

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on HB1928
RELATING TO DEPOSIT BEVERAGE CONTAINER RECYCLING**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 3, 2026, 9:30 am, Room325

1 **Fiscal Implications:** Undetermined.

2 **Department Position:** The Department of Health (Department) offers comments on this
3 measure.

4 **Department Testimony:** The Environmental Management Division, Solid and Hazardous Waste
5 Branch (EMD-SHWB) provides the following testimony on behalf of the Department.

6 The bill seeks to establish a Producer Responsibility Organization (PRO) that will manage
7 the Deposit Beverage Container (DBC) program. The Department supports the goal of
8 improving program efficiency and increasing recycling rates, and we respectfully offer the
9 following high-level comments.

10 Definition of the Producer Responsibility Organization Program

11 Hawai'i Revised Statutes (HRS), Section 342G-B appears to allow for the creation of
12 multiple PROs. Under such a scenario, it is unclear as to how the deposits will flow through the
13 program if some producers and redemption centers are associated with one PRO and other
14 redemption centers associated with a different PRO are required to accept all material types. If
15 the intent is to only have one PRO for the entire state, then the mechanism or authority to be
16 able to establish only one PRO needs to be identified.

1 Department and PRO Responsibilities

2 The roles and responsibilities of the Department and the PRO should be clearly defined.
3 Greater clarity is essential to ensure accountability and effective program administration. For
4 example, the bill assigns the PRO to determine the amount of fees to collect from producers
5 and to pay out to redemption centers, however, the bill also directs the PRO to work with the
6 Department to identify fraud, implying that the Department is responsible to enforce on private
7 contracts between the PRO and the producers and between the PRO and the redemption
8 centers. This should not be the Department's role. Instead, the Department's role should be to
9 ensure, through enforcement authorities, that the PRO complies with HRS 342G, associated
10 regulations, and the DOH-approved plan.

11 Transition from the Current DBC Program

12 The bill does not fully address the transition from the existing DBC program to the PRO.
13 The issues to address during the transition include continued redemption centers operations
14 for uninterrupted redemption services to the public; the orderly and timely transfer of fee
15 collection and payments from the Department to the PRO, as well as the transfer of funds as
16 needed for new program start-up; and a realistic timeline for the development of rules, plans,
17 and implementation.

18 **Offered Amendments:** None

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



Date: February 1, 2026

To: Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy & Environmental Protection

From: Solid Waste Reduction Task Force of Hawaii Environmental Change Agents (HECA) –

Re: HB 1928 – Relating to Deposit Beverage Containers

Hearing: Tuesday, February 3, 2026 at 9:30am

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

On behalf of the Solid Waste Reduction Task Force, **thank you for the opportunity to provide comments on HB1928**, which would repeal the existing Deposit Beverage Container (“DBC”) program and replace it with a program administered by a producer responsibility organization (“PRO”). The proposed transition to a PRO-administered model presents an opportunity to modernize the beverage container system by improving convenience and access, increasing participation, achieving higher redemption rates, enhancing transparency, and supporting reuse statewide.

At this time, **we offer the following comments focused on three key areas** to ensure effective implementation of HB1928:

1. Integration of Reuse and Reusable Systems

Deposit return systems (“DRS”) have historically included reuse, with early beverage DRS programs designed by beer, soda, and dairy companies to recover bottles for washing and refilling, a practice that remains common globally. Reusable beverage containers also provide environmental benefits with some data suggesting reusable glass bottles can be used up to 25 times before recycling, giving them both a reuse and a recycling function, resulting in lower lifecycle greenhouse gas emissions compared to single-use glass, aluminum, and PET.

HB1928 would benefit from explicit incorporation of reuse and reusables, including:

- **Definitions.** Section 342G-H exempts a “refillable glass deposit beverage container” but does not define the term. Adding definitions for “reusable beverage container”, “refillable beverage container”, and “reuse facility” in section (Sec. 342G-A), with conforming amendments to Secs. 342G-E(b)(2)(B) and 342-G-J, would distinguish deposit-bearing returnables from consumer-owned refillables and allow reuse facilities performing washing, inspection, and/or reconditioning to participate as redemption centers.
- **Acceptance & handling.** Clarifying that reusable beverage containers are accepted wherever recyclable beverage containers are accepted and are not damaged but instead set aside and returned for reuse, would help avoid implementation challenges. Including reusable beverage containers in the definition of “deposit beverage container” (Sec. 342G-A) and

adding direction in Sec. 342G-J (Redemption Centers) and Sec. 342G-K (Reverse Vending Machines) are appropriate placement points.

- **Deposit flexibility.** Allowing limited deposit flexibility for reusable beverage containers under Sec. 342G-G(a), while maintaining the five-cent standard deposit for other containers, may be necessary to achieve return rates sufficient for cost-effective reuse.

2. Statutory Safeguards for PRO Formation and Compliance

If administration of the existing DBC program is transitioned to a PRO, clear statutory safeguards are needed to ensure timely PRO formation, transparency, and ongoing compliance. Experience from other states indicates that, absent such provisions, delays in PRO formation or program implementation can occur. We recommend HB1928 include clear provisions to ensure timely PRO formation, program plan submission, approval, implementation, and ongoing compliance, and to preserve the State's ability to enforce noncompliance if necessary.

3. Consideration of Existing Redemption Centers

We appreciate that HB1928 recognizes existing redemption centers in Sec. 342G-D(a)(4)(A). As the program transitions, we recommend HB1928 ensure that existing, compliant redemption centers are appropriately accounted for, including requiring the PRO to contract with them where appropriate. This approach will help preserve existing infrastructure, protect existing businesses, maintain consumer access, and reduce disruption.

