



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony in OPPOSITION to H.B. 2551
RELATING TO RECYCLING

REPRESENTATIVE CHRIS LEE, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Hearing Date: February 2, 2016 Room Number: 325

1 **Fiscal Implications:** Unknown

2 **Department Testimony:** The Department of Health respectfully opposes this measure due to
3 the unknown financial impact on the Glass Advance Disposal Fee (ADF) program.

4 **Offered Amendments:** This measure proposes to increase the ADF, to 3¢ for containers less
5 than two liters and 4.5¢ for containers two liters and greater. The current fee is 1.5¢ per
6 container regardless of size.

7 While the Department appreciates efforts to increase program funding, we cannot support
8 this proposal to adjust the ADF without data. A study is needed to determine the feasibility of
9 any change to the ADF. Making any change without analysis could potentially destabilize or
10 bankrupt the program. The program does not collect the data necessary to adequately analyze
11 the proposal.

12 The study would need to quantify all aspects of the program, including number of
13 containers currently covered, number of containers in the proposed new category, average
14 size/weight of both universes of containers, distribution of container sizes within each
15 population, and shipping/processing costs to recycle the glass.

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

HAWAII LIQUOR WHOLESALERS ASSOCIATION

222 South Vineyard Street, Suite 401
Honolulu, HI 96813-2453
(808) 531-4551

February 1, 2016

Representative Chris Lee, Chair
Representative Nicole E. Lowen, Vice-Chair
House Committee on Energy and Environmental Protection
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re: H.B. No. 2251 relating to recycling

Dear Chair Lee, Vice-Chair Lowen and Committee Members:

On behalf of the Hawaii Liquor Wholesalers Association ("HLWA"), we respectfully submit the following written testimony in **opposition** to H.B. No. 2251, relating to recycling, which is to be heard by your Committee on Energy and Environment on February 2, 2016.

H.B. No. 2251 would **double** the advance disposal fee from 1.5 cents to 3 cents per container on containers less than 2 liters and **add a fee** of 4.5 cents for containers 2 liters and above.

HLWA believes that H.B. No. 2251 is inappropriate of few reasons.

First, there is no indication that the doubling of the disposal fee and addition of a new fee for containers not originally covered under HRS Chapter 342G Part VII, is properly correlated to actual or necessary program costs.

Secondly, we note the State Auditor's Report No.14-17, A Study to Identify Local Alternatives to Shipping Non-Deposit Glass out of the State of Hawaii noted inefficiencies between the advanced disposal fee (ADF) and deposit beverage container (DBC) programs with regard to glass. They also noted the need to provide clarity to stakeholders regarding both DBC and ADF glass, and the study suggests the Department of Health update and finalize its 2008 policy on glass recycling. Thus, compounded with the

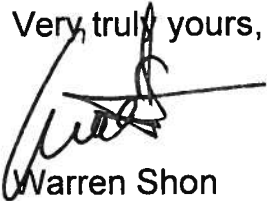
Representative Chris Lee, Chair
Representative Nicole E. Lowen, Vice-Chair
House Committee on Energy and Environmental Protection
February 1, 2016
Page 2 of 2

fact that there is no basis to determine whether the proposed increases are appropriate for program expenditures, there is reason to question the need for an increase in fees at this time.

Respectfully, before we ask our customers and business to pay significant increase in fees, the State needs to show that the program is being operated properly and the increased fees are appropriate to a properly run program.

In the absence of such a showing, we respectively oppose H.B. No. 2251. Thank you for consideration of the foregoing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Warren Shon", with a long horizontal line extending to the right from the end of the signature.

Warren Shon
President



Executive Officers:
Derek Kurisu, KTA Superstores - Chairperson
John Erickson, Young's Market Company – Vice Chair
Bob Stout, Times Supermarkets – Secretary/Treasurer
Lauren Zirbel, Executive Director

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

TO: COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Representative Chris Lee, Chair
Representative Nicole E. Lowen, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 2, 2016
TIME: 8:30am
PLACE: Conference Room 325

RE: HB 2251

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

We oppose this measure because increasing the advance disposal fee on glass containers will lead to an increased financial burden on customers and businesses and will not enhance the state's recycling goals. This bill seeks to double the fee on food and drinks in containers containing less than two liters and triple the fee on containers containing two or more liters.

