

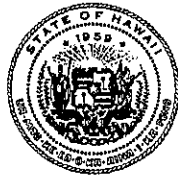
SB 2008

Measure Title: MAKING AN APPROPRIATION TO THE DEPOSIT BEVERAGE CONTAINER DEPOSIT SPECIAL FUND.

Report Title: Deposit Beverage Container Program; Appropriation (\$)

Description: Makes unspecified appropriation into the deposit beverage container deposit special fund.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



GARY GILL
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

S.B. 2008, MAKING AN APPROPRIATION TO THE DEPOSIT BEVERAGE
CONTAINER PROGRAM

Testimony of Gary Gill
Acting Director of Health

January 28, 2014
2:45pm

1 **Department's Position:** The Department of Health supports this bill provided that its passage does
2 not replace or adversely impact priorities indicated in our Executive Budget.

3 **Fiscal Implications:** Unspecified

4 **Purpose and Justification:** The Department of Health appreciates the intent of this bill, but must point
5 out that the operation of the Deposit Beverage Container (DBC) Program is not presently in danger of
6 ceasing operations.

7 Last year, projections showed that the program would be insolvent by the current fiscal year.
8 The situation arose from a combination of factors including fund transfers, the loss of the Program's
9 Central Services Fee (SCF) exemption, and the loss of interest revenue. Collectively, we estimate the
10 impact of these actions at approximately \$15.8 million from FY 2009-10 through FY 2012-13.

11 The restoration of the CSF exemption during last year's legislative session has restored \$2.5
12 million to \$3 million annually; enough to stabilize the Program's incoming revenue stream and stop the
13 erosion of the Program's fund balance.

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



**To: Senator Mike Gabbard, Chair
Senator Russell E. Ruderman, Vice Chair
Committee on Energy and Environment**

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

Date: Tuesday, January 28, 2014, 2:45 p.m. in Conference Room 225

Re: Testimony in support of SB2008.

Reynolds Recycling is Hawaii's largest redemption center operator, and we support this bill to make an appropriation in support of the Deposit Beverage Container Program.

Reynolds supports this measure in that it helps to adequately fund and strengthen the DBC Program. With the success of this program, we understand that the state has had difficulty maintaining adequate redemption funds to insure the program's solvency. The State of Hawaii, Recyclers, and the public at large all have a vested interest in making sure this program works properly, and financial solvency is integral to this.

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 fully support SB2008.

Thank you.