

**STATE OF HAWAII  
DEPARTMENT OF HEALTH**

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**Testimony in SUPPORT of SB2727  
RELATING TO DEPOSIT BEVERAGE CONTAINERS**

SENATOR MIKE GABBARD, CHAIR

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: 2/3/2020

Room Number: 224

1 **Fiscal Implications:** Unknown. This measure may impact the priorities identified in the  
2 Governor's Executive Budget Request for the Department of Health's (Department)  
3 appropriations and personnel priorities if the Department and counties are required to establish  
4 significantly more redemption centers using the Deposit Beverage Container Special Fund.

5 **Department Testimony:** The Department supports SB2727 to amend Hawaii Revised Statutes  
6 (HRS) Section 342G-113, subsections (b)(1) and (d) to exempt dealers (retail establishments that  
7 sell deposit beverage containers) that are within one mile of a certified redemption center from  
8 having to operate their own certified redemption center and for the Department to partner with  
9 the respective County to establish certified redemption centers within a one mile radius. This will  
10 reduce the distance between certified redemption centers from two miles to one mile.

11 The Department respectfully requests that this proposal's effective date be amended by  
12 three years, to July 1, 2023, to allow the Department to convene an advisory committee per HRS  
13 Section 342G-122 and revise Hawaii Administrative Rules (HAR) Section 11-282-31 to update  
14 the dealer exemptions to operate redemption centers. Amending HAR Section 11-282-31 in  
15 conjunction with the passage of this proposal should effectively increase the number of certified  
16 redemption centers throughout the State and meet the purpose of the proposed legislation.  
17 Increasing the number of certified recycling centers should make it more convenient for the  
18 public to participate in the recycling program, improve the State's recycling rates, and help  
19 reduce litter.

- 1 **Offered Amendments:** “SECTION 3. This Act shall take effect on July 1, 2023.”
- 2 Thank you for the opportunity to testify on this measure.

DEPARTMENT OF ENVIRONMENTAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
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LORI M.K. KAHIKINA, P.E.  
DIRECTOR

TIMOTHY A. HOUGHTON  
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.  
DEPUTY DIRECTOR

IN REPLY REFER TO:  
WAS 20-35

January 31, 2020

The Honorable Mike Gabbard, Chair  
The Honorable Russell E. Ruderman, Vice-Chair  
and Members of the Committee on Agriculture  
Senate  
State Capitol, Room 224  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Gabbard, Vice-Chair Ruderman, and Members of the Committee on  
Agriculture:


SUBJECT: SB 2727 - Relating to Deposit Beverage Containers

The Department of Environmental Services (ENV) of the City and County of Honolulu submits the following comments on SB 2727, which exempts a beverage dealer who is located in a high density population area from operating a redemption center if the dealer is located within 1 mile of a certified redemption center operated independently of the dealer.

The deposit beverage container program is one of the mainstays of recycling in Hawaii and has enabled the diversion of hundreds of thousands of tons of containers to recycling within the City and County of Honolulu since the program's inception in 2007-2008. We support the intent of this bill, which is to provide more convenient access to deposit beverage container recycling options for consumers.

Thank you for your consideration.

Sincerely,

  
Lori M.K. Kahikina, P.E.  
Director



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**John Schlif**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
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**Derek Kurisu**, KTA Superstores, *Advisor*  
**Beau Oshiro**, C&S Wholesale Grocers, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*

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

**FROM:** HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

**DATE:** February 3, 2020  
**TIME:** 1:30pm  
**PLACE:** Conference Room 224

**RE:** SB2727 Relating to Deposit Beverage Containers

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.

HFIA is in opposition to this measure that would change the redemption center exemption distance for a retailer in a high-density area from 2 miles to 1 mile. The bill does not offer any reason for the change or any benefits that would be provided by it. Forcing retailers in our urban core to give up property to be used as a redemption center when there are already plenty of other redemption centers close by is unnecessary and illogical. We ask that this measure be held, and we thank you for the opportunity to testify.



To  
Senate Committee on Agriculture and Environment  
Senator Mike Gabbard, Chair  
Senator Russell E. Ruderman, Vice Chair  
February 3, 2020; 1:30 pm  
Conference Room 224



From: Terry G. Telfer, President, Reynolds Recycling, Inc.

Testimony in Support of SB2727 Relating to Deposit Beverage Containers

Aloha Honorable Chair Gabbard, Vice Chair Ruderman, and Members of the Committee:

Reynolds Recycling, as Hawaii's largest bottle and can recycler, **strongly supports SB 2727.**

This bill would encourage the creation of new certified redemption centers to enable consumers to more easily redeem their HI-5 Deposit Beverage Containers (DBC).

While it was many years ago, Reynolds Metals previously conducted a survey about recycling, and found that convenience was the number one requirement for people to regularly recycle. As more Certified Redemption Centers (CRCs) were developed within the state of Hawaii the redemption rate also increased, and from 2008 onward that rate was over 70%. When various CRCs closed due to the lack of financial viability (due in part to low world market prices for recycled commodities, and lack of increases in DBC Handling Fees from the State) the total number of CRCs dropped from over 100 to the current 67 locations, and the redemption rate correspondingly dropped to the current 63.8%.

This bill would encourage beverage dealers to either develop CRCs of their own, or to work with the recycling community to create new CRCs on their properties to fulfill their legal requirements. This would ensure that it is just as easy to recycle a beverage container as it is to purchase a beverage in the first place.

Because of the above we **strongly support SB 2727.**

Thank you for the opportunity to submit this testimony.

**SB-2727**

Submitted on: 1/27/2020 8:08:06 PM

Testimony for AEN on 2/3/2020 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Kealii Pang, Ph.D.	Individual	Oppose	No

Comments: