

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

**Testimony in SUPPORT of HB1642 HD1
RELATING TO POSTCONSUMER RECYCLED CONTENT**

REPRESENTATIVE AARON LING JOHANSON, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Hearing Date: 2/23/2022

Room Number: Via Videoconference

1 **Fiscal Implications:** This measure will not impact the priorities identified in the Governor's
2 Executive Budget Request for the Department of Health's (Department) appropriations and
3 personnel priorities.

4 **Department Testimony:** The Department supports HB1642 HD1 to amend Hawaii Revised
5 Statutes (HRS) Section 342G to establish minimum postconsumer recycled content requirements
6 for all deposit beverage containers imported into or manufactured within the State.

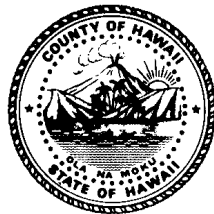
7 In fiscal year 2021, approximately 376,000,000 plastic deposit beverage containers were
8 imported into or manufactured in the State. Approximately 218,000,000 of those plastic bottles
9 were redeemed for recycling. While the current redemption rate of 58% needs to be improved,
10 there is a significant quantity of plastic containers being redeemed to provide quality feedstock to
11 meet a modest goal of 15% in six years.

12 Unfortunately, the cost to manufacture plastic beverage containers using virgin
13 polyethylene terephthalate (PET) is slightly cheaper than the cost to manufacture plastic
14 beverage containers using recycled PET flakes. This disincentivizes recycling. The Department
15 supports implementing a targeted market intervention that will increase the demand for recycled
16 products and create additional incentives to redirect deposit beverage containers away from
17 landfills and towards recycling.

18 **Offered Amendments:** None

- 1 Thank you for the opportunity to testify on this measure.

REBECCA VILLEGAS
Council Member
District 7, Central Kona



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HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

February 22, 2022

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 1642 HD1, RELATING TO POSTCONSUMER RECYCLED CONTENT
Committee on Consumer Protection and Commerce
Wednesday, February 23, 2022 at 2:00pm

Aloha Chair Ling Johanson and Members of the Committees:

I thank you for the opportunity to testify in support of HB 1642 HD1. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

The purpose of this Act is to establish minimum postconsumer recycled content requirements for deposit beverage containers.

Minimum postconsumer recycled content requirements for deposit beverage containers are needed to reduce waste, transition the State toward a circular economy, and encourage interest in recycling among deposit beverage distributors. The implementation of a minimum postconsumer recycled content requirement for deposit beverage containers will divert waste from landfills and direct them to recycling, thus reducing waste.

It is also important to adjust the minimum postconsumer recycled content percentage required pursuant to this section; report requirements by deposit beverage distributors of deposit beverage containers subject to this part; provide penalties or fees; and any other matters as may be necessary in order to implement this part.

For the reasons stated above I urge the Committee on Consumer Protection and Commerce to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

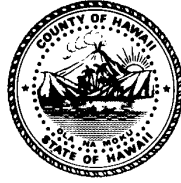
Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council

Mitchell D. Roth
Mayor

Lee Lord
Managing Director



Ramzi I. Mansour
Director

Brenda Iokepa-Moses
Deputy Director

County of Hawai'i

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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February 22, 2022

Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair, and
Members of the House Committee on Consumer Protection and Commerce

Chair Johanson and Committee Members,

The County of Hawai'i Department of Environmental Management supports the intent of HB 1642, HD1 for the purpose of improving incentives for recycling and landfill diversion, as pertaining to deposit beverage containers.

Sincerely,

A handwritten signature in black ink, appearing to read "Ramzi Mansour".

Ramzi Mansour
Director, Department of Environmental Management
County of Hawai'i

HB-1642-HD-1

Submitted on: 2/22/2022 5:30:26 AM

Testimony for CPC on 2/23/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James Toner	International Bottled Water Association	Oppose	No

Comments:

Attached please find comments from the International Bottled Water Association (IBWA) on HB 1642.

Please contact me should you have any questions.



February 23, 2022

To: The Honorable Aaron Ling Johanson, Chair
Members, House Committee on Consumer Protection & Commerce

Fr: Tim Shestek
Senior Director, State Affairs

Re: **HB1642 HD1 Relating to Postconsumer Recycled Content. – Comments**

The American Chemistry Council (ACC) would like to offer the following comments on HB 1642 HD 1, legislation that would establish requirements that beverage containers utilize the following minimum percentage of recycled material (PCR):

- No less than 15 percent by 12/31/28.
- No less than 25 percent by 12/31/33; and
- No less than 50 percent by 1/1/35.

ACC appreciates recent amendments that address some of the concerns previously raised by stakeholders. As stated in earlier testimony, ACC supports the overall intent of this legislation. As more states establish similar PCR requirements, coupled with many consumer brand companies utilizing recycled material in their packaging a substantial increase in the amount of PCR material available in the marketplace will be necessary. More households will need access to recycling collection systems and significant enhancements will need to be made to sorting systems as well as the recycling infrastructure to boost the available supply of recycled material.

Mechanical recycling will need to expand, and new advanced recycling¹ facilities will need to come online to improve recycling rates and increase the amount of recycled plastic available for use in packaging applications.

ACC also encourages you to consider comments submitted by the American Beverage Association and the International Bottled Water Association. While HB1642 HD1 directs the Department of Health to develop implementing regulations, additional specificity around such issues as how the department will adjust minimum PCR requirements should be spelled out in the statute.

