

PUBLIC HEARING

before

ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE

on

ASSEMBLY BILL 3382

(Establishes a mandatory statewide recycling program)

and

ASSEMBLY BILL 3398

(Designated the "Recycling and Beverage Container Redemption Act")

Held:

May 2, 1985

Room 438

State House Annex

Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert P. Hollenbeck, Chairman
Assemblyman Stephen Aduato, Jr., Vice Chairman
Assemblyman Thomas A. Pankok
Assemblyman Robert C. Shinn

ALSO PRESENT:

Mark O. Smith
Office of Legislative Services
Aide, Assembly Agriculture and
Environment Committee

PUBLIC HEARING

before

ASSEMBLY NATURE AND ENVIRONMENT COMMITTEE

ON

ASSEMBLY BILL 1981

(Introducing a mandatory statewide recycling program)

and

ASSEMBLY BILL 1982

(Introducing a "Recycling and Reverse Container Deposit Act")

Held:
May 2, 1982
Room 438
State House Annex
Trenton, New Jersey

MEMBER OF CHAIRMAN POSITION:

Assemblyman Robert F. Hollbeck, Chairman
Assemblyman Richard Adams, Jr., Vice Chairman
Assemblyman Thomas A. Frazee
Assemblyman Robert C. Smith

AND MEMBERS:

Assemblyman Robert C. Smith
Assemblyman Thomas A. Frazee
Assemblyman Richard Adams, Jr.
Assemblyman Robert F. Hollbeck
Assemblyman Robert C. Smith

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ASSEMBLY, No. 3382
STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1985

By Assemblyman ALBOHN

AN ACT concerning mandatory Statewide recycling, and amending
and supplementing various parts of the statutory law.

1 *BE IT ENACTED by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. (New section) The Legislature finds that decreasing waste
2 flow to landfill sites, recovering valuable resources, conserving
3 energy in the manufacturing process, and increasing the supply
4 of reusable raw materials for the State's industries will be en-
5 hanced by removing certain materials from the solid waste stream
6 at the source of generation, and that the recycling or reusable
7 waste materials substantially reduces the required capacity of
8 proposed waste to energy facilities while contributing to their
9 overall combustion efficiency, thereby resulting in significant costs
10 savings in the planning, construction, and operation of such re-
11 source recovery facilities. The Legislature further finds that the
12 State may most appropriately demonstrate its long-term commit-
13 ment to proper solid waste management and resource recovery
14 by establishing a mandatory Statewide recycling program, and by
15 increasing the purchase of recycled products by the Division of
16 Purchase and Property for use by the Legislature and the various
17 agencies and instrumentalities of the State government.

18 The Legislature therefore declares that it serves the public interest
19 to mandate the recycling of reusable waste materials on a Statewide
20 basis so that reusable materials may be returned to the economic
21 mainstream in the form of raw materials or products rather than
22 disposed at the State's overburdened landfills, and that the re-

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

Matter printed in italics thus is new matter.

23 cycling of recoverable materials by every municipality in this State
24 and the development of public and private sector recycling activ-
25 ities on an orderly and incremental basis shall further demonstrate
26 the State's long-term commitment to solving its solid waste
27 problems.

1 2. (New section) As used in this amendatory and supplementary
2 act:

3 "Beverage" means alcoholic beverages, including beer or other
4 malt beverages, liquor, wine, vermouth and sparkling wine, and
5 nonalcoholic beverages, including fruit juice, mineral water and
6 soda water and similar nonalcoholic carbonated drinks intended
7 for human consumption;

8 "Beverage container" means an individual, separate, sealed bottle
9 or can composed of glass, metal, plastic or any combination thereof,
10 containing a beverage;

11 "County" means any county of this State of whatever class;

12 "Department" means the Department of Environmental Pro-
13 tection;

14 "Designated recyclable materials" means those recyclable ma-
15 terials, including but not limited to, metal, glass, or paper, plastic
16 containers, food waste, corrugated and other cardboard, newspaper,
17 magazines, or high-grade office paper designated in a district re-
18 cycling plan to be source separated in a municipality as required
19 by section 3 of this amendatory and supplementary act;

20 "District" means a solid waste management district as desig-
21 nated by section 10 of P. L. 1975, c. 326 (C. 13:1E-19), except that,
22 as used in the provisions of this amendatory and supplementary
23 act, "district" shall not include the Hackensack Meadowlands
24 District;

25 "District recycling plan" means the plan prepared and adopted
26 by the governing body of a county and approved by the department
27 to implement the State Recycling Plan goals as required by sec-
28 tion 3 of this amendatory and supplementary act;

29 "Municipality" means any city, borough, town, township or vil-
30 lage situated within the boundaries of this State;

31 "Municipal solid waste stream" means all residential, commercial
32 and institutional solid waste generated within the boundaries of
33 any municipality, except that, as used in the provisions of this
34 amendatory and supplementary act, "municipal solid waste stream"
35 shall not include asphalt or leaves;

36 "Paper product" means any paper items or commodities, includ-
37 ing but not limited to, paper napkins, towels, corrugated and other
38 cardboard, construction material, toilet tissue, highgrade office

39 paper, fine paper, bond paper, offset paper, xerographic paper,
40 mimeo paper, and duplicator paper;

41 "Plastic container" means any plastic beverage container, or
42 any container having a capacity of 12 ounces or more composed of
43 plastic, containing a food or nonfood product;

44 "Post-consumer waste material" means any product generated
45 by a business or consumer which has served its intended end use,
46 and which has been separated from solid waste for the purposes
47 of collection, recycling and disposition and which does not include
48 secondary waste material or demolition waste;

49 "Recyclable material" means those materials which would other-
50 wise become municipal solid waste, which may be collected, sepa-
51 rated or processed and returned to the economic mainstream in
52 the form of raw materials or products;

53 "Recycled paper product" means any product having a total
54 weight consisting of not less than 50% secondary waste paper
55 material and not less than 10% post-consumer waste material for
56 high-grade office paper, fine, bond and offset paper products and
57 not less than 25% post-consumer waste material and for all other
58 paper products;

59 "Recycling" means any process by which materials which would
60 otherwise become solid waste are collected, separated or processed
61 and returned to the economic mainstream in the form of raw ma-
62 terials or products;

63 "Recycling center" means any facility designed and operated
64 solely for receiving, storing, processing and transferring source
65 separated or source separated commingled nonputrescible metal,
66 glass, paper, plastic containers, plastic beverage containers, and
67 corrugated and other cardboard, newspaper, magazines, and high-
68 grade office paper;

69 "Recycling services" means the services provided by persons
70 engaging in the business of recycling, including the collection,
71 processing, storage, and disposition of recyclable materials;

72 "Secondary waste material" means waste material generated
73 after the completion of a manufacturing process;

74 "Secondary waste paper material" means paper waste generated
75 after the completion of a paper making process, including but not
76 limited to, envelope cuttings, bindery trimmings, printing waste,
77 cutting and other converting waste, butt rolls and mill wrappers;
78 except that secondary waste paper material shall not include fibrous
79 waste generated during the manufacturing process, such as fibers
80 recovered from waste water or trimmings of paper machine rolls,
81 fibrous byproducts of harvesting, extractive or woodcutting
82 processes, or forest residue such as bark;

83 "Source separated recyclable materials" means recyclable ma-
 84 terials, including but not limited to, paper, metal, glass, food waste,
 85 office paper and plastic which are kept separate and apart from
 86 residential, commercial and institutional solid waste by the gen-
 87 erator thereof for the purposes of collection, disposition and re-
 88 cycling.

1 3. (New section) a. Each county shall, within six months of the
 2 effective date of this amendatory and supplementary act and after
 3 consultation with each municipality within the county, prepare a
 4 district recycling plan to implement the State Recycling Plan goals.
 5 Each plan shall be adopted as an amendment to the district solid
 6 waste management plan required pursuant to the provisions of the
 7 "Solid Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1
 8 et seq.).

9 b. Each district recycling plan required pursuant to this section
 10 shall include, but need not be limited to:

11 (1) Designation of a district recycling coordinator;
 12 (2) Designation of the recyclable materials to be source separated
 13 in each municipality which shall include, at a minimum, aluminum
 14 beverage containers, and at least two other recyclable materials
 15 separated from the municipal solid waste stream;

16 (3) Designation of the strategy for the collection and disposition
 17 of source separated recyclable materials in each municipality; and

18 (4) Designation of recovery targets in each municipality to
 19 achieve the maximum feasible recovery of recyclable materials
 20 from the municipal solid waste stream which shall include, at a
 21 minimum, the following schedule:

22 (a) The recycling of at least 15% of the municipal solid
 23 waste stream by the end of the first full year succeeding the
 24 adoption of the district recycling plan; and

25 (b) The recycling of at least 25% of the municipal solid
 26 waste stream by the end of the second full year succeeding the
 27 adoption of the district recycling plan.

28 c. Each district recycling plan, in designating the strategy for
 29 the collection and disposition of recyclable materials in each mu-
 30 nicipality, shall first give due consideration to any person engaging
 31 in the business of recycling or otherwise lawfully providing re-
 32 cycling services on behalf of the municipality on January 1, 1985,
 33 if that person continues to provide recycling services prior to the
 34 adoption of the plan and that person has not discontinued these
 35 services for a period of 90 days or more between January 1, 1985,
 36 and the date the plan is adopted.

37 d. To be eligible for a recycling grant pursuant to section 5
 38 of P. L. 1981, c. 278 (C. 13:1E-96), a municipality shall demon-

39 strate to the department's satisfaction that the municipality has
40 recycled at least 15% of its municipal solid waste stream by the
41 end of the first full calendar year succeeding the adoption of the
42 district recycling plan required pursuant to this section, and
43 annually thereafter.

44 e. Notwithstanding the provisions of the "Solid Waste Manage-
45 ment Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.), each district
46 recycling plan may be modified after adoption pursuant to a pro-
47 cedure set forth in the adopted plan as approved by the department.

1 4. (New section) a. Each county shall, within six months of the
2 adoption of the district recycling plan required pursuant to section
3 3 of this amendatory and supplementary act, solicit proposals from,
4 review the qualifications of, and enter into contracts on behalf of
5 municipalities with persons providing recycling services or operat-
6 ing recycling centers for the collection, storage, processing, and
7 disposition of recyclable materials designated in the district re-
8 cycling plan in those instances where these services are not other-
9 wise provided by the municipality, interlocal service agreement or
10 joint service program, or other private or public recycling program
11 operator. Each county shall continue to solicit recycling services
12 as may be necessary to achieve the maximum feasible recovery
13 targets in each municipality as set forth in the district recycling
14 plan.

15 b. In the event that a county is unable to enter into contracts or
16 otherwise execute agreements with persons providing recycling
17 services so as to achieve the designated recovery targets set forth
18 in the district recycling plan, the county may petition the depart-
19 ment for a temporary exemption from the provisions of subsection
20 a. of this section. The department is authorized to grant, deny or
21 conditionally grant the exemption, and shall advise the county as to
22 the steps that may be taken to identify and secure markets for the
23 recyclable materials designated in the district recycling plan. Any
24 exemption granted by the department shall not exceed one year in
25 duration, and shall only be granted upon a finding that the county
26 has made a good faith effort toward identifying and securing
27 markets for its recyclable materials.

