



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
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**Testimony in SUPPORT of HB1642**  
**RELATING TO POSTCONSUMER RECYCLED CONTENT**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR  
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
Hearing Date: 2/3/2022 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 to amend Hawaii Revised Statutes  
5 (HRS) Section 342G to establish minimum postconsumer recycled content requirements for all  
6 deposit beverage containers imported into or manufactured within the State.

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

13 **Offered Amendments:** None

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

**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 2, 2022

The Honorable Nicole E. Lowen, Chair  
The Honorable Lisa Marten, Vice Chair  
Committee on Energy and Environmental Protection  
Hawai'i State Capitol  
Honolulu, Hawai'i 96813

HEARING DATE: Thursday, February 3, 2022  
HEARING TIME: 9:05 a.m.  
HEARING LOCATION: Conference Room 325, Via Videoconference

**Re: Support for HB1642, relating to postconsumer recycled content.**

Dear Chair Lowen, Vice Chair Marten, and Committee Members,

Thank you for the opportunity to present testimony on House Bill 1642.

The County of Hawai'i Department of Environmental Management is pleased to support this bill.

Best Regards and Aloha,

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

Ramzi I. Mansour  
Director of Environmental Management



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**Charlie Gustafson**, Tamura Super Market, *Chair*  
**Eddie Asato**, Pint Size Hawaii, *Vice Chair*  
**Gary Okimoto**, Safeway, *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schliff**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

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TO: Committee on Energy and Environmental Protection  
Rep. Nicole E. Lowen, Chair  
Rep. Lisa Marten, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 3, 2022  
TIME: 9:05am  
PLACE: Via Videoconference

RE: HB1642 Relating to Post Consumer 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.



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

**Before the House Committee on Energy & Environmental Protection  
Comments on H.B. 1642: Relating to Postconsumer Recycled Content  
February 3, 2022**

Good morning Chair Lowen, Vice Chair Marten and members of the committee. Thank you for the opportunity to provide comments on H.B. 1642 – 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 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

**HB-1642**

Submitted on: 2/2/2022 8:12:09 AM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jennifer Navarra	Zero Waste Hawai'i Island	Comments	No

Comments:

House Representatives,

I would like to caution against passing mandates with minimum recycled content for beverage containers. While it is true that recycled plastic cannot compete with the cost of virgin material, the solution is not to mandate the use of recycled plastic. Foremost, we need to get away from using plastic for beverage containers. A more sustainable alternative would be shifting back to refillable glass bottle programs.

Every aspect of our use of plastic is harmful, from its extraction, production and disposal/recycling. Fence line communities bear the brunt of exposure to this pollution. But plastic also leaches toxins into the food and beverages that they are packaged in, and recycling plastic over and over again will only exacerbate this problem. Plastic is also not infinitely recyclable. It is not a circular material in the context of packaging and mandating minimum recycling content for plastic is a false solution to a massive problem. We simply need to move away from using plastic wherever we can, and beverage containers is one area we already have a solution: refillable glass bottles.

Aluminum and glass are far more superior than plastic for beverage bottles; however, they also have downsides. Glass is heavy to transport and requires a lot of energy to recycle, which brings to question why we would crush a glass container to recycle it when we could just use it again. Aluminum is infinitely recyclable but has to be lined with something, which likely contains chemicals, such as Bisphenol A or a similar chemical in the same class. Bans on harmful chemicals in the lining of aluminum would protect consumers against exposure to toxic chemicals.

Finally, mandate for post recycled content can have unintended consequences and I caution the legislature to explore these before passing a bill that only reinforces our current recycling system. Without proper collection systems and return rates, manufactures may have trouble getting access to enough material to meet mandates.

While mandating minimum recycled content is a step in the right direction, it is not the best solution. Pushing for the refillable glass beverage container systems like most of the world

utilized prior to World War II would get us even farther on our way to creating a circular economy.

Mahalo for your consideration,

Jennifer Navarra

Coordinator

Zero Waste Hawai'i Island

**HB-1642**

Submitted on: 2/2/2022 8:58:37 AM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Suzanne Frazer	B.E.A.C.H.	Comments	Yes

Comments:

What about sterilization of glass bottles and reusing them instead of required recycled content or as another option?





