



DEFENSE COMMISSARY AGENCY
DeCA WEST
3401 ACACIA STREET, SUITE 115
McCLELLAN, CALIFORNIA 95652-1002

DeCA West/RDO

December 29, 2004

NOTICE TO THE TRADE – DeCA WEST REGION NOTICE NO. 05-01

SUBJECT: Hawaii Beverage Container Deposit Program

The intent of the Hawaii Beverage Container Deposit Program is to recycle as many beverage containers in the State of Hawaii as possible. Every year approximately 800 million beverage containers are sold in the state. The majority of these containers end up discarded in the waste stream or as litter in their community. The program places a redeemable deposit on each beverage container; the deposit works as an incentive for people to recycle their empty containers.

Consumers will be charged a 5¢ refundable deposit on beverage containers, plus a non-refundable 1¢ container fee. Consumers receive their 5¢ deposit when they return the container to a redemption center. The 1¢ container fee has been assessed to cover the costs of supporting redemption operations, collection, handling, transportation and administration for the Hawaii Deposit Program.

All deposit beverage containers must be labeled and charged by January 1, 2005, although the manufacturers and DeCA can start charging as early as November 1, 2004 as long as the container is labeled with a 5¢ deposit. Containers need to clearly indicate the word "Hawaii" or the letters "HI" along with the deposit value of 5¢. The deposit beverage container and container fee applies to all glass, plastic and metal containers less than 64 fluid ounces and intended for internal human consumption. Beverage containers that are exempt from deposit and container fees are: beverage containers above 64 ounce, milk, syrups, concentrated mix, powder mix, frozen drinks, beverages defined by the FDA as a drug, medical food, infant formula and paper, cardboard or pouch style containers.

The purpose of this Notice to the Trade is to inform industry of the method that the Defense Commissary Agency will use to procure the 1¢ container fee for the Hawaii Deposit Program.

All beverage manufacturers and distributors will be responsible for paying a container fee on each eligible beverage container that is manufactured to be sold in Hawaii or imported into the state. The fee shall be imposed only once on the same beverage and shall be 1¢ per beverage container effective October 1, 2004.

According to the law, manufacturers and distributors have the option of passing on the 1¢ container fee on to consumers as part of the product cost. Due to the logistics in DeCA, we have made the decision to direct all manufacturers and distributors to include the 1¢ into the

price of the product. With this procedure in effect, a separate line for the container fee on the invoice is not applicable; however, the total amount of the deposit beverage container-recycling fee (HRV) will appear as a separate line item on the invoice.

Manufacturers and distributors will be responsible to deposit all revenues generated from the deposit beverage container fee into the state treasury deposit container deposit special fund by the designated reporting period.

My point of contact regarding this Notice to the Trade is Ms. Doris Lowenstrom, (916) 569-4832.



Michelle M. Frost
Chief, Operations Business Area

cc:
Zone Manager, Hawaii
Store Directors, Hawaii Commissaries