1 5. (New section) Each municipality in this State shall, within 30
2 days of the effective date of this amendatory and supplementary
3 act, designate one or more persons as the municipal recycling
4 coordinator. Each municipality shall establish and implement a
5 municipal recycling program in accordance with the following
6 requirements and schedule:

7 a. Within six months of the adoption of the district recycling
8 plan required pursuant to section 3 of this amendatory and supple-
9 mentary act, each municipality shall provide for a collection system
10 for the recycling of the recyclable materials designated in the
11 district recycling plan as may be necessary to achieve the designated
12 recovery targets set forth in the plan in those instances where a
13 recycling collection system is not otherwise provided for by the
14 generator or by the county, interlocal service agreement or joint
15 service program, or other private or public recycling program
16 operator.

17 b. The governing body of each municipality shall, if it has not
18 already done so, within 30 days of the effective date of any contracts
19 or agreements entered into between the county or other local
20 government unit and persons providing recycling services pursuant
21 to section 4 of this amendatory and supplementary act, adopt an
22 ordinance which requires that persons generating municipal solid
23 waste within its municipal boundaries shall source separate
24 aluminum beverage containers and at least two other recyclable
25 materials from the municipal solid waste stream and, unless re-
26 cycling is otherwise provided for by the generator, place the
27 recyclable materials for collection in the manner provided by the
28 ordinance.

29 c. The governing body of each municipality shall, within 30 days
30 of the effective date of the ordinance adopted pursuant to subsection
31 b. of this section and at least once every 36 months thereafter,
32 conduct a review and make necessary revisions to the master plan
33 and development regulations adopted pursuant to P. L. 1975, c. 291
34 (C. 40:55D-1 et seq.), which revisions shall reflect changes in State,
35 county and municipal policies and objectives concerning the collec-
36 tion, disposition and recycling of designated recyclable materials.

37 The revised master plan shall include provisions for the collec-
38 tion, disposition and recycling of recyclable materials designated in
39 the municipal recycling ordinance adopted pursuant to subsection b.
40 of this section, and for the collection, disposition and recycling of
41 designated recyclable materials within any development proposal
42 for the construction of 50 or more units of residential housing and
43 any commercial or industrial development proposal for the utiliza-
44 tion of 1,000 square feet or more of land.

45 d. The governing body of a municipality may exempt persons
46 occupying commercial and institutional premises within its municipi-
47 pal boundaries from the source separation requirements of the
48 ordinance adopted pursuant to subsection b. of this section if those
49 persons have otherwise provided for the recycling of the recyclable

50 materials designated in the district recycling plan from solid waste
 51 generated at those premises. To be eligible for an exemption pur-
 52 suant to this subsection, a commercial or institutional solid waste
 53 generator annually shall provide written documentation to the
 54 municipality of the total number of tons recycled.

55 e. The governing body of each municipality shall, on July 1, 1987
 56 and on July 1 of each year thereafter, submit a recycling tonnage
 57 report to the New Jersey Office of Recycling in accordance with
 58 rules and regulations adopted by the department therefor.

59 f. The governing body of each municipality shall, within six
 60 months of the effective date of the ordinance adopted pursuant to
 61 subsection b. of this section and at least once every six months
 62 thereafter, notify all persons occupying residential, commercial,
 63 and institutional premises within its municipal boundaries of local
 64 recycling opportunities, and the source separation requirements of
 65 the ordinance.

1 6. (New section) Any additional expenditures for the collection,
 2 storage, processing or disposition of recyclable materials, or the
 3 procurement of recycling services made by any county as a result
 4 of the provisions of P. L. . . . c. . . . (C. . . .) (now pend-
 5 ing before the Legislature as Assembly Bill No. 3382 of 1985) shall,
 6 for the purposes of P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.), be con-
 7 sidered an expenditure mandated by State law.

1 7. (New section) Any additional expenditures for the collection,
 2 storage, processing or disposition of recyclable materials, or the
 3 procurement of recycling services made by any municipality as a
 4 result of the provisions of P. L. . . . c. . . . (C. . . .)
 5 (now pending before the Legislature as Assembly Bill No. 3382 of
 6 1985) shall, for the purposes of P. L. 1976, c. 68 (C. 40A:4-45.1
 7 et seq.), be considered an expenditure mandated by State law.

1 8. (New section) Every solid waste collector or solid waste trans-
 2 porter registered pursuant to sections 4 and 5 of P. L. 1970, c. 39
 3 (C. 13:1E-4 and 13:1E-5) or the provisions of P. L. 1983, c. 392
 4 (C. 13:1E-126 et seq.), as appropriate, and holding a certificate of
 5 public convenience and necessity pursuant to sections 7 and 10 of
 6 P. L. 1970, c. 40 (C. 48:13A-6 and 48:13A-9) shall provide for the
 7 collection or disposition of recyclable materials, or otherwise
 8 provide recycling services, if required to do so by the district re-
 9 cycling plan of the county in which the collector or transporter
 10 engages in solid waste collection or transportation services.

1 9. (New section) Every solid waste collector or solid waste trans-
 2 porter bidding on contracts for the provision of solid waste collec-
 3 tion or transportation services pursuant to the "Local Public

4 "Contracts Law," P. L. 1971, c. 195 (C. 40A:11-1 et seq.) shall also
5 bid on contracts for the collection or disposition of recyclable ma-
6 terials, or for the provision of recycling services, if requested to do
7 so by the governing body of the municipality or contracting unit
8 advertising for bids or bidding therefor.

1 10. (New section) a. The provisions of P. L. 1970, c. 39 (C.
2 13:1E-1 et seq.) or P. L. 1970, c. 40 (C. 48:13A-1 et seq.) or any
3 rules and regulations adopted pursuant thereto to the contrary not-
4 withstanding, the governing body of any county with an adopted
5 district recycling plan may, after notifying the department and the
6 Board of Public Utilities, prohibit the acceptance for final disposal
7 as solid waste at any solid waste disposal facility located within the
8 county which accepts out-of-district solid waste any recyclable
9 materials designated in the district recycling plan of the sending
10 district in the event that the department determines, pursuant to
11 subsection b. of this section, that the sending district has failed to
12 fulfill its district recycling plan responsibilities.

13 b. The department may determine that a county has failed to
14 fulfill its district recycling plan responsibilities as required by
15 sections 3 and 4 of this amendatory and supplementary act. A
16 determination by the department that a county has failed to fulfill
17 its district recycling plan responsibilities may be based upon a
18 finding that the county has not made a good faith effort toward
19 entering into contracts or executing agreements with persons pro-
20 viding recycling services, or otherwise providing for the collection
21 and disposition of designated recyclable materials as may be
22 necessary to achieve the designated recovery targets set forth in
23 its district recycling plan.

1 11. (New section) Any additional expenditures for the collection
2 or disposition of recyclable materials made by any solid waste
3 collector or solid waste transporter as a result of the provisions of
4 section 10 of P. L. . . . (C. . . .) (now pending
5 before the Legislature as Assembly Bill No. 3382 of 1985) shall be
6 deemed to be tariffs for solid waste collection, and shall be subject
7 to adjustment by the Board of Public Utilities pursuant to the
8 provisions of P. L. 1970, c. 40 (C. 48:13A-1 et seq.).

1 12. (New section) a. Within 12 months of the effective date of
2 this amendatory and supplementary act, every plastic and metal
3 beverage container and plastic container sold or offered for sale
4 in this State shall be clearly marked with a code on each container
5 indicating its composition and identification as a nonrecyclable
6 or recyclable material.

7 b. Within 12 months of the effective date of this amendatory
8 and supplementary act, no beverage container shall be sold or
9 offered for sale in this State in a metal container designed and
10 constructed so that part of the container is detachable, or in con-
11 tainers connected to each other by plastic rings or similar devices
12 which are nondegradable. For the purposes of this subsection,
13 "nondegradable" means not capable of disintegrating by naturally
14 occurring biological or physical processes in the outdoors, within
15 a period of three years after manufacture, into fragments that are
16 small relative to the original size, or into particles of a molecular
17 weight that is low when compared to that of the original material.

18 c. The department shall adopt, upon consultation with the ap-
19 propriate industries and pursuant to the provisions of the "Ad-
20 ministrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et
21 seq.), any rules and regulations necessary to implement the pro-
22 visions of this section.

1 13. (New section) a. Within 18 months of the effective date of
2 this amendatory and supplementary act, the department shall make
3 a written determination as to whether a convenient and economi-
4 cally feasible method for the collection, recycling and marketing
5 of at least 55% of the plastic beverage containers and plastic con-
6 tainers annually sold in this State is available to counties and
7 municipalities in this State. In the event that the department de-
8 termines that this method is not available, the department shall
9 hold a public hearing thereon within 30 days of making the de-
10 termination. At the public hearing, the manufacturers of plastic
11 beverage containers and plastic containers, or their designated
12 representatives, shall have the burden of proof to show that such
13 a method is available and that the department's determination is
14 unwarranted. Within 45 days of the conclusion of the hearing, the
15 department shall make a final determination, which action shall
16 be considered to be final agency action thereon for the purposes
17 of the "Administrative Procedure Act," P. L. 1968, c. 410 (C.
18 52:14B-1 et seq.), and shall be subject only to judicial review as
19 provided in the Rules of Court.

20 b. In the event that the department makes a final determination
21 after the public hearing that a convenient and economically feasible
22 method for the collection, recycling and marketing of at least 55%
23 of the plastic beverage containers and plastic containers annually
24 sold in this State is not available, there is imposed on these items
25 a deposit, not less than \$0.10 nor more than \$0.25 per container,
26 and a refund value, not less than \$0.05 nor more than \$0.15 per
27 container, when empty, depending on size.

28 c. The "Plastics Recycling Fund," hereinafter referred to as the
29 "fund," is established in the department as a nonlapsing, revolving
30 fund. The fund shall be administered by the New Jersey Office of
31 Recycling, and shall be credited with a sum equal to not more than
32 \$0.10 per plastic container sold within this State during the pre-
33 vious calendar year. The monies in the fund shall be used solely
34 for the development of systems for the proper disposition and
35 recycling of plastic containers.

36 d. The department shall adopt, pursuant to the provisions of
37 the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
38 et seq.), any rules and regulations conditioning and controlling the
39 sale of plastic beverage containers and plastic containers which
40 shall be designed to implement the purpose and provisions of sub-
41 section b. of this section.

1 14. (New section) a. Within 18 months of the effective date of
2 this amendatory and supplementary act, the department shall make
3 a written determination as to whether a convenient and economi-
4 cally feasible method for the collection, recycling and marketing
5 of at least 55% of the metal beverage containers composed of more
6 than one alloy and commonly referred to as "bimetal containers"
7 annually sold in this State is available to counties and municipali-
8 ties in this State. In the event that the department determines
9 that this method is not available, the department shall hold a public
10 hearing thereon within 30 days of making the determination. At
11 the public hearing, the manufacturers of bimetal beverage con-
12 tainers, or their designated representatives, shall have the burden
13 of proof to show that such a method is available and that the de-
14 partment's determination is unwarranted. Within 45 days of the
15 conclusion of the hearing, the department shall make a final de-
16 termination, which action shall be considered to be final agency
17 action thereon for the purposes of the "Administrative Procedure
18 Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), and shall be subject
19 only to judicial review as provided in the Rules of Court.