Conclusion

HB1928 represents an important opportunity to modernize Hawaii's beverage container system. With the recommendations outlined above, the bill will be better positioned to support reuse and deliver effective and transparent program implementation. We respectfully offer these comments for the Committee's consideration.

Thank you for the opportunity to testify.

Respectfully submitted,

Lindsey Sabec-Kozuma

~Solid Waste Reduction Task Force of HECA

Lindsey Sabec-Kozuma



www.zerowastehi.org
zwhi@zerowastehi.org

Date: February 2, 2026

To: Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy & Environmental Protection
From: Solid Waste Reduction Task Force of Hawaii Environmental Change Agents (HECA) –
Re: HB 1928 – Relating to Deposit Beverage Containers

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy & Environmental Protection,

Thank you for the opportunity to provide comments on HB1928, which proposes transitioning Hawai'i's Deposit Beverage Container program to administration by a Producer Responsibility Organization (PRO).

ZWHI is partnered with the County of Hawai'i, the University of Hawai'i Sea Grant, and the U.S.-based nonprofit, Perpetual, to develop a reusable foodware program in Hilo that includes a centralized dishwashing facility. Through this work, we are directly engaged in the practical realities of advancing reuse systems at scale in Hawai'i, including logistics, infrastructure, participation, and cost considerations. This experience informs our perspective on HB1928.

We view this legislation as an opportunity to strengthen a well-established and globally proven form of reuse: refillable beverage containers. Deposit return systems were originally designed to recover bottles for washing and refilling, and refillable glass containers continue to be used successfully worldwide. **Explicitly supporting reuse within a modernized deposit system is a logical next step for Hawai'i.**

Reuse also offers particular advantages in an island context. Long-distance transport of recyclable materials—often off-island—is costly, carbon-intensive, and sometimes economically marginal. Reuse systems that emphasize local collection, washing, and refilling can significantly reduce transportation impacts while keeping material value circulating locally.

Importantly, beverage container reuse is already feasible in Hawai'i. Many beverage brands currently bottle in-state because it is more economical to ship syrup or concentrate than full containers. We have also observed growing interest among local beverage producers, including kombucha and juice makers, who are interested in refillable containers. A deposit system that accommodates reuse could support these local producers while reducing waste and transport impacts. **For reuse to move beyond pilot efforts and become a meaningful part of Hawai'i's beverage container system, clear programmatic goals and performance expectations are essential.**

Based on our experience advancing reuse systems and reviewing HB1928, ZWHI offers the following comments for the Committee's consideration:

- **Integration of reuse within the PRO-administered system.**
Explicitly recognizing reusable and refillable beverage containers within the deposit system, and ensuring they are handled appropriately for return and reuse rather than damaged for recycling, would help avoid implementation challenges and support higher-value material recovery.
- **Inclusion of phased reuse and refill performance targets.**
To ensure reuse is meaningfully advanced, HB1928 could include phased, achievable targets for refillable or reusable beverage containers, supported by reporting and periodic review. Initial targets could focus on specific container types or locally bottled beverages, with flexibility to adjust over time based on participation, infrastructure readiness, and market conditions.
- **Statutory backstops for PRO formation and accountability.**
If administration of the program is transitioned to a PRO, clear statutory safeguards will be necessary to ensure timely PRO formation, plan approval, implementation, and ongoing compliance, as well as to preserve the State's ability to intervene if requirements are not met.
- **Consideration of existing redemption centers.**
As the program transitions, it is important to ensure that existing, compliant redemption centers are not inadvertently excluded. Mechanisms that encourage or require the PRO to work with existing centers where appropriate could help preserve infrastructure, protect local businesses, maintain consumer access, and reduce disruption.

HB1928 represents an important opportunity to modernize Hawai'i's beverage container system. **With thoughtful attention to reuse integration, accountability mechanisms, and existing redemption infrastructure, the program will be better positioned to deliver environmental, economic, and community benefits statewide.**

Mahalo for the opportunity to provide comments.

Respectfully submitted,



Jennifer Navarra, Program Director
Zero Waste Hawai'i Island

HB-1928

Submitted on: 2/1/2026 9:12:28 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Hawai'i Reef and Ocean Coalition	Comments	Written Testimony Only

Comments:

The Hawai'i Reef and Ocean Coalition supports the deposit beverage control program to reduce waste, but thinks the program needs reform and more resources. A well run producer responsibility organization (PRO) as envisioned in this bill might improve the program.

This bill should be amended to:

1. emphasize reuse and refill of beverage containers, not just recycling, and
2. ensure that the State will have a backstop if producers do not form a PRO.



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Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Advisor*
Maile Miyashiro, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Energy and Environmental Protection

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 3, 2026

TIME: 9:30am

RE: HB1928 Relating to Deposit Beverage Container Recycling

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair and Members of the Committee:

Thank you for the opportunity to testify on HB1928, which would repeal Hawai'i's long-standing HI-5 Deposit Beverage Container Program and replace it with a new Producer Responsibility Organization (PRO) framework.

We represent a broad cross-section of Hawai'i's food and beverage supply chain, including national beverage manufacturers, local beverage and beer producers, national and local grocery retailers, and small family-owned businesses operating in every county. We share the Legislature's goal of improving recycling outcomes and redemption convenience. However, we believe HB1928, as drafted, moves Hawai'i in the wrong direction and introduces unnecessary cost, risk, and uncertainty—particularly when better, lower-cost solutions already exist within current law.