Additionally, should HB1642 HD1 move forward, ACC believes an amendment is necessary that would allow companies to calculate PCR percentages either by weight “or another metric as determined by the department.” This language was incorporated into similar legislation adopted in New Jersey² and is important as more recycled resin gets produced via “advanced recycling” technologies.

Unlike mechanical recycling, which essentially cleans, chops, and melts plastic into reused plastic, advanced recycling breaks down waste to the molecular level to create renewed resources. Companies can use a “mass balance” formula to trace, measure and report the amount of recycled material that is blended into new packaging. Mass balance principles are used by several industries, including in the renewable energy sector.

¹ <https://www.americanchemistry.com/better-policy-regulation/plastics/advanced-recycling>

² https://d12v9rtnomnebu.cloudfront.net/diveimages/2515_R5.PDF



These methods are third-party certified to ensure accuracy and transparency to track certified recycled content through critical points in the value chain. In evaluating a mass balance formula, ACC would urge the department to convene a stakeholder group of interested parties and experts during the regulatory implementation phase and we would welcome the opportunity to participate in such a discussion.

Thank you for the opportunity to share these comments. If you have any questions, please do not hesitate to contact me at 916-448-2581 or via email at tim_shestek@americanchemistry.com. You may also contact ACC's Hawaii based representative Ross Yamasaki at 808-531-4551 or via email at ryamasaki@808cch.com



**Written Testimony of
David Thorp, American Beverage Association**

**Before the House Committee on Consumer Protection & Commerce
Opposition to H.B. 1642, HD 1: Relating to Postconsumer Recycled Content
February 23, 2022**

Good afternoon Chair Johanson, Vice Chair Kitagawa and members of the committee. Thank you for the opportunity to provide comments in opposition to H.B. 1642, HD 1 – relating to postconsumer recycled content.

I am David Thorp, Vice President, State Government Affairs West for the American Beverage Association (ABA). The American Beverage Association is the trade association representing the non-alcoholic beverage industry across the country and here in Hawaii.

Increasing the use of post-consumer recycled material in our packages is a top priority for the beverage industry and our member companies are working to meet their own recycled content goals in the coming years.

Increasing recycled content in plastic bottles is, however, just one aspect of our overall goal to reduce plastic waste; the beverage industry is also actively engaged in policy advocacy and investing in recycling to facilitate the increase of recycled content in its packaging.

Several states are or have considered legislation to mandate minimum recycled content in plastic beverage bottles and other packages and products. Mandating these targets is not, by itself, a sufficient response to the significant barriers that stand in the way of achieving a circular U.S. economy.

Mandates to use recycled content do not directly address issues of insufficient supply of material, which is the case with recycled PET, for example.

State-specific recycled content standards also conflict with the realities of a diverse and globalized supply chain for consumer goods including beverages. Production occurs regionally or even in one or two national locations for some products, and inventory is not designated for sale in one particular state or group of states. The supply chain from producer to warehouse to distributor to retailer is not structured to serve just one state, or even one country.

Recognizing these limitations to mandated content standards, we also acknowledge that there is active discussion around legislation in this area and we as an industry have actively engaged with stakeholders to help shape those legislative proposals. However, H.B. 1642, HD 1 at this point falls short of providing the principles and parameters for these mandates.

Sincerely,

David Thorp

David Thorp
American Beverage Association
Vice President, State Government Affairs West



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Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Consumer Protection and Commerce
Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 23, 2022
TIME: 2pm
PLACE: Via Videoconference

RE: HB1642 HD1 Relating to Postconsumer Recycled Content

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 supports the intent of this measure to increase recycled content in packaging. Many of our member companies have set aggressive goals to increase the recycled content in their packaging. We believe that the most effective way to accelerate the percentage of post-consumer recycled content in products and packaging is through collaborative efforts with manufacturers, incentives, and by creating and supporting recycling infrastructure. Unfortunately, our State has chosen to not prioritize recycling as a waste management strategy. There are currently no large-scale recycling operating in Hawaii that manage the materials mentioned in this bill.

Beverage manufacturing is an important local industry. Hundreds of types of sodas, juice drinks, water, beer, and other beverages are bottled and canned right here on Oahu in Kapolei. This includes multinational brands as well as small local drink brands. This industry creates jobs, generates tax revenue, and provides products for Hawaii consumers. We believe that better outcomes will be achieved by taking a collaborative approach and working with these companies, rather than imposing arbitrary percentages on a rapid timeline. We urge the Committee to hold this measure and we thank you for the opportunity to testify.

HB-1642-HD-1

Submitted on: 2/19/2022 9:17:33 PM

Testimony for CPC on 2/23/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Megan Lamson Leatherman	Individual	Support	No

Comments:

Mahalo for the opportunity to testify on bill (HB1642 HD1) relating to postconsumer recycled content for this upcoming EEP hearing on Feb 23rd. This bill is a step in the right direction in forcing producers to reconsider product design and sets realistic goals and timelines for this to happen. Please support this effort that would effectively take some of the burden from our counties in dealing with the end disposal of the many wasteful products (and packaging materials) that are shipped into our state.

Many thanks for your time and consideration.

Best,

Megan Lamson Leatherman, M. Sc.

Honalo, North Kona