20 b. In the event that the department makes a final determination
21 after the public hearing that a convenient and economically feasi-
22 ble method for the collection, recycling and marketing of at least
23 55% of the bimetal beverage containers annually sold in this State
24 is not available, there is imposed on these items a deposit, not less
25 than \$0.10 nor more than \$0.25 per container, and a refund value,
26 not less than \$0.05 nor more than \$0.15 per container, when empty,
27 depending on size.

28 c. The "Bimetal Beverage Container Recycling Fund," herein-
29 after referred to as the "fund," is established in the department

30 as a nonlapsing, revolving fund. The fund shall be administered
31 by the New Jersey Office of Recycling, and shall be credited with
32 a sum equal to not more than \$0.10 per bimetal beverage container
33 sold within this State during the previous calendar year. The
34 monies in the fund shall be used solely for the development of
35 systems for the proper disposition and recycling of bimetal beverage
36 containers.

37 d. The department shall adopt, pursuant to the provisions of
38 the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
39 et seq.), any rules and regulations conditioning and controlling
40 the sale of bimetal beverage containers which shall be designed to
41 implement the purpose and provisions of subsection b. of this section.
42

1 15. (New section) a. On or after July 1, 1986, no waste-to-energy
2 resource recovery facility located in this State shall accept or receive
3 for processing or incineration any plastic containers composed of
4 polyvinyl chloride or polyvinylethene chloride and commonly referred to as
5 "PVC" or "PVC packaging."

6 b. The department shall adopt, pursuant to the provisions of the
7 "Administrative Procedure Act," P. L. 1968, c. 140 (C. 52:14B-1
8 et seq.), rules and regulations for the operation of waste-to-energy
9 resource recovery facilities designed to implement the purpose and
10 provisions of this section.

1 16. (New section) a. Within 18 months of the effective date of
2 this amendatory and supplementary act, the department shall make
3 a written determination as to whether a convenient and economically
4 feasible method for the collection, recycling and marketing
5 of at least 55% of the plastic containers composed of polyvinyl
6 chloride or polyvinylethene chloride and commonly referred to as
7 "PVC" or "PVC packaging" annually sold in this State is available
8 to counties and municipalities in this State. In the event that the
9 department determines that such a method is not available, the
10 department shall hold a public hearing thereon within 30 days of
11 making the determination. At the public hearing, the manufacturers
12 of plastic containers composed of PVC or PVC packaging, or their
13 designated representatives, shall have the burden of proof
14 to show that this method is available and that the department's
15 determination is unwarranted. Within 45 days of the conclusion
16 of the hearing, the department shall make a final determination,
17 which action shall be considered to be final agency action thereon
18 for the purposes of the "Administrative Procedure Act," P. L.
19 1968, c. 410 (C. 52:14B-1 et seq.), and shall be subject only to
20 judicial review as provided in the Rules of Court.

21 b. In the event that the department makes a final determination
22 after the public hearing that a convenient and economically feasi-
23 ble method for the collection, recycling and marketing of at least
24 55% of the plastic containers composed of polyvinyl chloride or
25 polyvinylethane chloride and commonly referred to as "PVC" or
26 "PVC packaging" annually sold in this State is not available, six
27 months after final determination, no person shall sell, or offer for
28 sale, at retail or at wholesale for direct retail sale in this State
29 any beverage or product packaged in a plastic beverage container
30 or plastic container composed of polyvinyl chloride or polyvinyle-
31 dene chloride and commonly referred to as "PVC" or "PVC pack-
32 aging."

33 c. The department shall adopt, pursuant to the provisions of the
34 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
35 et seq.), any rules and regulations prohibiting, conditioning and
36 controlling the sale of beverages or products packaged in PVC
37 containers or PVC packaging which shall be designed to implement
38 the purpose and provisions of subsection b. of this section.

1 17. (New section) On or after July 1, 1987, no person shall sell,
2 or offer for sale, at retail or at wholesale for direct retail sale in
3 this State any beverage packaged in nonrecyclable, aseptic packag-
4 ing composed of aluminum, paper and plastic, in combination
5 thereof, and commonly referred to as a "brick-pack."

1 18. (New section) On or after September 1, 1986, and annually
2 thereafter, no sanitary landfill facility in this State shall accept for
3 final disposal any leaves generated from residential premises which
4 are suitable for composting, between the months of September and
5 December.

1 19. (New section) On or after September 1, 1986, each municipi-
2 pality in this State shall, by a duly adopted ordinance of its govern-
3 ing body, provide for a collection system for leaves generated from
4 residential premises, and require that persons occupying residential
5 premises within its municipal boundaries shall source separate
6 leaves from solid waste generated at those premises and, unless
7 leaves are recycled for composting by the generator, place the leaves
8 for collection in the manner provided by the ordinance.

1 20. (New section) All State and local agencies responsible for the
2 maintenance of public lands in this State shall, to the maximum
3 extent practicable and feasible, give due consideration and pre-
4 ference to the use of compost materials in all land maintenance
5 activities which are to be paid with or out of public funds.

1 21. (New section) a. Within 24 months of the effective date of
2 this amendatory and supplementary act, the department shall make

3 a written determination as to whether a convenient and econom-
4 ically feasible method for the collection, recycling and marketing
5 of at least 55% of the automobile tires annually sold in this State
6 is available to counties and municipalities in this State. In the
7 event that the department determines that this method is not avail-
8 able, the department shall hold a public hearing thereon within 30
9 days of making the determination. At the public hearing, the manu-
10 facturers of automobile tires, or their designated representatives,
11 shall have the burden of proof to show that such a method is avail-
12 able and that the department's determination is unwarranted.
13 Within 45 days of the conclusion of the hearing, the department
14 shall make a final determination, which action shall be considered
15 to be final agency action thereon for the purposes of the "Admin-
16 istrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.),
17 and shall be subject only to judicial review as provided in the Rules
18 of Court.

19 b. In the event that the department makes a final determination
20 after the public hearing that a convenient and economically feasible
21 method for the collection, recycling and marketing of at least 55%
22 of the automobile tires annually sold in this State is not available,
23 there is imposed on every automobile tire sold or offered for sale
24 in this State a deposit, not to exceed \$3.00 per tire, and each tire
25 shall have a minimum refund value of \$1.50 per tire when returned
26 to the place of purchase or any retailer, distributor or wholesaler
27 who sells or offers for sale tires of the same kind, size and brand.
28 Every automobile tire shall be clearly identified by a stamp, label,
29 or other mark securely affixed to the tire, bearing the inscription
30 "New Jersey Recycling Deposit" and indicating the refund value.

31 c. The "Automobile Tire Recycling Fund," hereinafter referred
32 to as the "fund," is established in the department as a nonlapsing,
33 revolving fund. The fund shall be administered by the New Jersey
34 Office of Recycling, and shall be credited with a sum equal to not
35 more than \$1.50 per automobile tire sold within this State during
36 the previous calendar year. The monies in the fund shall be used
37 solely for the development of systems for the proper disposition
38 and recycling of tires.

39 d. The department shall adopt, pursuant to the provisions of
40 the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
41 et seq.), any rules and regulations conditioning and controlling the
42 sale of automobile tires which shall be designed to implement the
43 purpose and provisions of this section.

1 22. (New section) The provisions of P. L. 1971, c. 257 (C. 52:34-21
2 et seq.) or any rules and regulations adopted pursuant thereto to

3 the contrary notwithstanding, the Director of the Division of Pur-
4 chase and Property in the Department of Treasury shall, upon con-
5 sultation with the department, review and modify all bid and pro-
6 duct specifications relating to the purchase of recycled paper
7 products and products utilizing not less than 50% post consumer
8 waste material so that the specifications do not discriminate against
9 but encourage the maximum purchase of products made from re-
10 cycled materials and recycled paper products. For the purposes of
11 this section, "recycled materials" includes, but is not limited to,
12 retreaded automobile tires, re-refined lubricating oil, and compost
13 materials.

1 23. (New section) In purchasing any products or paper products
2 as materials, supplies or equipment for any county, municipality or
3 school district pursuant to P. L. 1969, c. 104 (C. 52:25-16.1 et seq.),
4 the Director of the Division of Purchase and Property, whenever
5 the price is competitive for the purpose intended, shall purchase
6 those items which are manufactured or produced from recycled
7 materials or recycled paper products. For the purposes of this
8 section, "recycled materials" includes, but is not limited to, re-
9 treaded automobile tires, re-refined lubricating oil, and compost
10 materials.

1 24. (New section) In any contract or contracts on behalf of the
2 State in excess of \$10,000.00, the relevant county, municipality or
3 school district shall prepare and submit to the Director of the
4 Division of Purchase and Property a recycled products impact
5 statement, which statement shall address the potential for the pur-
6 chase of products made from recycled materials and recycled paper
7 products, and the recycling of materials during the duration of the
8 contract period. In the event that the price is competitive for the
9 purpose intended, the contracting agent shall purchase those items
10 which are manufactured or produced from recycled materials or
11 recycled paper products. For the purposes of this section, "re-
12 cycled materials" includes, but is not limited to, retreaded auto-
13 mobile tires, re-refined lubricating oil, and compost materials.

1 25. ((New section) The Director of the Division of Purchase and
2 Property shall, pursuant to the "Local Public Contracts Law,"
3 P. L. 1971, c. 198 (C. 40A:11-1 et seq.), permit counties, munici-
4 palities, school districts and authorities to cooperatively purchase
5 products made from recycled materials and recycled paper products
6 procured by the Division of Purchase and Property. For the
7 purposes of this section, "recycled materials" includes, but is not
8 limited to, retreaded automobile tires, re-refined lubricating oil, and
9 compost materials.

1 26. (New section) The total volume of products made from re-
2 cycled materials and recycled paper products purchased by the
3 State shall be as follows:

4 (1) Not less than 5% of the nonpaper items purchased on or
5 after January 1, 1986 shall be manufactured or produced from
6 recycled materials, not less than 10% by January 1, 1987, and not
7 less than 25% by January 1, 1988; and

8 (2) Not less than 10% of the paper products purchased on or
9 after January 1, 1986 shall be made from recycled paper products,
10 not less than 30% by January 1, 1987, and not less than 60% by
11 January 1, 1988.

12 Priority procurement consideration shall be given to recycled
13 paper products with a total gross content of greater than 50%
14 secondary waste paper materials. For the purposes of this section,
15 "recycled materials" includes, but is not limited to, retreaded auto-
16 mobile tires, re-refined lubricating oil, and compost materials.

1 27. (New section) a. The provisions of P. L. 1970, c. 39 (C.
2 13:1E-1 et seq.) or any rules and regulations adopted pursuant
3 thereto to the contrary notwithstanding, on or after January 1,
4 1987, the department shall not approve a registration statement or
5 engineering design for any new or expanded solid waste facility in
6 any county unless the person or party proposing to construct or
7 operate the facility submits written documentation and any other
8 evidence the department may require demonstrating to the depart-
9 ment's satisfaction that the goals of the relevant district recycling
10 plan required by section 3 of this amendatory and supplementary
11 act have been incorporated into the plans for the proposed facility.