I. Improve the Existing HI-5 Program — Don't Replace It



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Hawai'i's beverage industry is one of the few remaining manufacturing sectors still producing locally, providing approximately 1,200 good-paying local jobs and supporting thousands more through grocery stores, restaurants, and distribution partners

Any change to the HI-5 system should strengthen—not destabilize—this ecosystem.

The problem with HI-5 is not lack of funding. The problem is how existing funds are used.

The Deposit Beverage Container Deposit Special Fund currently holds approximately \$77.9 million as of June 30, 2024. That balance is more than sufficient to dramatically improve redemption access, consumer convenience, and enforcement without creating a new PRO, new producer fees, or new administrative bureaucracy.

Before repealing the current program, the Legislature should require a plan to deploy those dollars to improve redemption rates

II. Producer Fees Under HB1928 Are Open-Ended and Uncapped

HB1928 shifts responsibility to a nonprofit PRO with authority to assess fees on producers based on container volume and type, yet the bill:

Provides no fee caps, establishes no statutory formula and includes no requirement that fees be tied to actual program costs.

For large national brands these fees are unpredictable and will increase prices. For small local beverage producers and independent grocers, they are potentially devastating. These costs will inevitably be passed through the food supply chain and show up as higher shelf prices for consumers—at a time when Hawai'i already faces the highest food costs in the nation and nearly one in three households struggles with food affordability.

III. Use Excess HI-5 Funds for Proven, Low-Cost Solutions



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Rather than creating a new PRO system, we strongly urge the Committee to direct the Department of Health to use existing HI-5 funds to implement solutions that are already working in other states and communities, including:

1. Bag-Drop Programs

We appreciate other bills and concepts this session that explore bag-drop redemption systems, which allow consumers to drop off containers without waiting in line. These programs reduce labor costs, increase convenience, and significantly improve redemption rates—especially for families.

2. Schools and Public Parks as Redemption Hubs

A particularly promising opportunity is deploying reverse vending machines or bag-drop sites at public schools and public parks.

Schools are trusted, accessible community locations.

Students and families already collect containers.

Programs can be paired with recycling education and fundraising opportunities.

With nearly \$80 million already in the HI-5 fund, the State could feasibly place reverse vending machines at every public school and major public park statewide, dramatically increasing redemption access without imposing new fees on producers or retailers.

IV. Follow the Audit-Reform Model — Not a PRO Mandate

Instead of advancing HB1928, we respectfully ask the Committee to consider language modeled after the audit-repeal legislation, which takes a risk-based, targeted enforcement approach rather than a one-size-fits-all mandate.

As you are aware, HRS §328G-121.5(c)(2) requires all deposit beverage distributors to obtain independent biennial audits, regardless of size or risk. This requirement:



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Has generated audit quotes exceeding \$25,000 for many mid-sized distributors,

Is based on statutory language that auditors themselves have found vague and difficult to implement, and

Often costs more than a distributor pays into the HI-5 program itself.

These unanticipated costs are unreasonable and counterproductive. They increase food and beverage prices without improving program integrity.

Importantly:

The Department of Health already has robust enforcement authority, including risk-based audits, data analytics, trend analysis, follow-up audits, and public reporting.

The HI-5 fund balance is more than sufficient to finance targeted audits using internal staff or external consultants.

No other state imposes a universal, fixed biennial independent audit requirement on every distributor regardless of risk.

This is precisely the model Hawai'i should follow for recycling oversight: risk-based, data-driven, and targeted—not blanket mandates.

V. Urgent Request: Replace the language in this bill with the language included in SB2105 so the beverage and retail industry can avoid cost increases before the Governor's EO Expires

Our members remain extremely concerned about the impending expiration of the Governor's enforcement pause on the mandatory audit requirement.



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Absent legislative action, distributors and retailers face the immediate return of a costly, unworkable audit mandate that increases consumer prices and diverts resources away from actual recycling improvements.

Conclusion

We strongly urge the Committee to:

Reject the PRO framework in HB1928 as unnecessary and costly,

Direct the Department of Health to deploy existing HI-5 funds toward bag-drop programs and reverse vending machines at schools and parks utilizing ample existing funds,

Advance audit-reform language modeled on SB2105, and

Focus on practical, proven improvements that increase redemption rates without increasing food and beverage costs.

Mahalo again for all that you do, and please feel free to reach out if we can provide additional data, cost estimates, or implementation ideas.



**Testimony to the House Committee on Energy & Environmental Protection
Representative Nicole E. Lowen, Chair
Representative Amy A. Perruso, Vice Chair**

**Tuesday, February 3, 2026, at 9:30AM
Conference Room 325 & Videoconference**

RE: HB1928 Relating to Deposit Beverage Container Recycling

Aloha e Chair Lowen, Vice Chair Perruso, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 1928 (HB1928), which repeals the Deposit Beverage Container Program and replaces it with the Recycling Refund Producer Responsibility Organization Program.

HB1928 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. Under the current deposit beverage container program, financial responsibility for the system is fragmented across distributors, redemption centers, retailers, and the State, with no single entity accountable for managing costs or efficiency. Producers ultimately bear much of the financial burden through pass-through costs, yet have little control over how inefficiencies and fraud are addressed. This lack of centralized management creates cost volatility and limits producers' ability to plan and operate sustainably.