February 2, 2022

**To:** The Honorable Nicole Lowen, Chair  
Members, House Committee on Energy and Environmental Protection

**From:** Tim Shestek  
Senior Director, State Affairs

**Re:** **HB 1642 – Comments**

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

- No less than 15 percent by 12/31/26.
- No less than 25 percent by 12/31/31; and
- No less than 50 percent by 1/1/32.

Though ACC supports the overall intent of this legislation, we are concerned that the timelines and minimum percentages of PCR may not be practical. Additional discussions with stakeholders should occur to discuss rates and dates that are realistically achievable based on market conditions.

ACC recently announced its support for a national standard requiring plastic packaging (not just beverage containers) to include at least 30% recycled plastic by 2030. It is estimated that 13 billion pounds of recycled plastic material will need to be produced every year to achieve this goal, an amount that is significantly more than what is currently collected for recycling. To bridge this gap 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.

Mechanical recycling will need to expand, and new advanced recycling<sup>1</sup> facilities will need to come online to improve recycling rates and increase the amount of recycled plastic available for use in packaging applications. ACC urges the state of Hawaii to work with industry in creating a regulatory climate that helps incentivize the siting of new advanced recycling facilities. Several states have recently enacted legislation that provides regulatory certainty for advanced recycling technology companies. ACC would welcome the opportunity to discuss this issue further.

ACC also encourages you to consider language in the bill that would provide compliance flexibility for beverage manufacturers as market conditions and available supply of recycled plastic may be ever changing.

If you have any questions, please do not hesitate to contact me at 916-448-2581 or via email at [tim\\_shestek@americanchemistry.com](mailto: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](mailto:ryamasaki@808cch.com)

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





**Sally Jefferson**  
Director, Western States

THE HOUSE OF REPRESENTATIVES  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022

COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION  
February 3, 2022

**Testimony in Opposition to HB 1642**

Chair Lowen, Vice Chair Marten and Members of the Committee:

Thank you for the opportunity to provide testimony on HB 1642 RELATING TO DEPOSIT BEVERAGE CONTAINERS. Wine Institute is a public policy association representing more than 1,000 California wineries and associate members. The California wine industry is committed to sustainability with 80% of California's wine production certified under a statewide sustainability program that encourages use of products with recycled content, reusability, takeback or recyclable packaging, and non-toxic materials. As committed as our industry is to environmental sustainability, we have serious concerns about the ability to comply with the minimum postconsumer recycled content (PCRC) requirements imposed by HB 1618 as it relates to glass and unique plastic packaging for wine.

According to the Glass Packaging Institute, glass has a recycled content rate nationwide of about 30%. While we strive to achieve the use of PCRC content, the current demand for recycled content for glass far exceeds supply due to there not being enough glass production in the U.S. The availability to get PCRC in glass is dependent on the amount of cullet that is available in the marketplace for making the glass, of which there are no guarantees. Glass production in the US has diminished significantly, with only three major companies still supplying domestic wine bottles: Owens-Illinois, The Ardagh Group, and Gallo Glass Company. The remainder of wine bottles are sourced from overseas, and the ability to obtain the required PCRC levels internationally may not exist. The current shortage of wine bottles being experienced worldwide is indicative of the challenges of this international supply chain.

Similarly, mandated recycled content is not workable when manufacturing unique plastic packaging for wine. It is not certain at this time that the postconsumer recycled content requirements in HB 1642 can be met for the specialized polyethylene terephthalate (PET) plastic bottles used in limited circumstances by the wine industry.

There is only a niche market for PET wine bottles because the shelf life of the wine is diminished:

- There is a relatively small amount of wine sold in Hawaii in 187ml PET bottles. To our knowledge, no wine producers are selling wine in larger PET formats. It is unreasonable to subject a small number of out-of-state wineries to these costly regulatory requirements given the minimal quantity of plastics used.
- This product is typically marketed in four packs offering consumers a wine product that is easy to open (screw top), transport (one-sixth the weight of glass) and consume (single-serving size). These lightweight PET wine bottles are also sold by airlines and public venues (sporting facilities, parks & concert venues) that are concerned with glass breakage and the weight to transport.
- Currently, the suppliers of these bottles are using only virgin resin for the PET. These bottles have a special barrier coating which seals the container from the inside to protect the contents from oxidation and maintain a glass-like clarity. These bottles are recyclable with the barrier easily removed during the recycling process. Though recyclable, it has NOT been determined that the same quality bottles with glass-like clarity and the necessary barrier can be produced with postconsumer recyclable content.