12 b. The department may adopt, pursuant to the provisions of the
13 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
14 et seq.), any rules and regulations necessary to implement the pro-
15 visions of this section.

1 28. (New section) a. The provisions of section 6 of P. L. 1970,
2 c. 40 (C. 48:13A-5) to the contrary notwithstanding, on or after
3 January 1, 1987 the Board of Public Utilities shall not award a
4 franchise to any person or party proposing to construct or operate
5 a resource recovery facility unless the person or party proposing to
6 construct or operate the facility submits written documentation and
7 any other evidence the board may require demonstrating to the
8 board's satisfaction that the goals of the relevant district recycling
9 plan required by section 3 of this amendatory and supplementary
10 act have been incorporated into the plans for the proposed facility.

11 b. The board may adopt, pursuant to the provisions of the
12 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1

13 et seq.), any rules and regulations necessary to implement the pro-
14 visions of this section.

1 29. Section 2 of P. L. 1975, c. 291 (C. 40:55D-2) is amended to
2 read as follows:

3 2. Purpose of the act. It is the intent and purpose of this act:

4 a. Encourage municipal action to guide the appropriate use
5 or development of all lands in this State, in a manner which will
6 promote the public health, safety, morals, and general welfare:

7 b. To secure safety from fire, flood, panic and other natural and
8 man-made disasters:

9 c. To provide adequate light, air and open space:

10 d. To ensure that the development of individual municipalities
11 does not conflict with the development and general welfare of
12 neighboring municipalities, the county and the State as a whole:

13 e. To promote the establishment of appropriate population densi-
14 ties and concentrations that will contribute to the well-being of
15 persons, neighborhoods, communities and regions and preservation
16 of the environment:

17 f. To encourage the appropriate and efficient expenditure of
18 public funds by the coordination of public development with land
19 use policies:

20 g. To provide sufficient space in appropriate locations for a
21 variety of agricultural, residential, recreational, commercial and
22 industrial uses and open space, both public and private, according
23 to their respective environmental requirements in order to meet
24 the needs of all New Jersey citizens:

25 h. To encourage the location and design of transportation routes
26 which will promote the free flow of traffic while discouraging loca-
27 tion of such facilities and routes which result in congestion or
28 blight:

29 i. To promote a desirable visual environment through creative
30 development techniques and good civic design and arrangements:

31 j. To promote the conservation of open space and valuable na-
32 tural resources and to prevent urban sprawl and degradation of
33 the environment through improper use of land:

34 k. To encourage planned unit developments which incorporate
35 the best features of design and relate the type, design and layout
36 of residential, commercial, industrial and recreational development
37 to the particular site:

38 l. To encourage senior citizen community housing construction:

39 m. To encourage coordination of the various public and private
40 procedures and activities shaping land development with a view

41 of lessening the cost of such development and to the more efficient
42 use of land: and

43 n. To promote the conservation of energy through the use of
44 planning practices designed to reduce energy consumption and to
45 provide for maximum utilization of renewable energy sources: and

46 o. *To promote the maximum practicable recovery and recycling*
47 *of recyclable materials from municipal solid waste through the use*
48 *of planning practices designed to incorporate the State Recycling*
49 *Plan goals and to complement municipal recycling programs.*

1 30. Section 19 of P. L. 1975, c. 291 (C. 40:55D-28) is amended
2 to read as follows:

3 19. Preparation; contents; modification. a. The planning board
4 may prepare and, after public hearing, adopt or amend a master
5 plan or component parts thereof, to guide the use of lands within
6 the municipality in a manner which protects public health and
7 safety and promotes the general welfare.

8 b. The master plan shall generally comprise a report or state-
9 ment and land use and development proposals, with maps, dia-
10 grams and text, presenting, where appropriate, the following
11 elements:

12 (1) A statement of objectives, principles, assumptions, policies
13 and standards upon which the constituent proposals for the physi-
14 cal, economic and social development of the municipality are based;

15 (2) A land use plan element (a) taking into account the other
16 master plan elements and natural conditions, including, but not
17 necessarily limited to, topography, soil conditions, water supply,
18 drainage, flood plain areas, marshes, and woodlands; (b) showing
19 the existing and proposed location, extent and intensity of devel-
20 opment of land to be used in the future for varying types of resi-
21 dential, commercial, industrial, agricultural, recreational, educa-
22 tional and other public and private purposes or combination of
23 purposes; (c) showing the existing and proposed location of any
24 airports and the boundaries of any airport hazard areas delineated
25 pursuant to the "Air Safety and Hazardous Zoning Act of 1983,"
26 P. L. 1983, c. 260 (C. 6:1-60 *et seq.*): and (d) including a statement
27 of the standards of population density and development intensity
28 recommended for the municipality:

29 (3) A housing plan element, including, but not limited to, resi-
30 dential standards and proposals for the construction and improve-
31 ment of housing:

32 (4) A circulation plan element showing the location and types
33 of facilities for all modes of transportation required for the efficient

34 movement of people and goods into, about, and through the
35 municipality:

36 (5) A utility service plan element analyzing the need for and
37 showing the future general location of water supply and distribu-
38 tion facilities, drainage and flood control facilities, sewerage and
39 waste treatment, solid waste disposal and provision for other
40 related utilities:

41 (6) A community facilities plan element showing the location
42 and type of educational or cultural facilities, historic sites, libraries,
43 hospitals, firehouses, police stations and other related facilities,
44 including their relation to the surrounding areas:

45 (7) A recreation plan element showing a comprehensive system
46 of areas and public sites for recreation:

47 (8) A conservation plan element providing for the preservation,
48 conservation, and utilization of natural resources, including, to
49 the extent appropriate, open space, water, forests, soil, marshes,
50 wetlands, harbors, rivers and other waters, fisheries, wildlife and
51 other natural resources:

52 (9) An energy conservation plan element which systematically
53 analyzes the impact of each other component and element of the
54 master plan on the present and future use of energy in the mu-
55 nicipality, details specific measures contained in the other plan
56 elements designed to reduce energy consumption, and proposes
57 other measures that the municipality may take to reduce energy
58 consumption and to provide for the maximum utilization of renew-
59 able energy sources: **[and]**

60 *(10) A recycling plan element which incorporates the State Re-*
61 *cycling Plan goals, including provisions for the collection, disposi-*
62 *tion and recycling of recyclable materials designated in the munici-*
63 *pal recycling ordinance, and for the collection, disposition and re-*
64 *cycling of recyclable materials within any development proposal*
65 *for the construction of 50 or more units of residential housing and*
66 *any commercial or industrial development proposal for the utili-*
67 *zation of 1,000 square feet or more of land; and*

68 **[(10)]** (11) Appendices or separate reports containing the tech-
69 nical foundation for the master plan and its constituent elements.

70 c. The master plan and its plan elements may be divided into
71 subplans and subplan elements projected according to periods of
72 time or staging sequences.

73 d. The master plan shall include a specific policy statement indi-
74 cating the relationship of the proposed development of the munici-
75 pality, as developed in the master plan to (1) the master plans of
76 contiguous municipalities, (2) the master plan of the county in

77 which the municipality is located. (3) the district solid waste man-
78 agement plan required pursuant to the provisions of the "Solid
79 Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.) of
80 the county in which the municipality is located and [(3)] (4) any
81 comprehensive guide plan pursuant to section 15 of P. L. 1961,
82 c. 47 (C. 13:1B-15.52).

1 31. Section 29 of P. L. 1975, c. 291 (C. 40:55D-38) is amended
2 to read as follows:

3 29. Contents of ordinance. An ordinance requiring approval by
4 the planning board of either subdivisions or site plans, or both,
5 shall include the following:

6 a. Provisions, not inconsistent with other provisions of this act,
7 for submission and processing of applications for development,
8 including standards for preliminary and final approval and pro-
9 visions for processing of final approval by stages or sections of
10 development;

11 b. Provisions ensuring:

12 (1) Consistency of the layout or arrangement of the subdivision
13 or land development with the requirements of the zoning ordinance;

14 (2) Streets in the subdivision or land development of sufficient
15 width and suitable grade and suitably located to accommodate
16 prospective traffic and to provide access for firefighting and emer-
17 gency equipment to buildings and coordinated so as to compose
18 a convenient system consistent with the official map, if any, and
19 the circulation element of the master plan, if any, and so oriented
20 as to permit, within the limits of practicability and feasibility, the
21 buildings constructed thereon to maximize solar gain: provided
22 that no street of a width greater than 50 feet within the right-of-way
23 lines shall be required unless said street constitutes an extension
24 of an existing street of the greater width, or already has been
25 shown on the master plan at the greater width, or already has
26 been shown in greater width on the official map;

27 (3) Adequate water supply, drainage, shade trees, sewerage
28 facilities and other utilities necessary for essential services to
29 residents and occupants;

30 (4) Suitable size, shape and location for any area reserved for
31 public use pursuant to section 32 of this act;

32 (5) Reservation pursuant to section 31 of this act of any open
33 space to be set aside for use and benefit of the residents of
34 planned development, resulting from the application of standards
35 of density or intensity of land use contained in the zoning ordi-
36 nance, pursuant to subsection 52 e. of this act;

37 (6) Regulation of land designated as subject to flooding, pur-
38 suant to subsection 52 e., to avoid danger to life or property;

39 (7) Protection and conservation of soils from erosion by wind
40 or water or from excavation or grading: **[and]**

41 (8) Conformity with standards promulgated by the Commis-
42 sioner of Transportation, pursuant to the "Air Safety and Hazard-
43 ous Zoning Act of 1983," P. L. 1983, c. 260 (C. 6:1-80 *et seq.*), for
44 any airport hazard areas delineated under that act; *and*

45 (9) *Conformity with a municipal recycling ordinance required*
46 *pursuant to section 5 of P. L. . . . , c. . . . (C. . . .) (now*
47 *pending before the Legislature as Assembly Bill No. 3382 of 1985).*

48 c. Provisions governing the standards for grading, improvement
49 and construction of streets or drives and for any required walk-
50 ways, curbs, gutters, streetlights, shade trees, fire hydrants and
51 water, and drainage and sewerage facilities and other improve-
52 ments as shall be found necessary, and provisions ensuring that
53 such facilities shall be completed either prior to or subsequent to
54 final approval of the subdivision or site plan:

55 d. Provisions ensuring that when a municipal zoning ordinance
56 is in effect, a subdivision or site plan shall conform to the applicable
57 provisions of the zoning ordinance, and where there is no zoning
58 ordinance, appropriate standards shall be specified in an ordinance,
59 pursuant to this article: *and*

60 e. Provisions ensuring performance in substantial accordance
61 with the final development plan: provided that the planning board
62 may permit a deviation from the final plan, if caused by change of
63 conditions beyond the control of the developer since the date of
64 final approval, and the deviation would not substantially alter the
65 character of the development or substantially impair the intent
66 and purpose of the master plan and zoning ordinance.