This bill alleviates the administrative and compliance burdens on deposit beverage producers by shifting administration of recycling compliance to a producer responsibility organization. With this model, producers benefit from predictable membership costs and reduced exposure to audit and fraud, while redemption centers are fairly compensated.

It is for these reasons the Chambers respectfully asks to pass House Bill 1928. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



February 2, 2026

Representative Nicole E. Lowen, Chair
Representative Amy A. Perruso, Vice Chair
Committee On Energy & Environmental Protection
State Capitol
Honolulu, HI 96813

Re: Support With Amendments for HB 1928: Modernizing Hawai'i's Beverage Container Redemption Program

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

Thank you for the opportunity to submit testimony on behalf of [Upstream](#) in **support of HB 1928, with suggested amendments**. Upstream is a US-based non-profit and leading change agency for the reuse movement in the US and Canada. We spark innovative solutions to help people, communities and businesses shift from single-use to reuse. **We support deposit return systems (DRSs), also known as recycling refunds, because they are crucial catalysts for the new reuse economy.** Modernizing existing DRSs is critical to maintaining their success.

HB 1928 will modernize Hawai'i's existing DRS, creating crucial enabling conditions for expanding packaging reuse across the state. Fifty years of data on DRS laws in the U.S. and around the world demonstrate that refundable deposits are effective at boosting return rates for post-consumer packaging – the single greatest factor in reuse system success. They also create local economic development opportunities and jobs, generate clean streams of recyclable materials through source-separation, and prevent roadside litter and plastic pollution.

After just three uses, reusable glass bottles are already less impactful than single-use glass, PET, and aluminum cans. Used 25 times and then recycled, reusable glass bottles create 85% fewer climate emissions than single-use glass; 57% fewer than aluminum cans; and 70% fewer than single-use PET. **Reusable PET**

bottles can save up to 40% of the raw materials and 50% of the greenhouse gas emissions compared to the production of single-use PET bottles. Reusables also benefit the ocean: **Oceana estimates that a 10% increase in the share of beverages sold in reusables could result in a 22% decrease in marine plastic pollution.** This would keep 4.5 to 7.6 *billion* plastic bottles out of the ocean each year.

To achieve these outcomes for Hawai'i, however, we strongly support requests made by the HECA Waste Reduction Task Force for the following crucial amendments:

- **Clear integration of reuse and reusable systems** into the program, including clear definitions for reusables, proper handling of reusable containers, and limited deposit flexibility for reusables;
- **Strong enforceable safeguards** to ensure timely PRO formation and accountability, such as state authority to intervene or impose corrective actions if the PRO fails to meet statutory requirements; and
- **Consideration of existing, compliant redemption centers** to protect existing businesses, maintain consumer convenience, and reduce disruption.

With these changes, HB 1928 will propel Hawai'i toward a true circular economy with reuse at its core. We thank you for your consideration of our suggested amendments and are more than happy to work with you to implement them.

Please feel welcome to contact sydney@upstreamolutions.org any time.

Mahalo for all you do,

Sydney Harris
Upstream Policy Director



4361 Keystone Ave. • Culver City, CA 90232
Telephone (310) 559-7451
www.container-recycling.org
www.bottlebill.org

February 2, 2026

Hawaii House Committee on Energy & Environmental Protection
Conference Room 325, State Capitol
413 South Beretania Street
Honolulu, HI 96813

Re: CRI Appreciates the Opportunity to Comment on HB 1928

Dear Chair Lowen, Vice Chair Perruso, and Members of the Committee,

The Container Recycling Institute appreciates the opportunity to comment on House Bill 1928, a bill that would create a Producer Responsibility (PRO) for beverage containers in Hawaii. We have some amendments that we would like to suggest to the committee:

- Expand the definition of “deposit beverage” to **include wine and spirits**; doing so will generate clean, high-quality glass that is desired by glass manufacturers.
- Change the definition of “de minimis producer” to be defined by the **number of beverage containers** rather than tonnage and revenue, as this is the way it is done in other beverage container programs around the United States.

We will provide additional comments to the bill’s author in the future.

Please contact me with any questions you may have.

Sincerely,

A handwritten signature in blue ink that reads "Susan Collins". The signature is fluid and cursive, with the first name "Susan" being more legible than the last name "Collins".

Susan Collins
President, Container Recycling Institute



House Committee on Energy and Environmental Protection
State Capitol
415 South Bretania Street
Honolulu, Hawaii

January 20, 2026

Re: Comments and Suggested Amendments on HB 1928 -An Act Relating to Beverage Container Deposit and Recycling-

Honorable Representative Lowen and Committee Chairs:

On behalf of The Story of Stuff Project and our 112 supporters in the state of Hawaii, we are submitting comments related to HB 1928 and urging various provisions to strengthen these proposed changes to Hawaii's Bottle Bill. The Story of Stuff Project is a national U.S. based nonprofit organization. Our mission is to change the way we make, use, and throw away all the Stuff in our lives. With nearly a million supporters worldwide, we are working to build a more healthy and just planet.

Our supporters are strongly in favor of bottle refund programs not only for their proven track record of recycling (several states, including Vermont, Oregon, Michigan, and Maine) are achieving 70-90% redemption and recycling rates), but also because high redemption rates set the stage for bringing back refillable beverage containers. With Hawaii achieving the lowest redemption rate of the 10 states with bottle bills (54% in 2024 according to Container Recycling Institute) we believe that Hawaii should update its beverage container deposit program in order to achieve higher recycling rates and also to establish reuse and refill as a new priority for its beverage container program. However, HB 1928 as drafted fails to incorporate some key provisions that make beverage container deposit programs effective. We encourage this committee to consider amendments as follows.

