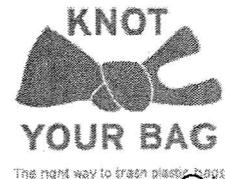




HAWAII FOOD INDUSTRY ASSOCIATION

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March 17, 2009

To: House Committee on Energy & Environmental Protection
Rep. Hermina M. Morita, Chair
Rep. Denny Coffman, Vice Chair

By: Richard C. Botti, President
Lauren Zirbel, government Relations

Re: SB 243 RELATING TO THE DEPOSIT BEVERAGE CONTAINER

Chairs & Committee Members:

We have concerns with SB 243.

While the vast majority of retailers represented by the HFIA are not covered by this measure, we do have concerns that some testifiers want every retailer that sells beverages to redeem the empty containers. We oppose this because empty beverage containers do not belong inside a retail establishment that is offering clean food products. The mix just doesn't fit. Simply put, we don't need to encourage insects and rodents, and we oppose using the additional pest controls that would be necessary to control infestation.

Aside from that, there is a bigger reason why redemption locations should be limited. That is the scale of economics. The more locations, the higher the cost and the less the return. We need a balance, and that balance should be adequate consumer convenience, with the most possible volume per location. Otherwise, our recycling community will fail to survive.

Recycling should be where it is most effective, and not necessarily where it is most convenient. For many consumers, this is a tax that is accepted in exchange for a cleaner environment. We say this because many consumers simply dispose of the container, or donate them to a worthy cause, which can be from a neighbor to a school or charitable organization.

We do not believe the stick approach is the best means of reaching the desired goals, and oppose this measure.

Bill No. 243
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Representative Hermina Morita, Chair
Representative Denny Coffman, Vice Chair
Committee on Energy and Environmental Protection



HEARING Tuesday, March 17, 2009
8:30 am
Conference Room 325
State Capitol, Honolulu, Hawaii 96813

RE: SB243, Relating to the Deposit Beverage Container Program

Chair Morita, Vice Chair Coffman, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

RMH stands in strong opposition to SB243. There is no compelling reason for this mandate.

Sanitation Concerns: Retailers should not be mandated to become garbage collectors; this is in direct conflict with the strict sanitation regulations required by the Department of Health. Consumers expect and retailers must provide the highest level of sanitation where food products are sold. Collecting and storing redeemed containers inevitably attracts pests, including roaches, rats and ants. Preventing food contamination and controlling vermin infestation would require retailers utilize poisons and insecticides, which could pose health risks for our employees and our customers.

Cost Concerns: Given the state of our economy, this is not the time to burden retailers with additional costs. For a retailer of this size, a workable redemption facility requires a minimum of from 10 to 15 reverse vending machines. If greater impact are on-going operating costs: 1) staffing to empty and clean the machines; 2) electricity to operate the machines; 3) security to prevent malicious damage; and 4) contract services to haul the redeemed containers off the property. These valuable resources should and must be allocated to retaining employees and their benefits, and avoiding layoffs.

Program Success: According to the Department of Health's web site, the redemption rate "remains high at 73%." The recycling industry is to be commended for their considerable investment in developing a network of redemption centers that undoubtedly account for this high redemption rate. Not-for-profit organizations, including Goodwill Industries, inevitably will lose valuable resources.

Convenience: Finally, as curbside recycling programs expand to include other areas on Oahu, it is highly likely that the remainder of unredeemed containers will be captured. One cannot deny that curbside recycling is the **MOST CONVENIENT** option.

Hawaii's retailers are not anti-environment. Hawaii's retailers currently recycle tons of waste: backhauling their shipping materials, recycling wooden pallets, and baling cardboard cartons for recycling. A recent survey of retailers revealed that in 2008, 10,000 tons of plastic and cardboard were shipped out of the state and NOT dumped into the landfill.

Bill No. 243

The members of the Retail Merchants of Hawaii respectfully urge you to hold SB243. Thank you for your consideration and for the opportunity to comment on this measure.

Support Y N

Carol Pregill, President

Date 3/16/09

Time 7:50

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