Even if it is determined that 187ml PET wine bottles could use postconsumer recyclable content without losing clarity or functionality, the wine industry's comparatively minimal need for recycled content would place it at a disadvantage in the marketplace. Much larger beverage manufacturers, such as soda and water companies, will have the highest demand and much greater purchasing power than wineries. Wineries will be a tiny part of the demand and may not have access to the uniquely shaped and treated plastic bottles they require with the recycled content required under this bill.

In conclusion, if HB 1642's future mandatory PCRC requirements are out of line with available materials, wineries would not be able to comply and be subject to regulatory penalties. Rather than face such penalties, wineries may simply choose to no longer ship their products into Hawaii, resulting in consumers no longer having access to the brands they prefer.

For these reasons outlined above, we oppose HB 1642 and respectfully urge that you hold this legislation.



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**Hawaii State Legislature  
House Committee on Energy and Environmental Protection  
Public Hearing on House Bill 1642  
February 3, 2022**

**Written Testimony**

**James P. Toner, Jr.  
Director of Government Relations  
International Bottled Water Association**

Chair Lowen, and members of the Committee, thank you for this opportunity to submit written testimony on House Bill 1642, that would establish a recycled content mandate for beverage containers.

The International Bottled Water Association (IBWA)<sup>1</sup> supports reasonable recycled content requirements and effective dates and look forward to working with the sponsor, the committee, and other stakeholders to find the best path forward on this important issue. There are some issues we wish to address in the current version of the bill. These are based upon work we have done in other states regarding recycled content mandates. These suggestions will help to ensure that a recycled content mandate for Hawaii is functional and sustainable.

Availability of rPET and rHDPE, especially the limited amount of quality material necessary for bottled water container production, and the price volatility of the market, need to be taken into consideration when any discussion of a recycled content mandate is addressed. While Hawaii does have a beverage deposit program that will provide feedstock for manufacturing recycled materials, given the limited amount that is likely to come out of any production on the islands, it may be necessary for manufacturers to import material to meet any mandate. This would defeat the purpose of attempting to limit the amount of plastic, glass, aluminum, or bimetals that shows up in the waste and recycling streams in the state.

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<sup>1</sup> IBWA is the trade association representing all segments of the bottled water industry, including spring, artesian, mineral, sparkling, well, groundwater and purified bottled waters. IBWA represents bottled water bottlers, distributors and suppliers throughout the United States, including several small, medium and large-size companies doing business in Hawaii. IBWA's stated mission is to serve the members and the public, by championing bottled water as an important choice for healthy hydration and lifestyle, and promoting an environmentally responsible and sustainable industry.

IBWA suggests, similar to what was done in other states that have debated plastic beverage container recycled content mandates, a closer examination of the recycling, rPET and rHDPE markets to determine the availability of material prior to setting any type of mandate. It is important to note that the majority of PET and HDPE bottles that are recycled never make it back into a food grade recycled plastic bottles. Data from the National Association for PET Container Resources (NAPCOR) states that only 1 in 7 post-consumer PET bottles collected for recycling are recycled into new bottles. For rPET this is especially problematic as nearly 75% of total available rPET is currently being downgraded into less recycled applications such as fiber, sheet, film, and strapping. Similar issues exist in the rHDPE market. Such an abrupt change in requirements will force all beverage manufacturers to compete for the existing limited supply of food grade recycled plastic.

IBWA also suggests that Hawaii look closely at New Jersey and Washington, two states that have adopted recycled content mandates for beverage containers, as well as the recent model legislation proposal from the Northeast Recycling Council (NERC). All of these proposals have expressly eliminated caps and labels from the mandate. Washington's Department of Ecology, after significant work throughout 2020 to study plastic waste reduction and recycled content mandates, recognized the varying recyclability of certain plastics and recommended a focus on those materials benefitting from recycling infrastructure currently in place or attainable in the near term. While the materials for caps and labels are recyclable, converting those for recycled content use is extremely limited at this stage.

Over the last two years, due to the pandemic, catastrophic storms in the South, and continued supply chain struggles, the ability to obtain materials both virgin and those made of post-consumer recycled content have been exacerbated. For the varying materials used for caps and labels, the ability to obtain food grade quality recycled content for these is severely limited. It is estimated that approximately 30 million pounds per year of polypropylene (used for many bottle caps) is recycled in the U.S., which will not meet demand. Increasing recycling rates and continuing technological advancements make the recycled content market for caps and label separation works in progress that need additional time to develop.