The PRO must be required to meet Performance Targets for Recycling, Reuse, Redemption and Convenience

We don't have a problem per se with switching the responsibility for the operation of the beverage container program to a Producer Responsibility Organization (PRO). However, as drafted, HB 1928 fails to hold producers accountable for achieving anything. It tells them to submit a plan that addresses performance targets, but sets no bar as to what they should be. At the very least, when transferring responsibility to a group of companies, the state should have some minimum enforceable requirements these companies must meet. Otherwise, it is failing to regulate or hold them accountable for any measurable results.

The rationale for moving to a PRO model is that producers can achieve operational efficiency and perform better than state-run programs. If that's the case, then the PRO should be required to achieve higher redemption and recycling rates than the system is currently achieving. For each performance target, the PRO should be required to improve over time.

For example, for redemption, the bill should require the system to achieve 70% in 2 years, then 85% in 4 years, then 90% in 6 years. For recycling, the bill should require a 60% recycling rate in 2 years, 70% in 4 years and an 85% recycling rate in 6 years.

The same holds true for reuse. It's time to bring back reusable, refillable beverage containers.

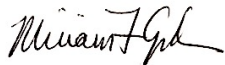
Reuse beats recycling by every environmental measure. It saves water compared to single-use plastic bottles¹ and can reduce greenhouse gas emissions compared to single-use bottles by up to 85%.² It provides a strong economic opportunity for bringing new jobs and clean, green businesses to the state. Performance measures we suggest for the quantity of reusable beverage containers operating in a deposit program start at 5% and reach 25% within 10 years. These containers should have the same deposits as recyclable ones, and should be sold and accepted everywhere as single-use containers.

There is a need for transparency in reporting and on-going accountability. This bill fails to detail any penalties or actions the state will take if the system underperforms. The bill should be strengthened in that way.

The deposit remains too low. Without a 10 cent deposit, consumers are unlikely to be incentivized to return containers often enough for the system to achieve higher performance.

We strongly encourage you to suggest amendments to strengthen this bill. Please feel free to contact me at miriam@storyofstuff.org if you have any questions.

Sincerely,



Miriam Gordon
Reuse Program Director

¹ Is reusable beverage packaging better than single-use plastic?
<https://www.sciencedirect.com/science/article/pii/S2666188825008366#bib0013>

² Reloop: Reusable vs. Single-Use Packaging (2020).



**Written Testimony of
David Thorp, American Beverage Association
Before the House Committee on Energy & Environmental Protection
In Opposition to H.B. 1928: Relating to Deposit Beverage Container Recycling
February 3, 2026**

Good morning, Chair Lowen, Vice Chair Perruso, and members of the committee. Thank you for the opportunity to comment in opposition to H.B. 1928 – relating to deposit beverage container recycling.

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.

Beverage industry's local impact on Hawaii's economy

The beverage industry is an important part of Hawaii's economy – and one of the few remaining industries still manufacturing on the Islands. Unlike most consumer products, many of our beverages, aluminum cans and plastic bottles are manufactured and distributed in Hawaii by local workers.

Non-alcoholic beverage companies in Hawaii provide nearly 1,200 good-paying jobs across the state. The industry helps to support thousands more workers in businesses that rely in part on beverage sales for their livelihoods and, such as grocery stores, restaurants and theaters.

Improve Existing HI-5 Program

Hawaii's HI-5 program has been in effect for more than two decades but continues to see decreasing redemption rates for beverage containers. Instead of starting from scratch to improve the HI-5 program, the program's existing fund of more than \$80 million needs to be invested to make the program more efficient and convenient for consumers.

We are happy to continue the dialogue on this important issue. We can work together on impactful solutions that provide Hawaii consumers with more convenient opportunities to recycle their beverage containers.

Thank you for your consideration.

Sincerely,

David Thorp

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

HB-1928

Submitted on: 2/2/2026 12:29:34 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

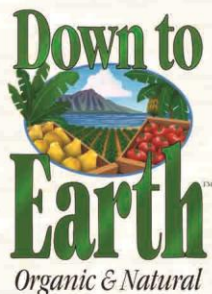
Submitted By	Organization	Testifier Position	Testify
Kenneth G. K. Hoo	Hawaii Liquor Wholesales Association	Oppose	Written Testimony Only

Comments:

This bill proposes a new Producer Responsibility Organization, which is not needed and not cost effective. Rather than replacing the existing redemption program effective management should be implemented.

The Department of Health should use existing HI-5 funds toward other proven methods to increase redemption like bag-drop programs and reverse vending machines at schools and parks.

Love Life!



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HB1928 Relating to Deposit Beverage Container Recycling
House Committee on Energy & Environmental Protection
February 3, 2026, 9:30am State Capitol

Aloha Rep. Nicole Lowen, Chair, Rep. Amy Perruso, Vice Chair, and Committee Members,

Down to Earth Organic and Natural requests amendments to HB1928.

Down to Earth Organic & Natural is a Hawai'i-based grocery retailer serving local communities for more than 45 years. We support policies that reduce waste, increase recycling, and protect Hawai'i's environment. We also see firsthand how policy changes affect food affordability, store operations, and the day-to-day experience of our customers and team members.