1 32. Section 29.3 of P. L. 1975, c. 291 (C. 40:53D-41) is amended
2 to read as follows:

3 29.3. Contents of site plan ordinance. An ordinance requiring
4 site plan review and approval pursuant to this article shall include
5 and shall be limited to, except as provided in sections 29 and 29.1
6 of this act standards and requirements relating to:

7 a. Preservation of existing natural resources on the site;

8 b. Safe and efficient vehicular and pedestrian circulation, park-
9 ing and loading;

10 c. Screening, landscaping and location of structures;

11 d. Exterior lighting needed for safety reasons in addition to any
12 requirements for street lighting: **[and]**

13 e. Conservation of energy and use of renewable energy sources;

14 *and*

15 *f. Recycling of designated recyclable materials.*

1 33. Section 76 of P. L. 1975, c. 291 (C. 40:55D-89) is amended
2 to read as follows:

3 76. Periodic reexamination. The governing body shall, at least
4 every six years, provide for a general reexamination of its master
5 plan and development regulations by the planning board which
6 shall prepare a report on the findings of such reexamination, a
7 copy of which shall be sent to the county planning board and the
8 municipal clerks of each adjoining municipality. The six-year
9 period shall commence with the adoption or termination of the last
10 general reexamination of such plan and regulations. The first
11 such reexamination shall be completed within six years after the
12 effective date of this act.

13 Such report shall state:

14 a. The major problems and objectives relating to land develop-
15 ment in the municipality at the time of such adoption, last revision
16 or reexamination, if any.

17 b. The extent to which such problems and objectives have been
18 reduced or have increased subsequent to such date.

19 c. The extent to which there have been significant changes in
20 the assumptions, policies and objectives forming the basis for such
21 plan or regulations as last revised, with particular regard to the
22 density and distribution of population and land uses, housing con-
23 ditions, circulation, conservation of natural resources, energy con-
24 servation, *collection, disposition and recycling of designated re-*
25 *cyclable materials*, and changes in State, county and municipal
26 policies and objectives.

27 d. The specific changes recommended for such plan or regula-
28 tions, if any, including underlying objectives, policies and standards,
29 or whether a new plan or regulations should be prepared.

1 34. Section 2 of P. L. 1971, c. 198 (C. 40A:11-2) is amended to
2 read as follows:

3 2. Definitions. As used herein the following words have the
4 following definitions, unless the context otherwise indicates:

5 (1) "Contracting unit" means:

6 (a) Any county; or

7 (b) Any municipality; or

8 (c) Any board, commission, committee, authority or agency,
9 which is not a State board, commission, committee, authority
10 or agency, and which has administrative jurisdiction over any
11 district other than a school district, project, or facility, in-
12 cluded or operating in whole or in part, within the territorial
13 boundaries of any county or municipality which exercises

14 functions which are appropriate for the exercise by one or
15 more units of local government, and which has statutory power
16 to make purchases and enter into contracts or agreements for
17 the performance of any work or the furnishing or hiring of any
18 materials or supplies usually required, the cost or contract
19 price of which is to be paid with or out of public funds.

20 (2) "Governing body" means:

21 (a) The governing body of the county, when the purchase
22 is to be made or the contract or agreement is to be entered
23 into by, or in behalf of, a county; or

24 (b) The governing body of the municipality, when the pur-
25 chase is to be made or the contract or agreement is to be entered
26 into by, or on behalf of, a municipality; or

27 (c) Any board, commission, committee, authority or agency
28 of the character described in subsection (1) (c) of this section.

29 (3) "Contracting agent" means the governing body of a con-
30 tracting unit, or any board, commission, committee, officer, depart-
31 ment, branch or agency which has the power to prepare the
32 advertisements, to advertise for and receive bids and, as permitted
33 by this act, to make awards for the contracting unit in connection
34 with purchases, contracts or agreements.

35 (4) "Purchase" is a transaction, for a valuable consideration,
36 creating or acquiring an interest in goods, services and property,
37 except real property or any interest therein.

38 (5) "Materials" includes goods and property subject to chapter
39 2 of Title 12A of the New Jersey Statutes, apparatus, or any other
40 tangible thing, except real property or any interest therein.

41 (6) "Professional services" means services rendered or per-
42 formed by a person authorized by law to practice a recognized
43 profession, whose practice is regulated by law, and the performance
44 of which services requires knowledge of an advanced type in a field
45 of learning acquired by a prolonged formal course of specialized
46 instruction and study as distinguished from general academic in-
47 struction or apprenticeship and training. Professional services may
48 also mean services rendered in the performance of work that is
49 original and creative in character in a recognized field of artistic
50 endeavor.

51 (7) "Extraordinary unspecifiable services" means services
52 which are specialized and qualitative in nature requiring expertise,
53 extensive training and proven reputation in the field of endeavor.

54 (8) "Project" means any work, undertaking, program, activity,
55 development, redevelopment, construction or reconstruction of any
56 area or areas.

57 (9) "Work" includes services and any other activity of a tangi-
58 ble or intangible nature performed or assumed pursuant to a con-
59 tract or agreement with a contracting unit.

60 (10) "Homemaker—home health services" means at home per-
61 sonal care and home management provided to an individual or
62 members of his family who reside with him, or both, necessitated
63 by the individual's illness or incapacity. "Homemaker—home
64 health services" includes, but is not limited to, the services of a
65 trained homemaker.

66 (11) "Recyclable material" means those materials which would
67 otherwise become solid waste, which may be collected, separated or
68 processed and returned to the economic mainstream in the form
69 of raw materials or products.

70 (12) "Recycling" means any process by which materials which
71 would otherwise become solid waste are collected, separated or
72 processed and returned to the economic mainstream in the form of
73 raw materials or products.

1 35. Section 3 of P. L. 1971, c. 198 (C. 40A:11-3) is amended to
2 read as follows:

3 3. Purchases, contracts or agreements not required to be adver-
4 tised.

5 a. Any purchase, contract or agreement for the performance
6 of any work or the furnishing or hiring of materials or supplies,
7 the cost or price of which, together with any other sums expended
8 or to be expended for the performance of any work or services in
9 connection with the same immediate program, undertaking, activity
10 or project or the furnishing of similar materials or supplies during
11 the same fiscal year paid with or out of public funds, does not exceed
12 the total sum of \$7,500.00 in the fiscal year, may be made, nego-
13 tiated or awarded by a contracting agent when so authorized by
14 resolution of the governing body of the contracting unit without
15 public advertising for bids. Such authorization may be granted
16 for each purchase, contract or agreement or by a general delega-
17 tion of the power to make, negotiate or award such purchases,
18 contracts or agreements pursuant to this section.

19 b. Any purchase, or contract or agreement to purchase recy-
20 clable materials from any one individual, group or business as part
21 of a recycling program undertaken by a contracting unit may be
22 made, negotiated or awarded without public bidding by that unit,
23 when so authorized by resolution of the governing body of the con-
24 tracting unit, if the amount of the purchase, contract or agreement
25 does not exceed \$7,500.00 for the fiscal year.

26 **[Any]** c. *Except as otherwise provided in section 15 of P. L.*
27 *1971, c. 198 (C. 40A:11-15), any purchase, contract or agreement*
28 *made pursuant to this section may be awarded for a period of 12*
29 *consecutive months, notwithstanding that such 12-month period*
30 *does not coincide with the fiscal year. The Division of Local Gov-*
31 *ernment Services shall adopt and promulgate rules and regulations*
32 *concerning the methods of accounting for all contracts that do not*
33 *coincide with the fiscal year.*

1 36. Section 36 of P. L. 1971, c. 198 (C. 40A:11-36) is amended
2 to read as follows:

3 36. Sale or other disposition of personal property. **[Any]** a.
4 *Except as otherwise provided in subsection b. of this section, any*
5 *contracting unit by resolution of its governing body may authorize*
6 *the sale of its personal property not needed for public use.*

7 (1) If the estimated fair value of the property to be sold exceeds
8 \$2,500.00 in any one sale and it is neither livestock nor perishable
9 goods, it shall be sold at public sale to the highest bidder.

10 (2) The contracting unit need not advertise for bids when it
11 makes any such sale to the United States, the State of New Jersey,
12 another contracting unit or to any body politic to which it con-
13 tributes tax raised funds.

14 (3) Notice of the date, time and place of the public sale together
15 with a description of the items to be sold and the conditions of
16 sale shall be published in a newspaper circulating in the con-
17 tracting unit. Such sale shall be held not less than seven nor more
18 than 14 days after the latest publication of the notice thereof.

19 (4) If no bids are received the property may then be sold at
20 private sale without further publication or notice thereof, but in
21 no event at less than the estimated fair value; or the contracting
22 unit may if it so elect reoffer the property at public sale. As used
23 herein, "estimated fair value" means the market value of the
24 property between a willing seller and a willing buyer less the cost
25 to the municipality to continue storage or maintenance of any
26 personal property not needed for public use to be sold pursuant
27 to this section.

28 (5) A contracting unit may reject all bids if it determines such
29 rejection to be in the public interest. In any case in which the con-
30 tracting unit has rejected all bids, it may readvertise such personal
31 property for a subsequent public sale. If it elects to reject all bids
32 at a second public sale, pursuant to this section, it may then sell
33 such personal property without further publication or notice
34 thereof at private sale, provided that in no event shall the nego-
35 tiated price at private sale be less than the highest price of any bid

36 rejected at the preceding two public sales and provided further
 37 that in no event shall the terms or conditions of sale be changed
 38 or amended.

39 *b. Any contracting unit may, by resolution of its governing body,*
 40 *authorize the sale or disposition of recyclable materials recovered*
 41 *through a recycling program undertaken by the contracting unit.*
 42 *The sale of these recyclable materials, by contract or agreement,*
 43 *may be entered into or negotiated without public bidding by that*
 44 *contracting unit.*

1 37. Section 2 of P. L. 1981, c. 278 (C. 13:1E-93) is amended to
 2 read as follows:

3 2. The Legislature finds that New Jersey must continue to seek
 4 solutions to its energy, environmental and economic problems;
 5 that solutions to these problems require proper solid waste and
 6 resource recovery management; that the generation of municipal
 7 solid waste is increasing while landfill capacity is decreasing; that
 8 the siting of environmentally secure landfills is an area of serious
 9 concern and limited choice; *that the planning and construction of*
 10 *waste-to-energy resource recovery facilities requires substantial*
 11 *capital expenditures and a guaranteed flow of processible and*
 12 *combustible waste; and that the disposal of [solid] reusable waste*
 13 *materials is wasteful of valuable resources.*

14 The Legislature further finds that the recycling of waste mate-
 15 rials decreases waste flow to landfill sites. *substantially reduces*
 16 *the required capacity and cost of proposed waste-to-energy re-*
 17 *source recovery facilities while contributing to their overall com-*
 18 *bustion efficiency through the removal of noncombustible and non-*
 19 *processable materials at the source, recovers valuable resources,*
 20 *conserves energy in the manufacturing process, and offers a supply*
 21 *of domestic raw materials for the State's industries; that a com-*
 22 *prehensive recycling plan and program is necessary to achieve*
 23 *the maximum practicable recovery of reusable materials from solid*
 24 *waste in this State; and that such a plan will reduce the amount*
 25 *of waste to landfills. result in significant cost savings in the planning*
 26 *and construction of waste-to-energy resource recovery facilities,*
 27 *conserve energy and resources, and recover materials for industrial*
 28 *uses.*

29 The Legislature, therefore, declares it to be in the energy,
 30 environmental, and economic interest of the State of New Jersey to
 31 implement a comprehensive Statewide recycling plan.