Hawaii residents already pay very high prices for food and drinks. We are one of only a handful of states that pay taxes on groceries and our food costs can be up to 70% more than the national average.* This bill would increase the cost of many food and beverages, including essential food items like jarred baby food. These are not the types of items that people in Hawaii need to be paying even higher prices for.

* USDA calculation provided by Civil Beat, "Living Hawaii: Why Is the Price of Paradise so High?"
<http://www.civilbeat.com/2013/09/19815-living-hawaii-why-is-the-price-of-paradise-so-high/>

The scope of this bill also includes many Hawaii-made products such as beverages, condiments, and extracts. Our state works hard to encourage and foster local food sustainability and we should be helping local food and drink manufacturers to grow rather than burdening them with increased fees.

We strongly encourage this committee to focus on adopting many of the recommendations in Auditor's Report No. 14-17¹ rather than increase the advanced disposal fee. The report, created in conjunction with OceanIt Laboratories, examines local alternatives to shipping non-deposit glass out of state. It recommends updating and finalizing the Department of Health's Policy Glass Recycling Draft (2008) to allow recycling and/or downcycling and to permit the use of glass as an alternative daily cover (e.g., roads).

A Wisconsin study (2001)² indicates that post-consumer glass cullet can be a replacement for sand (up to 70 percent) and yields a material with properties equivalent to traditional flowable fill, the standard requirement for utility trenching in the state's DOT right-of-ways. It is feasible to use this material in Hawaii and while changes would have to be made to specifications, there are no regulatory or environmental concerns, unlike when glass is shipped to the mainland.

In light of the auditor's recommendations, driving up the price of food and drinks is not the right choice for our state, particularly when environmentally friendly alternatives exist. For these reasons we ask that this measure be held.

Thank you for the opportunity to testify.

¹ State of Hawaii. Office of the Auditor. (2014). *A Study to Identify Local Alternatives to Shipping Non-Deposit Glass Out of the State of Hawaii*. Report No. 14-17. Honolulu.
<<http://files.hawaii.gov/auditor/Reports/2014/14-17.pdf>>

² Naik, et al. (2001). *Use of Glass and Fly Ash in Manufacture of Controlled Low Strength Materials*. University of Wisconsin-Milwaukee, Center for By-Products Utilization. Milwaukee.
<<https://www4.uwm.edu/cbu/Papers/2000%20CBU%20Reports/CBU%202000-14.PDF>>



Katie Jacoy
Western Counsel
31 West Road N
Tacoma, WA 98406
www.wineinstitute.org
kjacoy@wineinstitute.org
360-790-5729

Testimony in Opposition to HB 2251

Wine Institute ("WI") is a public policy association representing 835 California wineries of all sizes. WI opposes HB 2251 because it proposes to double the advance disposal fee (ADF) on glass wine bottles containing less than two liters from \$.015 to \$.03, and triple the fee on wine bottles containing two liters or more from \$.015 to \$.045. Under the current fee of \$.015 cents, the Advanced Disposal Fee on standard 750ml wine bottles sold in the state generates about \$340,000 annually. Under the bill, each of these bottles, since they contain less than two liters, would be subject to the \$.03 fee. On standard wine bottles alone, the increased fee would cost consumers an additional \$340,000, or \$680,000 annually.

Before raising the ADF and infusing more money into the ADF program, there should be thorough consideration of the issues and recommendations provided in the Audit of the Department of Health's Glass Advance Disposal Fee Program and A Study to Identify Local Alternatives to Shipping Non-Deposit Glass out of the State of Hawai'i, submitted to the Governor and the Legislature in December 2014. These reports were mandated by Resolution of the Legislature in 2013.

The audits provide excellent information regarding issues with the program and potential changes that should be implemented by the DOH. Instead of a fee increase, we urge you to form a working group to determine the best hierarchy for waste management practices relating to glass given Hawaii's unique circumstances. A working group could consider critical issues, such as combining the glass streams from the deposit beverage container program and the ADF program, any statutory changes needed to place down-cycling on equal footing with recycling for the entire glass stream, and whether there is a down-cycling alternative that is better for Hawaii than expending dollars and resources to ship glass to the mainland where there is little market for the materials. The consultant hired by the State Auditor to study local alternatives, Oceanit Laboratories, may be a helpful participant in any such discussions.

For these reasons, we respectfully urge this Committee to consider additional study of the broader issues relating to glass waste management before considering an increase to the ADF. Thank for very much for the opportunity to submit testimony.

EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2016 12:11 PM
To: EEPtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB2251 on Feb 2, 2016 08:30AM*

HB2251

Submitted on: 2/1/2016

Testimony for EEP on Feb 2, 2016 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

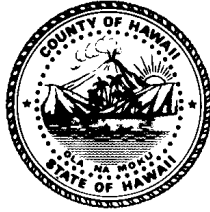
Comments:

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William P. Kenoi
Mayor

Walter K.M. Lau
Managing Director



BJ Leithead Todd
Director

John A. Medeiros
Deputy Director

County of Hawai'i

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

345 Kekūanāo'a Street, Suite 41 • Hilo, Hawai'i 96720

(808) 961-8083 · Fax (808) 961-8086

<http://www.hawaiicounty.gov/environmental-management/>

LATE

February 2, 2016

The Honorable Chris Lee, Chair
The Honorable Nicole Lowen, Vice Chair
Committee on Energy and Environment
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

DATE: Tuesday, February 2, 2016

TIME: 8:30 a.m.

PLACE: Conference Room 325

State Capitol

415 South Beretania Street, Honolulu

Re: Testimony in SUPPORT of HB 2251 – Related to Recycling - Increases the glass advance disposal fee (ADF)

The County of Hawai'i Department of Environmental Management is pleased to submit testimony in support of HB 2251 which revises the current advance deposit fee per glass container of 1.5 cents for all size glass containers which was set over 20 years ago in 1994. The proposed tiered deposit fee structure based on the size and volume of the glass container is a fair and reasonable method.

Hawai'i County has relied on the glass Advance Disposal Fee (ADF) funds for recycling of glass containers that is not covered by the State Deposit Beverage Container Program or HI-5 Program. The glass ADF funds have not been sufficient to fund the current level of glass recycling for our island and the fund needs to be increased.

Thank you for your consideration.

Best Regards,

BJ Leithead Todd

Director

cc: Mayor William Kenoi
Greg Goodale, Hawai'i County Solid Waste Division Chief
Linda Peters, Hawai'i County Recycling Coordinator



From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2016 4:53 PM
To: EEPtestimony
Cc: mz9995@hotmail.com
Subject: Submitted testimony for HB2251 on Feb 2, 2016 08:30AM

HB2251

Submitted on: 2/1/2016

Testimony for EEP on Feb 2, 2016 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Individual	Oppose	No

Comments: Just another regressive tax to beat up on the working class with. Prices for goods are too high in Hawaii already.

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EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 02, 2016 3:08 AM
To: EEPtestimony
Cc: starmer@hawaii.edu
Subject: *Submitted testimony for HB2251 on Feb 2, 2016 08:30AM*

LATE

HB2251

Submitted on: 2/2/2016

Testimony for EEP on Feb 2, 2016 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kaelan	Individual	Support	No

Comments:

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LATE

TESTIMONY IN
OPPOSITION OF
HB2251 RELATING TO RECYCLING

Submitted: February 1, 2016

Attention: Chairs of the Committee on Energy and Environmental Protection

I am writing in opposition of HB2251, a bill that unfairly singles out one industry, specifically the restaurant and bar industry. The bill in essence adds yet another tax burden to an industry that struggles to survive in Hawaii's business climate.

Currently we pay 1.5 cents per bottle. The proposed increase is between 3 cents (100% increase) and 4.5 cents (200% increase). When we talk of pennies, this may not mean much, but consider the volume a restaurant, wine bar, club, Waikiki or Ala Moana establishment, or neighborhood bar goes through annually. The potential impact is significant. And the only way to cover the added expense is by raising prices and making customers carry the burden, which in an already-strained economy is not the direction many can afford to go in.

Many assume the restaurant and bar businesses are flowing in money. But we are not. After paying employees, benefits, insurance, vendors, suppliers, rent and taxes, we make pennies on the dollar.

It's not clear to me why this tax is being proposed and why just a single sector is being targeted. Are we as an industry not paying our fair share? Is the recycling fund in need?

As you deliberate the merit of HB2251, I respectfully request that you consider the reason for this bill, it's public benefit and the potential harm to an important island-wide and state-wide business sector.

My thanks to you for your public service and for your careful consideration.

Miki Lee

Operations Manager, Bar 35

info@bar35.com