We appreciate the intent of HB1928 to improve redemption convenience and recycling performance. **However, as drafted, the bill raises significant concerns for retailers and shoppers. We respectfully urge the Legislature to amend this bill to improve the existing HI-5 program rather than repeal and replace it with a new unfunded program.**

Although retailers are not directly assessed fees under the proposed Producer Responsibility Organization (PRO) framework, new and uncapped producer fees will inevitably be passed through the supply chain. For grocery retailers, this means higher wholesale costs and higher shelf prices for customers.

Hawai'i already faces some of the highest food costs in the nation. Any new system that increases beverage costs, especially for everyday items like tea, coffee drinks, water, and non-alcoholic beverages, will disproportionately impact working families.

The bill replaces a well-funded system without fixing known problems. The current HI-5 program holds a substantial fund balance that could be used immediately to improve redemption access and convenience. The issue has never been a lack of funding, it has been the lack of accessible, well-located redemption options for customers. Repealing HI-5 and creating an entirely new PRO structure introduces uncertainty, administrative complexity, and risk, without first requiring that existing funds be deployed toward practical improvements.

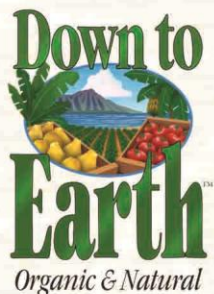
HB1928 emphasizes redemption site proximity to retail locations and includes incentives for retailers to act as certified redemption centers. While participation may be described as voluntary, in practice retailers will likely be pressured to become default redemption points. For many stores, especially smaller urban locations, redeeming containers raises concerns around space constraints, sanitation and pest control, customer flow and safety, and labor and operational burden. Any updated system should clearly protect retailers from becoming redemption centers unless they explicitly opt in under workable, well-compensated conditions that cover the costs of operating the redemption of containers.

As written, the bill sets no caps on producer fees, establishes no statutory cost-containment requirements, and leaves key operational details to future rulemaking. From a retailer planning perspective, this uncertainty makes it difficult to anticipate pricing, inventory impacts, and customer communication needs.

We respectfully recommend that the Legislature pause repeal of the HI-5 program and instead focus on targeted amendments that deliver improvements without raising food costs or creating new administrative layers:

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- Direct the Department of Health to use existing funds (in the tens of millions of dollars) to expand bag-drop redemption systems, increase reverse vending machines in convenient locations, and improve redemption access in rural and high-density areas. Schools, parks, and public facilities are trusted, accessible locations that can dramatically increase redemption convenience without burdening retailers.
- Clarify that retailers are not required to host redemption activity and include guardrails to prevent cost-shifting or operational pressure.
- Adopt a risk-based, targeted enforcement model rather than broad mandates that increase costs without improving recycling outcomes.

Down to Earth supports the goal of improving recycling access and reducing waste in Hawai'i. We believe those goals can be achieved by strengthening and modernizing the existing HI-5 program, using funds already collected, rather than replacing it with a new system that risks higher food prices, operational strain on retailers, and unnecessary uncertainty.

We respectfully request that the Committee amend HB1928 to focus on practical, proven improvements that protect customers, retailers, and the environment alike.

Mahalo for your time and consideration.

Alison E Riggs

Alison Riggs
Public Policy & Government Relations Manager
Down to Earth

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HB-1928

Submitted on: 2/2/2026 4:09:07 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roy Kadota	Mr. K's Recycle & Redemption Center Inc.	Comments	Written Testimony Only

Comments:

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy & Environmental Protection,

As the Owner and President of Mr. K's Recycle and Redemption Center on the Big Island, I appreciate the opportunity to **COMMENT on HB1928**, which would repeal the existing Deposit Beverage Container (“DBC”) program and replace it with a program administered by a producer responsibility organization (“PRO”). The proposed transition to a PRO-administered model presents an opportunity to modernize the beverage container system by improving convenience and access, increasing participation, achieving higher redemption rates, enhancing transparency, and supporting reuse statewide.

Mr. K's Recycle and Redemption Center has served as a HI5 redemption center for over 15 years, with locations in both Hilo and Kailua-Kona. We also do pick-ups at commercial establishments, and support community fundraisers. As collectors of electronic devices, metals, catalytic converters, batteries, and other materials, we are proud to be of the ecosystem diverting reusable and/or toxic materials from the landfill and strengthening our economic and environmental resilience in turbulent times.

Hawaii’s HI5 beverage container redemption program is a successful, statewide program that has responsibly recycled millions of pounds over the years. HB1928 proposes several needed improvements that Mr. K's supports.

However, at this time, we would also like to raise these questions:

1. **Payment methods**

Section 342G-J(3) describes payments to redeemers as being in "either cash or redeemable voucher." (Also in Section 342G-K, "Reverse vending machine requirements.") Please define "redeemable voucher," and clarify if this includes the cashless "virtual account" system used by express redemption sites in Section 342G-1, "Express redemption sites." If so, how can collection sites access the same system to streamline the process, and what provisions are there to reduce fraud?

2. **Container eligibility**

Section 342G-L describes criteria for refusing payments on ineligible containers. Could this section provide clarity regarding caps?

3. **Reporting**

Section 342G-B(g) describes the managing PRO's reporting responsibility as comprising "an annual report to the department that demonstrates its compliance." The HI5 program is one that impacts every person and business across the state, whether because we all drink beverages in HI5 containers or because of the waste that leaks into our environment and our bodies. Beyond departmental compliance, we would like to encourage a position of service and accountability to our community. Data on performance should be available in a timely and accessible manner to communities.

