

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

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

In reply, please refer to:
File:

HOUSE COMMITTEE ON FINANCE

H.B. 574 H.D. 1, Relating to the Deposit Beverage Container Program

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health

March 2, 2009
10:30 A.M.

1 **Department's Position:** The Department of Health respectfully opposes this bill given the current
2 difficult financial situation.

3 **Fiscal Implications:** \$10,750,000 over 3 years from the Deposit Beverage Container Program Special
4 Fund.

5 **Purpose and Justification:** This bill extends the reverse vending machine (RVM) rebate program for
6 an additional three years and offers financial incentives to cover RVM operational costs for two years.
7 Appropriates moneys to the counties to plan and operate county recycling programs.

8 The Department of Health appreciates the intent of this bill to encourage more people to open
9 certified redemption centers and to assist counties with recycling programs. However, in these difficult
10 financial times, we think it prudent to defer added expenditures from the Department fund. The
11 Department supports S.B. 884, which proposes transferring monies from the fund to help meet the
12 state's urgent fiscal needs. In normal times we would likely take a different position, but these are
3 abnormal times.

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



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.537.9019 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON FINANCE

March 2, 2009, 10:30 A.M.

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 574 WITH AMENDMENTS

Aloha Chair Oshiro and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, supports HB 574, extending the reverse vending machine rebate program and increasing financial incentives, but recommends proceeding one step further and simply requiring retailers to take back deposit containers at their store.

The single best way to ensure easy, convenient redemption for Hawaii's consumers is to mandate that grocery stores and retailers of a certain size take back the bottles and cans that they sell, just like every other deposit law state.

As a reminder to this Committee, the legislature tried previously to encourage the voluntary use of reverse vending machines by offering rebates to retailers and recyclers who use them. The rebates ranged from \$30,000 to \$90,000 (depending on store size), effectively covering a majority of the cost of such machines. These enticements failed to increase the number of stores participating in the redemption program. It is unfortunate that the retailers and grocery stores have refused to play a role in Hawaii's beverage container program by providing easy, convenient recycling – just as they do in the other bottle law states where they operate.

Despite its success with redeeming over three billion beverage containers, ***the bottle law can be improved***. Residents have rightfully complained about the cumbersome redemption process, with infrequent redemption centers and spotty hours of operation (and service).¹ A recent Department of Health study indicated 29% of respondents would prefer to redeem their containers at stores or the place where the bottles were bought. To this end, 27% of respondents complained in a recent study that it was "too much of a hassle" to redeem containers. "When respondents were asked how much of the redemption center they normally use changed in the past year, 66% of them said that it worsened a little."

Hawai'i is currently the only state with a bottle law that does not require grocery stores to 'close the loop' on recycling. Such an improvement to our bottle law would streamline the redemption process and provide residents with convenient recycling where they shop, when they shop. We suggest looking at the specific language used in SB 234.

Thank you for the opportunity to testify.

¹ See "Tracking Participation In and Attitudes Toward the HI-5 Deposit Beverage Container Recycling Program" (April 2008), available at http://hawaii.gov/health/environmental/waste/sw/sw/hi5/support/HI5_2008SurveyReport.pdf