1 38. Section 4 of P. L. 1981, c. 278 (C. 13:1E-95) is amended to
 2 read as follows:

3 4. a. There is levied upon the owner or operator of every sanitary
 4 landfill facility a recycling tax of \$0.12 per cubic yard of all solid

5 waste accepted for disposal at the facility on or after January 1,
6 1982; except that any solid waste accepted for disposal on or after
7 January 1, 1986 shall be taxed at the rate of **[\$0.06]** \$2.00 per
8 **[cubic yard]** ton. In the event that any solid waste is measured
9 upon acceptance for disposal by other than **[cubic yards]** tons,
10 the tax shall be levied on the equivalents thereof as shall be deter-
10A mined by the director.

11 b. (1) Every owner or operator of a sanitary landfill facility
12 shall, on or before the twentieth day of the month following the
13 close of each tax period, render a return under oath to the director
14 on such form as may be prescribed by the director indicating the
15 number of **[cubic yards]** tons of solid waste accepted for disposal
16 and at said time owner or operator shall pay the full amount of
17 tax due.

18 (2) Every owner or operator of a sanitary landfill which accepts
19 solid waste for disposal and which is subject to the tax under sub-
20 section a. of this section shall, within 20 days after the first accep-
21 tance of this waste, register with the director on forms prescribed
22 by him.

23 c. If a return required by this act is not filed, or if a return when
24 filed is incorrect or insufficient in the opinion of the director, the
25 amount of tax due shall be determined by the director from such
26 information as may be available. Notice of such determination
27 shall be given to the taxpayer liable for the payment of the tax.
28 Such determination shall finally and irrevocably fix the tax unless
29 the person against whom it is assessed, within 30 days after receiv-
30 ing notice of such determination, shall apply to the director for a
31 hearing, or unless the director on his own motion shall redetermine
32 the same. After such hearing the director shall give notice of his
33 determination to the person to whom the tax is assessed.

34 d. Any taxpayer who shall fail to file his return when due or to
35 pay any tax when the same becomes due, as herein provided, shall
36 be subject to such penalties and interest as provided in the "State
37 Tax Uniform Procedure Law," **[Subtitle 9 of Title 54 of the Revised**
38 **Statutes]** *R. S. 54:46-1 et seq.* If the Division of Taxation deter-
39 mines that the failure to comply with any provision of this section
40 was excusable under the circumstances, it may remit such part or
41 all of the penalty as shall be appropriate under such circumstances.

42 e. (1) Any person failing to file a return, failing to pay the tax,
43 or filing or causing to be filed, or making or causing to be made,
44 of giving or causing to be given any return, certificate, affidavit,
45 representation, information, testimony or statement required or
46 authorized by this act, or rules or regulations adopted hereunder

47 which is willfully false, or failing to keep any records required
 48 by this act or rules and regulations adopted hereunder, shall, in
 49 addition to any other penalties herein or elsewhere prescribed, be
 50 guilty of a crime of the fourth degree.

51 (2) The certificate of the director to the effect that a tax has not
 52 been paid, that a return has not been filed, that information has
 53 not been supplied or that inaccurate information has been supplied
 54 pursuant to the provisions of this act or rules or regulations
 55 adopted hereunder shall be presumptive evidence thereof.

56 f. In addition to the other powers granted to the director in this
 57 section, he is hereby authorized and empowered:

58 (1) To delegate to any officer or employee of his division such of
 59 his powers and duties as he may deem necessary to carry out
 60 efficiently the provisions of this section, and the person or persons
 61 to whom such power has been delegated shall possess and may
 62 exercise all of said powers and perform all of the duties delegated
 63 by the director;

64 (2) To prescribe and distribute all necessary forms for the
 65 implementation of this section.

66 g. The tax imposed by this section shall be governed in all re-
 67 spects by the provisions of the "State Tax Uniform Procedure
 68 Law," [Subtitle 9 of Title 54 of the Revised Statutes] *R. S. 54:46-1*
 69 *et seq.*, except only to the extent that a specific provision of this
 70 section may be in conflict therewith.

1 39. Section 5 of P. L. 1981, c. 278 (C. 13:1E-96) is amended
 2 to read as follows:

3 5. a. The State Recycling Fund (hereinafter referred to as the
 4 "fund") is established as a nonlapsing, revolving fund. The fund
 5 shall be administered jointly by the Department of Energy and the
 6 Department of Environmental Protection, and shall be credited
 7 with all tax revenue collected by the division pursuant to section 4
 8 of this supplementary act. Interest received on moneys in the fund
 9 and sums received as repayment of principal and interest on out-
 10 standing loans made from the fund shall be credited to the fund.
 11 The Department of Energy and the Department of Environmental
 12 Protection, in their administration of the fund, are authorized to
 13 assign to the New Jersey Economic Development Authority the
 14 responsibility for making credit evaluations of applicants for loans,
 15 for servicing loans on behalf of the two departments, and, the pro-
 16 visions of any other law to the contrary notwithstanding, for making
 17 recommendations as to the approval or denial of loans pursuant
 18 to this section. The departments are further authorized to pay or
 19 reimburse the authority in the amounts as the departments jointly
 20 agree are appropriate for all services rendered by the authority in

21 connection with any assignment of responsibility under the terms
22 of this section out of moneys held in the fund for loans and the loan
23 guarantee program.

24 b. Moneys in the fund shall be allocated and used for the fol-
25 lowing purposes and no others:

26 (1) Not less than ~~45%~~ 35% of the estimated annual balance of
27 the fund shall be used for the annual expenses of a ~~five-year~~
28 program for recycling grants *and bonuses* to municipalities. The
29 amount of these grants shall be calculated ~~for the purposes of the~~
30 ~~the first grant to a particular municipality,~~ on the basis of the
31 total number of tons of materials annually recycled ~~from resi-~~
32 ~~dential and commercial sources within that municipality. There-~~
33 ~~after, subsequent grants to a municipality shall be calculated on~~
34 ~~the basis of the increase in the total number of tons of such ma-~~
35 ~~terials from the total in the preceding year], except that no such~~
36 ~~grant shall exceed \$25.00 per ton of materials recycled. [For the~~
37 ~~purpose of calculating subsequent annual grants to municipalities~~
38 ~~pursuant to this subsection, not less than 15% of the estimated~~
39 ~~annual balance of the fund shall be allocated on the basis of the~~
40 ~~total number of tons of wastepaper recycled in the preceding year,~~
41 ~~not less than 15% of the estimated annual balance of the fund shall~~
42 ~~be allocated on the basis of the total number of tons of glass re-~~
43 ~~cycled in the preceding year, and not less than 15% of the estimated~~
44 ~~annual balance of the fund shall be allocated on the basis of the~~
45 ~~total number of tons of other materials recycled in the preceding~~
46 ~~year.] *The departments may allocate a portion of these grant*
47 *moneys as bonus grants to municipalities that demonstrate high*
48 *recovery rates in their recycling programs. The departments shall*
49 *adopt, pursuant to the "Administrative Procedure Act," P. L. 1968,*
50 *c. 410 (C. 52:14B-1 et seq.), a formula defining a high recovery*
51 *rate and shall announce each year the total amount of moneys*
52 *available in the bonus grant fund.*~~

53 To be eligible for a grant pursuant to this subsection, a munici-
54 pality shall demonstrate that the materials recycled by the mu-
55 nicipal recycling program were not diverted from a commercial
56 recycling program already in existence on the effective date of the
57 ordinance establishing the municipal recycling program.

58 ~~[To be eligible for a subsequent annual grant pursuant to this~~
59 ~~subsection, a municipality shall demonstrate that at least two types~~
60 ~~of materials are currently recycled, or will be recycled in the~~
61 ~~succeeding grant year by the municipal recycling program.] No~~
62 ~~recycling grant to any municipality shall be used for constructing~~
63 ~~or operating any facility for the baling of wastepaper or for the~~
64 ~~shearing, baling or shredding of ferrous or nonferrous materials;~~

65 (2) Not less than **[20%**] 35% of the estimated annual balance
 66 of the fund shall be used to provide low interest loans or loan
 67 guarantees to recycling businesses and industries, and to provide
 68 grant moneys to public or nonprofit research institutions or agencies
 69 for research into collection, market stimulation and reuse tech-
 70 niques applicable to recycling or the disposition of recyclable ma-
 71 terials, and to establish a sufficient reserve for a loan guarantee
 72 program for recycling businesses and industries:

73 (3) Not more than **[10%**] 7% of the estimated annual balance
 74 of the fund shall be used for State recycling program planning and
 75 program funding, including the administrative expenses thereof:

76 (4) Not more than **[10%**] 8% of the estimated annual balance
 77 of the fund shall be used for county **[and municipal]** recycling
 78 program planning and program funding, including the administra-
 79 tive expenses thereof; and

80 (5) Not less than 15% of the estimated annual balance of the
 81 fund shall be used for a public information and education program
 82 concerning recycling **[and anti-litter activities]**.

83 *c. To be eligible for a recycling grant pursuant to subsection b.*
 84 *on or after January 1, 1988, a municipality shall demonstrate to*
 85 *the department's satisfaction that the municipality has recycled at*
 86 *least 15% of its municipal solid waste stream by the end of the*
 87 *first full year succeeding the adoption of the district recycling plan*
 88 *required pursuant to section 3 of P. L. . . . , c. . . . (C.)*
 89 *(now pending before the Legislature as Assembly Bill No. 3362 of*
 90 *1985).*

1 40. Section 7 of P. L. 1981, c. 278 (C. 13:1E-98) is amended to
 2 read as follows:

3 7. a. The provisions of any law to the contrary notwithstanding,
 4 the owner or operator of any sanitary landfill facility may collect
 5 the tax imposed pursuant to this supplementary act as a surcharge
 6 on any tariff established pursuant to law for the solid waste dis-
 7 posal operations of the facility.

8 b. The Board of Public Utilities shall, within 60 days of the
 9 effective date of this supplementary act, issue an appropriate
 10 order increasing current tariffs established pursuant to law for
 11 solid waste collection operations by an amount equal to the total
 12 increase in the relevant solid waste disposal tariff pursuant to sub-
 13 section a. of this section. In issuing this order, the board shall be
 14 exempt from the provisions of **[section 31 of P. L. 1962, c. 198 (C.**
 15 **48:2-21.2)]** *R. S. 48:2-21.*

1 41. Section 8 of P. L. 1981, c. 278 (C. 13:1E-99) is amended to
 2 read as follows:

3 8. Any additional expenditures for the collection, *processing*,
 4 *disposition* or disposal of solid waste or *recyclable materials* made
 5 by any county or municipality as a result of the tax or other man-
 6 *datory provision* imposed pursuant to this supplementary act and
 7 any expenditure of revenues received by a municipality pursuant
 8 to section 5 hereof shall, for the purposes of P. L. 1976, c. 68 (C.
 9 40A:4-45.1 et seq.), be considered an expenditure mandated by
 10 State law.