The beverage and recycling industry is moving forward with developing stronger and more viable markets for recycled content in caps. With respect to labels, industry is making strides in reducing the use of virgin materials that can be separated more easily, which in turn make bottles easier to recycle and remade into new bottles. Continued consumer education on proper recycling will ensure that more bottles are recycled with the caps on, which will increase the necessary feedstock and lead to a more robust recycled content market for caps over time.

We share the goal of keeping bottles and caps out of the environment and developing strong markets for recycled content. Creating greater circularity for bottles and their components is on the horizon and as an industry we welcome technological advancements and market developments to bring this to fruition, but it will take some time. To ensure an orderly market transition and any successful implementation of a recycled content mandate, we respectfully request that the legislation *not* include caps and labels as part of the recycled content mandate for plastic beverage containers at this juncture.

Finally, IBWA has witnessed and participated in countless hours of debate and work on establishing sustainable recycled content mandates in the several states that have approved and continue to work on legislation and regulations. HB 1642 leaves much of the process of achieving this mandate to regulatory efforts to be undertaken by the Department of Health. We would advise that the legislation attempt to better define many of the parameters necessary to implement such a program. This would include mandate and market reviews by the Department, establishing clear safeguards and offramps for industry should the markets for materials be insufficient, a defined penalty structure, necessary reporting requirements, and guidelines for industry petitions for either waivers or changes to the mandate.

Undertaking these topics in the legislative setting will allow for open discussion and a clear pathway for the Department to follow when establishing regulations. Leaving all these factors to be determined in the regulatory process can be time consuming, costly, and ultimately lead to a program that lacks the direction that was expected by the supporters of the proposal.

Companies in Hawaii that manufacture, distribute and sell bottled water employ as many as 1,170 people in the state and generate an additional 2,104 jobs in supplier and ancillary industries. These include jobs in companies supplying goods and services to manufacturers, distributors and retailers, as well as those that depend on sales to workers in the bottled water industry. The jobs currently generated by the bottled water industry in Hawaii are good jobs, paying an average of \$47,800 in wages and benefits. These jobs would be at risk should HB 1706 pass as it may force bottlers in the state to shutter their doors.

Not only does the manufacture and sale of bottled water create good jobs in Hawaii, but the industry also contributes to the economy as a whole. In fact, the bottled water industry is responsible for as much as \$693.87 million in total economic activity in the state. The bottled water industry generates sizeable tax revenues in the state. In Hawaii, the industry and its employees pay over \$36 million in taxes including property, income, and sales-based levies.

IBWA welcomes continued discussions on this topic with a goal of bringing all those industries impacted by a recycled content mandate to the table to create an achievable, attainable, and sustainable bill. We suggest the state take this opportunity to research the availability of recycled content material, particularly food-grade quality material, prior to moving forward on any legislative mandate. We look forward to working with all parties on this matter and providing a unique insight about the work we have done, and continue to do so, across the country. IBWA will continually work to ensure the use of recycled plastics in the best and most efficient way possible.

**HB-1642**

Submitted on: 2/1/2022 8:19:25 PM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Barbara Barry	Individual	Support	No

Comments:

Aloha,

I support HB 1642,

Mahalo,

Ms. Barbara Barry

**HB-1642**

Submitted on: 2/2/2022 8:56:00 AM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ted Bohlen	Individual	Support	No

Comments:

Support



**HB-1642**

Submitted on: 2/3/2022 5:03:40 AM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Johnnie-Mae L. Perry	Individual	Support	No

Comments:

The 4Rs

RESPONSIBLE GOVERNMENT, MANUFACTURERS, CONSUMERS

REDUCE

RECYCLE

REFUSE

**HB-1642**

Submitted on: 2/3/2022 6:51:48 AM

Testimony for EEP on 2/3/2022 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
James Trujillo	Individual	Support	No

Comments:

mahalo for accepting this testimony in favor of passing HB 1642  
we need to have legislation in place to address the solid waste issues that our state faces every day. HB 1642 attempts to move the needle in reducing waste and increasing recycled content in our consumer products.  
please pass HB1642 to move us closer to a sustainable Hawai'i

with respect and aloha,

james g trujillo  
po box 33  
kapa'a, HI

96746