4. **Fraud**

A key concern of the auditor's report was the failure to detect and prevent fraud. Section 342G-D(8) details that the managing PRO's program plan will include a "description" of how it will "work with the department" to identify and prevent fraud. What is DOH's role, and what assurance is there that the program will have the authority and power sufficient to meaningfully detect and prevent fraud?

HB1928 is an opportunity to bring significant and needed improvements to a successful, statewide waste reduction system. Thank you for the opportunity to submit these comments, and we look forward to seeing the next version of this bill.

Mahalo,

Roy Kadota
Owner & President

LATE

HB-1928

Submitted on: 2/2/2026 10:07:48 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Hanada	Hanada & Son Inc dba Aloha Shell Service	Oppose	Written Testimony Only

Comments:

Aloha,

Thank you for allowing testimony on SB1928. Aloha Shell Service in Kahului, Maui has been a certified empty beverage container redemption center since 2005. We are the only retailer in the State of Hawaii that is also redemption center. We have been in business since 1967.

We began with two reverse vending machines and quickly included four more for a total of six. RVMs require a lot of maintenance and repairs. The time it takes to redeem one container at a time is excruciating. It also requires a method of reimbursing the customer. Where or who will cash the receipt out? Who would want a reverse vending machine at their location? Who will help the customer if something goes wrong? Eventually the containers need to be hauled to the recycler and shipped out of state.

The intent of the law is to recycle and keep materials from entering the landfill. The percentage of redemption has slowly decreased from 80 to 90. percent to roughly 50 percent. The unredeemed containers end up in the landfill and the State accumulates the unredeemed money.

A nickel is not worth as much as it was twenty years ago. Meanwhile costs to operate a redemption center has increased tremendously. There are less redemption centers on Maui because there are less containers to redeem and costs have soared.

Opening more redemption centers will not work if the redemption center is not profitable.

A simple solution to increase the redemption rate is to increase the fee from 5 cents to 10 cents or maybe 25 cents per container. Recycling is not free. Our environment, our island home is worth every nickel, dime or quarter. There is no cost to the consumer, provided they redeem the containers. If they still feel it is not worth recycling, donate it to a worthy cause.

Another suggestion is to include wine and hard liquor glass containers. Also include other plastic containers such as milk and milk products.

We have concerns about the flow and accountability of the money and oppose SB1298.

Sincerely,

Paul Hanada CEO

Hanada & Son Inc. dba Aloha Shell Service

HB-1928

Submitted on: 2/1/2026 8:45:08 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

I am so glad that we have an opportunity to modernize the existing program by improving convenience, access, and redemption rates, I respectfully encourage the Committee to ensure the bill:

- Clearly integrates reuse and reusable systems into the bill, including appropriate definitions, handling requirements, and limited deposit flexibility for reusable containers;*
- Includes enforceable safeguards for timely PRO formation, transparency, and ongoing accountability, such as state authority to intervene or impose corrective actions if the PRO is not formed or fails to meet statutory requirements; and*
- Appropriately accounts for existing, compliant redemption centers to protect existing businesses, maintain consumer access, and reduce disruption.*

HB-1928

Submitted on: 2/2/2026 8:30:37 AM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Yarber	Individual	Comments	Written Testimony Only

Comments:

Aloha,

As a small, local beverage producer on Oahu for the past 12 years, I am writing regarding HB1928. Starting in 2014, I have owned and operated SKY Kombucha, Hoku Coffee, and Oahu Kombucha, all brewed, packaged, and distributed on Oahu.

My first concern is the "de minimus producer" categorization - are the criteria "and" or "or?" We do produce more than one ton of beverage containers per year (glass is heavy, although reusable), although we do not come close to \$5,000,000 in annual sales. Myself and many other small, local beverage producers would prefer not to be required to be a part of the producer responsibility organization, as required membership in the organization creates additional financial, administrative, and temporal burdens for small, local businesses. I hope that the "de minimus producer" will read "or," allowing small, local beverage producers to opt out of participating in the producer responsibility organization if their global annual sales are under \$5,000,000.

Second, 342G-H(b) has similar language in our current HI5 laws. Our companies have always filled reusable glass bottles and offered at least a \$.50 refund per bottle. We use waterproof and dishwasher-safe labels, which are meant for multiple reuses and we pay extra for a protective coating to be added to all of our labels. From experience, I can testify that our labels can be rinsed, washed, sanitized, and reused numerous times and seemingly indefinitely. However, when we contacted the Department of Health to be exempt from HI5 requirements, we were told that since our labels could technically be peeled from our bottles, that they were not "permanent" (or "indelibly etched" I believe is the current language), and therefore, HI5 must be charged. As is the nature of glass bottles, they must be labeled or stickered. These stickers can be removed, although removal of the stickers is illogical and counterintuitive, as the consumer would remove our \$.50 deposit and the State's HI5 deposit. In any case, we accept and honor our \$.50 deposits, even with bottles where the stickers have been removed (which rarely happens). In reality, even if we were exempted from the HI5 requirements due to our company's greater deposit of \$.50 per bottle, all retailers would likely still charge consumers the \$.06 HI5, as the deposit fee is ingrained in our local beverage system and our wholesale partners' point-of-sale systems.

My concern for myself and other small, local beverage manufacturers is that we not be required to join the producer responsibility organization, as mandated participation in that organization places additional financial, administrative, and temporal burdens upon us which are disproportionate to the amount of beverage containers that we produce and their downstream environmental impact.