1 42. Section 10 of P. L. 1981, c. 278 is amended to read as follows:

2 10. This act shall take effect on January 1, 1982, except that
 3 section 6 hereof shall take effect immediately. Section 4 of this
 4 act shall expire on December 31, **[1980]** 1990.

1 43. Section 3 of P. L. 1970, c. 40 (C. 48:13A-3) is amended to
 2 read as follows:

3 3. As used in this act, the following words and terms shall have
 4 the following meanings, unless the context indicates or requires
 5 another or different meaning or intent:

6 a. "Solid waste" means garbage, refuse, and other discarded
 7 materials resulting from industrial, commercial and agricultural
 8 operations, and from domestic and community activities, and shall
 9 include all other waste materials including liquids disposed of inci-
 10 dent thereto except it shall not include solid animal and vegetable
 11 wastes collected by swine producers licensed by the State Depart-
 12 ment of Agriculture to collect, prepare and feed such wastes to
 13 swine on their own farms.

14 b. "Solid waste collection" means the activity related to pick-
 15 up and transportation of solid waste from its source or location to
 16 a disposal site, but does not include activity related to the pickup,
 17 transportation or unloading of septic waste.

18 c. "Solid waste disposal" means the storage, treatment, utiliza-
 19 tion, processing, or final disposal of solid waste.

20 d. "Septic waste" means pumpings from septic tanks and cess-
 21 pools, but shall not include wastes from a sewage treatment plant.

22 e. "Solid waste receptacle" means a container suitable for the
 23 depositing of solid waste which has a capacity of not more than 30
 24 United States gallons or 132.12 liters or an appropriate measure
 25 set by the Board of Public Utilities and used exclusively for the
 26 disposal of household solid waste.

27 f. "Recycling" means any process by which materials which
 28 would otherwise become solid waste are collected, separated or
 29 processed and returned to the economic mainstream in the form
 30 of raw materials or products.

1 44. Section S of P. L. 1970, c. 40 (C. 48:13A-7) is amended to
2 read as follows:

3 8. a. The board, upon complaint or its own initiative, after
4 hearing, may direct any person engaging in the solid waste col-
5 lection business or the solid waste disposal business to furnish
6 proof that the charges or rates to be received for such service do
7 not exceed just and reasonable rates or charges for such service.

8 b. Should the board find that the rates or charges are excessive
9 then it may order the person charging such excessive rates or
10 charges to make an adjustment in the contract to a sum which shall
11 result in just and reasonable rates or charges.

12 c. *The board shall, within 60 days of the effective date of this*
13 *act, identify the variable cost elements in the solid waste collection*
14 *business related to recycling and recycling services and shall adopt*
15 *regulations or guidelines establishing a simplified procedure where-*
16 *by a municipality or any person engaging in the solid waste col-*
17 *lection business may petition the board for a separate solid waste*
18 *collection tariff based on the number of solid waste receptacles*
19 *processed per household in instances where solid waste collection*
20 *services are contracted for on an individual household basis. In*
21 *establishing this procedure, the board shall be exempt from the*
22 *provisions of R. S. 48:2-21.*

1 45. (New section) a. Any person engaged in the business of
2 solid waste collection or solid waste disposal in accordance with
3 the provisions of P. L. 1970, c. 40 (C. 48:13A-1 et seq.) may engage
4 in recycling or otherwise provide recycling services.

5 b. Notwithstanding the provisions of P. L. 1970, c. 40 (C.
6 48:13A-1 et seq.) or any other law, the Board of Public Utilities
7 shall not have jurisdiction over charges or rates for recycling for
8 services provided by persons engaging in the business of recycling
9 or otherwise providing recycling services in this State. The reve-
10 nues generated by persons engaging in the business of recycling
11 or otherwise providing recycling services shall not be included
12 within the computation of current or adjusted tariffs established
13 pursuant to law for solid waste collection.

1 46. Section 14 of P. L. 1980, c. 105 (C. 54:32B-8.2) is amended
2 to read as follows:

3 14. a. Receipts from the following are exempt from the tax im-
4 posed under the Sales and Use Tax Act: sales of food, food
5 products, beverages, dietary foods and health supplements, sold
6 for human consumption off the premises where sold but not in-
7 cluding a. candy and confectionery, and b. carbonated soft drinks

8 and beverages all of which shall be subject to the retail sales and
 9 compensating use taxes, *except as otherwise provided in subsection*
 10 *b. of this section*, whether or not the item is sold in liquid form.
 11 The exemption in this section is not applicable to food and drink
 12 subject to tax under subsection (c) of section 3 of the Sales and
 13 Use Tax Act (C. 54:32B-3 (c)).

14 *b. Receipts from sales of carbonated soft drinks and beverages*
 15 *packaged in beverage containers manufactured from not less than*
 16 *50% post consumer waste material, as defined in section 2 of P. L.*
 17 *....., c. (C.) (now pending before the Legislature*
 18 *as Assembly Bill No. 3382 of 1985), and sold by the vendor of human*
 19 *consumption off the premises where sold. To be eligible for an*
 20 *exemption pursuant to this subsection, a beverage container manu-*
 21 *facturer shall certify to the Director of the Division of Taxation,*
 22 *on an annual basis and in the form prescribed by the director, that*
 23 *the beverage containers manufactured for the packaging of bever-*
 24 *ages sold or offered for sale in this State will be manufactured from*
 25 *not less than 50% post-consumer waste material during the calendar*
 26 *year for which an exemption from the sales tax on receipts from*
 27 *the sale of beverages packaged in these containers shall apply.*
 28 *Upon receipt of a certification, the director shall issue the manu-*
 29 *facturer an exempt beverage container permit for that calendar*
 30 *year under such conditions as the director may deem necessary to*
 31 *administer the provisions of this subsection. The manufacturer*
 32 *shall stamp, label, or otherwise mark each beverage container eligi-*
 33 *ble for this exemption intended for sale or use in New Jersey with*
 34 *the State recycling logo or symbol and the inscription "Exempt*
 35 *from New Jersey Sales Tax." Any person who misrepresents his*
 37 *qualification to receive an exempt beverage container permit under*
 38 *this subsection shall be personally liable for the tax that was other-*
 39 *wise due on the receipts from the sale of carbonated soft drinks*
 40 *and beverages packaged in beverage containers sold or used by him.*

1 47. (New section) a. Receipts from the sales of products manu-
 2 factured from not less than 50% post-consumer waste material, as
 3 defined in section 2 of P. L., c. (C.) (now
 4 pending before the Legislature as Assembly Bill No. 3382 of 1985),
 5 are exempt from the tax imposed under the "Sales and Use Tax
 6 Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.).

7 *b. To be eligible for an exemption pursuant to this section, the*
 8 *manufacturer shall certify to the Director of the Division of Taxa-*
 9 *tion, on an annual basis and in the form prescribed by the director,*
 10 *that the facility wherein the product or products are manufactured*
 11 *will utilize not less than 50% post-consumer waste material in the*

12 manufacturing of these products during the calendar year for which
 13 the exemption shall apply. Upon receipt of a certification, the
 14 director shall issue the manufacturer an exempt product permit
 15 under such conditions as the director may deem necessary to ad-
 16 minister the provisions of this section. Every product eligible for
 17 an exemption pursuant to this section shall be clearly identified
 18 by a stamp, label, or other mark securely affixed thereto, bearing
 19 the State recycling logo or symbol and the inscription "Exempt
 20 from New Jersey Sales Tax." Any person who misrepresents his
 21 qualification to receive an exempt product permit under this sec-
 22 tion shall be personally liable for the tax that was otherwise due
 23 on the receipts from the retail sales of products manufactured
 24 by him.

1 48. Section 2 of P. L. 1980, c. 62 (C. 54:32C-2) is amended to
 2 read as follows:

3 2. As used in this act:

4 a. "Alcoholic beverage" means liquors, beer, wines, sparkling
 5 wine or vermouth.

6 b. "Beer" means beer, lager beer, ale, stout, porter, and all
 7 similar fermented malt beverages having an alcoholic content of
 8 $\frac{1}{2}$ of 1% or more by volume.

9 c. "Director" means the Director of the Division of Taxation
 10 in the Department of the Treasury or his duly authorized agent.

11 d. "Liquors" means all distilled or rectified spirits, alcohol,
 12 brandy, whiskey, rum, gin and all similar distilled alcoholic bever-
 13 ages, including all dilutions and mixtures of one or more of the
 14 foregoing, such as liqueurs, cordials, and similar compounds, hav-
 15 ing an alcoholic content of $\frac{1}{2}$ of 1% or more by volume.

16 e. "Receipts" means the amount of the sales price of alcoholic
 17 beverages valued in money, whether received in money or other-
 18 wise, without any deduction for expenses or early payment dis-
 19 counts, and excluding the cost of transportation where such cost is
 20 separately stated on the invoice rendered to the retail licensee.

21 f. "Retail licensee" means any person holding a valid and un-
 22 revoked plenary retail consumption, plenary retail distribution,
 23 limited retail distribution, seasonal retail consumption or club
 24 license issued by a municipality or the Director of the Division of
 25 Alcoholic Beverage Control or special permit to sell at retail.

26 g. "Sparkling wine" means champagne and other effervescent
 27 wine charged with carbon dioxide, whether artificially or as the
 28 result of secondary fermentation of the wine within the container.

29 h. "Vermouth" means any compound made by the mixture of
 30 extracts from macerated aromatic flavoring materials with wines

31 and manufactured in such manner that the product possesses
32 the taste, aroma, and characteristics generally attributed to ver-
33 mouth.

34 i. "Wines" means all wines whether known as "dry wines,"
35 "sweet wines," "still wines," or "fortified wines" and any artificial
36 or imitation wine or compound sold as wine, and any fruit juice
37 containing $\frac{1}{2}$ of 1% or more of alcohol by volume, and any other
38 beverage containing alcohol produced by the fermentation of the
39 natural sugar content of fruits or other agricultural products con-
40 taining sugar, which beverage contains $\frac{1}{2}$ of 1% or more of alcohol
41 by volume, but shall not mean or include vermouth, or cider con-
42 taining less than $3\frac{3}{10}\%$ of alcohol by volume.

43 j. "Wholesaler" means any person who sells alcoholic beverages
44 to retail licensees.

45 k. "*Beverage container*" means an individual, separate, sealed
46 bottle or can having a capacity of six ounces or more, composed
47 of glass, metal, plastic or any combination thereof, containing an
48 alcoholic beverage.

