:

From:	randy ching
To:	WAM Testimony
Subject:	in strong support of SB2511, SD1 - relating to environmental protection
Date:	Monday, February 27, 2012 7:24:46 AM

SB2511, SD1 (strong support) Senate Ways and Means committee Hearing on Wednesday, February 29 at 9:15 a.m. in conference room 211

Chair Ige, Vice Chair Kidani, and members of the committee,

I strongly support SB 2511, SD 1. Please pass this bill. Mahalo.

Sincerely,

Randy Ching Honolulu oahurandy@yahoo.com From:mailinglist@capitol.hawaii.govTo:WAM TestimonyCc:risaoram@hotmail.comSubject:Testimony for SB2511 on 2/29/2012 9:15:00 AMDate:Monday, February 27, 2012 10:58:09 PMAttachments:My testimony for SB 2511.docx

Testimony for WAM 2/29/2012 9:15:00 AM SB2511

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Risa Oram Organization: Individual E-mail: risaoram@hotmail.com Submitted on: 2/27/2012

Comments: My testimony for SB 2511

Aloha Kakou,

I strongly encourage legislative efforts to reduce the use of plastic bags in Hawaii. We have an easy solution to a global problem and we seriously need to act now. Although plastic makes life convenient, we are now finding little bits and pieces spread all over the entire planet. It is showing up in massive piles out in the middle of the ocean and in tiny little bits inside the bellies of birds and fish. Haven't you seen a plastic bag blowing by in the wind? These bags foul our open spaces (especially our beaches and natural areas), pollute our fragile marine environment and kill thousands of animals every year. It is really sad to know that we are feeding honu this plastic diet that so closely resembles their favored food. I didn't think Hawaii wanted to be known for spreading plastic throughout the globe. I thought we were taught to respect the land, do what is pono to care for the natural resources, preserve our ahupua'a to ensure fresh drinking water for future keiki. We are so lucky to grow up and live in this amazing island paradise, but we have a responsibility to care for this treasure and our ohana. We may think "oh its nothing, just one plastic bag, its not gonna hurt nothing" - but collectively - we have a serious problem. Just think - one person alone uses over 400 plastic bags each year! Multiply that by how many people we have living in these islands, plus all the visitors?! We use an alarming 100 billion throwaway plastic bags every year made from nearly 12 million barrels of oil. "Woah, braddah we got trouble!" Please do right by Hawaii – spread the Aloha, not the plastic – pass the single use bag fee bill and protect Hawaii's fragile environment.

Mahalo nui loa

From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	surfergirl808@msn.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Monday, February 27, 2012 10:45:19 PM

Conference room: 211 Testifier position: Support Testifier will be present: Yes Submitted by: ROXANNE RIVERO Organization: Individual E-mail: surfergirl808@msn.com Submitted on: 2/27/2012

#### Comments:

I storngly support this bill and the reduction of single use plastic as well as paper bags and it's impact on the environment.. over 400 single use plastic bags are used by each person each year.. that is an overwhelming amount of plastic that ends up mostly in our ocean, i am a long time resident of Hawaii since a young girl, and a homeowner as well as a surfer, Hawaii would show great leadership in passing this bill to be the leading state in the nation to have our aina protected and show our love of our home and environment to all, please pass this bill and make a huge statement at a time when our leaders are passing bills for pro solar, pro elec vehicles and make a positive change to our state.. mahalo nui loa, aloha no, Roxanne Rivero

#### 2/27/12

#### Aloha,

I urge you to support **SB2511**. Here are the reasons this bill should become law:

- SB2511 would ensure funds for the Watershed Initiative, which Governor Abercrombie prioritized in his State of the State address. Hawaii's mauka watersheds are a crucial resource for sustaining our future water supply.

-SB2511 would reduce the amount of plastic bags entering the environment. Plastic bags cause an unsightly litter problem and harm marine life when they enter the environment. SB2511 would help protect marine life and keep Hawaii beautiful.

-SB2511 would be a historic and environmentally significant piece of legislation, making Hawaii the first with statewide single-use checkout bag legislation.

"Energy independence, environmental sustainability, food sustainability- they all come back to water." -Governor Neil Abercrombie.

Thank you.

Sam Chesser

Samuel L. Chesser, CFM, CRPC Financial Advisor



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From:	mailinglist@capitol.hawaii.gov
To:	WAM Testimony
Cc:	scottcooney75@gmail.com
Subject:	Testimony for SB2511 on 2/29/2012 9:15:00 AM
Date:	Tuesday, February 28, 2012 8:30:43 AM

Conference room: 211 Testifier position: Support Testifier will be present: No Submitted by: Scott Cooney Organization: Individual E-mail: scottcooney75@gmail.com Submitted on: 2/28/2012

#### Comments:

I strongly urge passage of the bag fee bill. I swim for exercise 3-4 times per week and just with the minimal visibility offered with my swim goggles, I see plastic bags floating or stuck on the reef somewhere along my route about 90% of the time. I usually return from my swim with at least one Long's or ABC plastic bag balled up in the pocket of my swim trunks. Even when people properly dispose of the bags, the wind can blow them out of trash or recycle bins very easily. Paper bags imported from out of state are not the answer, either. Why is Hawaii sending its money out of state for such unnecessary items and then also paying for their disposal? People will quickly learn to bring their own bags to the store, and this bill will end up costing them nothing financially, but it will help preserve jobs in Hawaii because we keep more money here and send less elsewhere for single-use bags, and it will also keep our reefs and beaches cleaner and assure that tourists will continue to come to see our natural beauty.

February 27, 2012

Senate Committee on Ways and Means

## Public Hearing: February 29, 2012, 9:15am, Room 211

## Re: SB 2511, Relating to Environmental Protection/single-use bag waste reduction

Dear Chair Ige, and Vice Chair Kidani,

I am writing in strong support of Senate Bill 2511.

I am an avid nature enthusiast and have coordinated several beach cleanups over the past four years witnessing first-hand some of the problems single-use plastics cause to our environment and the image it sends to our nearly 7 million visitors each year.

This bill does not require much reinforcement on the benefits it will have on our environment from the reduction of use of single-use plastic and paper bags and the complimentary benefits the revenue will provide to watershed protection and education.

This Bill is a great balance between the objectives of the State and the single-use bag problem. A ban only on plastic bags has caused an increase in the use of paper bags in other places such as Maui and San Francisco, which also have a negative environmental impact. A ban on both plastic and paper bags may be ideal to the environment, but does not allow for consumers the choice to use them if they are willing to pay a small fee for the waste it creates; instead this Bill provides a disincentive and supports our watersheds.

This Bill will raise money for watershed conservation so if citizens are going to pay in to environment related funds, it should be directly paid by those who consume things that cause some of the damage instead of everyone paying through other tax measures.

When Alice Ferguson Foundation completed a survey for the results in D.C., it was found that 78% of businesses experienced a zero or positive impact on business and D.C. experienced an 80% reduction in 2010. In order for Hawaii to have the same success, I strongly support passing SB 2511 into law now.

Thank you for considering my comments in support of this Bill,

Steven Mazur (808) 469-5022 <u>steven.mazur@gmail.com</u> 3258 Catherine St., Honolulu, HI 96815