In reviewing the three R's (reduce, reuse, and recycle), Hawaii must focus on the first two. Our companies have always reduced waste through offering a self-service refill wall in Waimanalo and reused our containers by offering 5-gallon reusable stainless steel kegs and \$.50 refunds on all of our glass bottles. On an isolated island in the middle of the Pacific, recycling is not a long-term viable option.

Please feel free to contact me for additional information regarding this bill. As a small, local beverage manufacturer, I have valuable insights into how this law can be crafted to support the environment while also supporting small, local beverage manufacturing businesses.

Mahalo,

Dave Yarber

HB-1928

Submitted on: 2/2/2026 9:29:58 AM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Larson	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Lowen, Vice Chair Perruso, and Members of the Committee,

My name is Nicole Larson, and I am writing to submit comments on HB1928, which repeals Hawaii's current Deposit Beverage Container (DBC) program and replaces it with a system administered by a producer responsibility organization (PRO).

While the proposed transition presents an opportunity to modernize the existing program by improving convenience, access, and redemption rates, I respectfully submit the concerns with this bill as written.

- As a former waste reduction specialist in California working for the government, it is important to recognize that diversion work there is overseen and governed by a regulatory agency, CalRecycle. Hawai'i does not have a governing body overseeing any of this. Without this, Bill HB1928 runs the risk of repealing a system to replace it with a system that does not currently exist.
- The state of Hawai'i does not have any PRO's, therefore it is mandating that an organization outside of Hawaii would be responsible for setting up a system for the state. This is problematic, as the geographical and infrastructure limitations of our state make it quite different from the way that implementation is done on the continent.
- Places where systems like this have been successful are mostly in Canada, a completely different country. Making comparisons between Canada and Hawaii is problematic, Canada has regulatory agencies which oversee this type of diversion program, and the political will and infrastructure to support this type of program. Hawaii does not have these things in place. Therefore, pointing to the success of Canadian islands is not an indicator for potential success of PRO's working with the state of Hawai'i.
- Before a law like this is enacted, it is critical to build the infrastructure and regulatory body that will oversee implementation, and more importantly, **enforcement** mechanisms to ensure compliance.
- One size does not fit all: Although a program like this may be successful over time in a densely populated island like Oahu, this plan seemingly does not take into consideration the extensive logistical issues involved in developing a system on the outer islands.

These are only some of the concerns that I have regarding this plan. I overall appreciate the sentiment and effort, but do not think that this plan will work effectively as written. We are united in our goals to reduce solid waste inputs to the landfill, but it is imperative that we create

the systems that would enable legislation like this to function before we repeal laws and replace them with new laws that will require systems that do not currently exist. Let's not put the cart before the horse, if we can help it.

Mahalo for the opportunity to testify.

Sincerely,

Nicole Larson

Sustainability consultant and zero waste expert, founder of Circular Hawai'i

LATE

HB-1928

Submitted on: 2/2/2026 8:25:29 PM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Siena Ebert	Individual	Support	Written Testimony Only

Comments:

In 1970, the “Keep America Beautiful: The Crying Indian” PSA commercial aired to raise awareness about pollution. It advises, “People start pollution, people can stop it.” This signified a shift in responsibility to manage waste from the manufacturer to the consumer. Gone are the days of refillable, reusable glass bottles. High demand caused the beverage industry to shift toward plastic packaging. The recycling movement pulled the wool over the consumer’s eyes, convincing us to be willing, even proud, to shoulder the responsibility of cost and environmental harm that should, in a just world, fall on the beverage industry (worth hundreds of billions of dollars). Beverage manufacturers have passed the cost, both financial and environmental, of business to the consumer. HB1928 would return some of the responsibility of collection and recycling back to its rightful owners- the manufacturers.

LATE

HB-1928

Submitted on: 2/3/2026 1:11:31 AM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Angela Young	cares	Comments	Remotely Via Zoom

Comments:

Reference my live video testimony.

LATE

HB-1928

Submitted on: 2/3/2026 7:29:26 AM

Testimony for EEP on 2/3/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nick Doyle	Individual	Comments	Written Testimony Only

Comments:

TO: House Committee on Energy & Environmental Protection

RE: HB 1928 – COMMENTS / SUPPORT WITH AMENDMENTS

Chair Lowen and Members of the Committee:

Malama One Recycling applauds the Chair's initiative to modernize the Deposit Beverage Container program. We share your commitment to a 70%+ redemption rate and the need to eliminate the "honor system" that has hindered the program's success.

To assist the Committee in achieving these goals, we offer the following technical amendments:

1. Protect the "Legal Nexus": To ensure the \$77.8M surplus is protected from constitutional challenges regarding "fee-to-tax" conversion (Hawai'i Insurers Council v. Lingle) that would arise if the funds were swept into the state's general fund, we propose transferring these funds to a dedicated Modernization Advisory Board (MAB).
2. 185-Day Accountability Sprint: We propose a 5-year mandate for the MAB to deploy the full fund, starting with a 185-day digital audit and optimization exercise. This utilizes retailer APIs and barcode scanning to bring transparency to the system by end of this year.
3. Infrastructure First: This amendment allows the industry to immediately reinvest its own capital that has been accumulated into the surplus into "Express" Kiosk networks and local small-business upgrades across all islands.

We are happy to provide a 2-page Modernization Roadmap and request a technical briefing with your staff to discuss how this "Hawai'i-First" model can accelerate the goals of HB 1928, although we believe the above should be implemented before there is any shift to the potential PRO model discussed.

Mahalo,

Nick Doyle, Founder, Malama Recycling