1 49. Section 3 of P. L. 1980, c. 62 (C. 54:32C-3) is amended to read
2 as follows:

3 3. a. There is imposed a tax of 7.3% upon the receipts from
4 every sale of alcoholic beverages, except *alcoholic beverages*
5 *packaged in beverage containers manufactured from not less than*
6 *50% post-consumer waste material, as defined in section 2 of*
7 *P. L. , c. (C.) (now pending before the Legis-*
8 *lature as Assembly Bill No. 3382 of 1985), and draught beer sold by*
9 *the barrel, by any wholesaler to any retail licensee.*

10 b. *To be eligible for an exemption pursuant to this section, a*
11 *beverage container manufacturer shall certify to the Director of*
12 *the Division of Taxation, on an annual basis and in the form pre-*
13 *scribed by the director, that the beverage containers manufactured*
14 *for the packaging of alcoholic beverages sold or offered for sale*
15 *in this State will be manufactured from not less than 50% post-*
16 *consumer waste material during the calendar year for which an*
17 *exemption from the sales tax on receipts from the sale of alcoholic*
18 *beverages packaged in these containers shall apply. Upon receipt*
19 *of a certification, the director shall issue the manufacturer an*
20 *exempt alcoholic beverage container permit for that calendar year*
21 *under such conditions as the director may deem necessary to*
22 *administer the provisions of this section. The manufacturer shall*
23 *stamp, label, or otherwise mark each alcoholic beverage container*
24 *eligible for this exemption intended for sale or use in New Jersey*
25 *with the State recycling logo or symbol and the inscription "Exempt*

26 *from New Jersey Alcoholic Beverage Wholesale Sales Tax.* Any
 27 *person who misrepresents his qualification to receive an exempt*
 28 *alcoholic beverage container permit under this section shall be*
 29 *personally liable for the tax that was otherwise due on the receipts*
 30 *from the sale of alcoholic beverages packaged in beverage con-*
 31 *tainers sold or used by him.*

1 50. (New section) A taxpayer who purchases recycling equip-
 2 ment to be used within this State shall be entitled to a credit against
 3 the tax imposed pursuant to section 5 of P. L. 1945, c. 162 (C.
 4 54:10A-5) in an amount equal to 20% of the cost of the recycling
 5 equipment. For the purposes of this section, "recycling equipment"
 6 means vehicles used exclusively for the transportation of post-
 7 consumer waste material, or machinery or apparatus used ex-
 8 clusively to process post-consumer waste material and manufac-
 9 turing machinery used exclusively to produce finished products, the
 10 composition of which is at least 50% post-consumer waste materials,
 11 provided that this transportation, processing or manufacturing
 12 activity accounts for at least 50% of the taxpayer's production as
 13 measured by the taxpayer's net sales during the tax period for
 14 which the credit established pursuant to this section is claimed.
 15 "Post-consumer waste material" means any product generated by
 16 a business or consumer which has served its intended end use, and
 17 which has been separated from solid waste for the purposes of
 18 collection, recycling and disposition and which does not include
 19 secondary waste material or demolition waste; and "secondary
 20 waste material" means waste material generated after the comple-
 21 tion of a manufacturing process. The Commissioner of the Depart-
 22 ment of Environmental Protection, in consultation with the Director
 23 of the Division of Taxation, shall adopt rules and regulations
 24 establishing technical specifications for eligibility for the credit
 25 established pursuant to this section. Any unused portion of the
 26 credit established pursuant to this section may be carried forward
 27 by the taxpayer for four subsequent tax periods.

1 51. Section 4 of P. L. 1945, c. 162 (C. 54:10A-4) is amended to
 2 read as follows:

3 4. For the purposes of this act, unless the context requires a
 4 different meaning:

5 (a) "Commissioner" shall mean the Director of the Division of
 6 Taxation of the State Department of the Treasury.

7 (b) "Allocation factor" shall mean the proportionate part of a
 8 taxpayer's net worth or entire net income used to determine a
 9 measure of its tax under this act.

10 (c) "Corporation" shall mean any corporation, joint-stock com-
11 pany or association and any business conducted by a trustee or
12 trustees wherein interest or ownership is evidenced by a certificate
13 of interest or ownership or similar written instrument.

14 (d) "Net worth" shall mean the aggregate of the values dis-
15 closed by the books of the corporation for (1) issued and outstand-
16 ing capital stock, (2) paid-in or capital surplus, (3) earned surplus
17 and undivided profits, and (4) surplus reserves which can reason-
18 ably be expected to accrue to holders or owners of equitable shares,
19 not including reasonable valuation reserves, such as reserves for
20 depreciation or obsolescence or depletion. Notwithstanding the fore-
21 going, net worth shall not include any deduction for the amount of
22 the excess depreciation described in paragraph (2)(F) of subsection
23 (k) of this section. The foregoing aggregate of values shall be
24 reduced by 50% of the amount disclosed by the books of the
25 corporation for investment in the capital stock of one or more
26 subsidiaries, which investment is defined as ownership (1) of at
27 least 80% of the total combined voting power of all classes of
28 stock of the subsidiary entitled to vote and (2) of at least 80%
29 of the total number of shares of all other classes of stock except
30 nonvoting stock which is limited and preferred as to dividends.
31 In the case of investment in an entity organized under the laws
32 of a foreign country, the foregoing requisite degree of owner-
33 ship shall effect a like reduction of such investment from net
34 worth of the taxpayer, if the foreign entity is considered a
35 corporation for any purpose under the United States federal
36 income tax laws, such as (but not by way of sole examples) for the
37 purpose of supplying deemed paid foreign tax credits or for the
38 purpose of status as a controlled foreign corporation. In calculat-
39 ing the net worth of a taxpayer entitled to reduction for investment
40 in subsidiaries, the amount of liabilities of the taxpayer shall be
41 reduced by such proportion of the liabilities as corresponds to the
42 ratio which the excluded portion of the subsidiary values bears
43 to the total assets of the taxpayer.

44 In the case of banking corporations which have international
45 banking facilities as defined in subsection (n), the foregoing aggre-
46 gate of values shall also be reduced by retained earnings of the
47 international banking facility. Retained earnings mean the earn-
48 ings accumulated over the life of such facility and shall not include
49 the pro rata share of dividends paid and federal income taxes paid
50 or payable during the tax year.

51 If in the opinion of the commissioner, the corporation's books
52 do not disclose fair valuations the commissioner may make a rea-

53 sonable determination of the net worth which, in his opinion, would
54 reflect the fair value of the assets, exclusive of subsidiary invest-
55 ments as defined aforesaid, carried on the books of the corporation.
56 in accordance with sound accounting principles, and such determi-
57 nation shall be used as net worth for the purpose of this act.

58 (e) "Indebtedness owing directly or indirectly" shall include,
59 without limitation thereto, all indebtedness owing to any stock-
60 holder or shareholder and to members of his immediate family
61 where a stockholder and members of his immediate family to-
62 gether or in the aggregate own 10% or more of the aggregate
63 outstanding shares of the taxpayer's capital stock of all classes.

64 (f) "Investment company" shall mean any corporation whose
65 business during the period covered by its report consisted, to the
66 extent of at least 90% thereof of holding, investing and reinvesting
67 in stocks, bonds, notes, mortgages, debentures, patents, patent
68 rights and other securities for its own account, but this shall not
69 include any corporation which: (1) is a merchant or a dealer of
70 stocks, bonds and other securities, regularly engaged in buying the
71 same and selling the same to customers; or (2) had less than 90%
72 of its average gross assets in New Jersey, at cost, invested in
73 stocks, bonds, debentures, mortgages, notes, patents, patent rights
74 or other securities or consisting of cash on deposit during the period
75 covered by its report; or (3) is a banking corporation or a financial
76 business corporation as defined in the Corporation Business Tax
77 Act.

78 (g) "Regulated investment company" shall mean any corpora-
79 tion which for a period covered by its report, is registered and
80 regulated under the Investment Company Act of 1940 (54 Stat.
81 789), as amended.

82 (h) "Taxpayer" shall mean any corporation required to report
83 or to pay taxes, interest or penalties under this act.

84 (i) "Fiscal year" shall mean an accounting period ending on
85 any day other than the last day of December on the basis of which
86 the taxpayer is required to report for federal income tax purposes.

87 (j) Except as herein provided, "privilege period" shall mean
88 the calendar or fiscal accounting period for which a tax is payable
89 under this act.

90 (k) "Entire net income" shall mean total net income from all
91 sources, whether within or without the United States, and shall
92 include the gain derived from the employment of capital or labor,
93 or from both combined, as well as profit gained through a sale or
94 conversion of capital assets. For the purpose of this act, the

95 amount of a taxpayer's entire net income shall be deemed prima
96 facie to be equal in amount to the taxable income, before net operat-
97 ing loss deduction and special deductions, which the taxpayer
98 is required to report to the United States Treasury Department
99 for the purpose of computing its federal income tax; provided,
100 however, that in the determination of such entire net income,

101 (1) Entire net income shall exclude 100% of dividends which
102 were included in computing such taxable income for federal income
103 tax purposes, paid to the taxpayer by one or more subsidiaries
104 owned by the taxpayer to the extent of the 80% or more owner-
105 ship of investment described in subsection (d) of this section. With
106 respect to other dividends, entire net income shall not include 50%
107 of the total included in computing such taxable income for federal
108 income tax purposes. Entire net income shall exclude for the
109 periods set forth in paragraph (2) (F) (i) of this subsection, any
110 amount, except with respect to property described in section
111 16S (f) (8) (D) (iii) of the Internal Revenue Code, which is included
112 in a taxpayer's federal taxable income solely as a result of an elec-
113 tion made pursuant to the provisions of paragraph (8) of that
114 section.

115 (2) Entire net income shall be determined without the exclusion,
116 deduction or credit of:

117 (A) The amount of any specific exemption or credit allowed in
118 any law of the United States imposing any tax on or measured by
119 the income of corporations:

120 (B) Any part of any income from dividends or interest on any
121 kind of stock, securities or indebtedness, except as provided in
122 subsection (k) (1) of this section;

123 (C) Taxes paid or accrued to the United States on or measured
124 by profits or income, or the tax imposed by this act, or any tax
125 paid or accrued with respect to subsidiary dividends excluded from
126 entire net income as provided in subsection (k) (1) of this section;

127 (D) Net operating losses sustained during any year or period
128 other than that covered by the report;

129 (E) 90% of interest on indebtedness owing directly or indirectly
130 to holders of 10% or more of the aggregate outstanding shares of
131 the taxpayer's capital stock of all classes; except that such interest
132 may, in any event, be deducted

133 (i) Up to an amount not exceeding \$1,000.00:

134 (ii) In full to the extent that it relates to bonds or other
135 evidences of indebtedness issued, with stock, pursuant to a
136 bona fide plan of reorganization, to persons who, prior to
137 such reorganization, were bona fide creditors of the corpora-

138 tion or its predecessors, but were not stockholders or share-
139 holders thereof:

140 (iii) In full to the extent that it relates to debt of a financial
141 business corporation: provided that such interest rate does not
142 exceed 2% over prime rate: the prime rate to be determined by
143 the Commissioner of Banking:

144 (iv) In full to the extent that it relates to financing of motor
145 vehicle inventory held for sale to customers providing said
146 indebtedness is owed to a taxpayer customarily and routinely
147 providing this type of financing:

148 (v) In full to the extent it relates to debt of a banking
149 corporation to a bank holding company, as defined in 12 U.S.C.
150 § 1841, of which the banking corporation is a subsidiary:

151 (F) (i) The amount by which depreciation reported to the United
152 State Treasury Department for property placed in service on and
153 after January 1, 1981, for purposes of computing federal taxable
154 income in accordance with section 168 of the Internal Revenue Code
155 in effect after December 31, 1980, exceeds the amount of deprecia-
156 tion determined in accordance with the Internal Revenue Code pro-
157 visions in effect prior to January 1, 1981, but only with respect to
158 a taxpayer's accounting period ending after December 31, 1981:
159 provided, however, that where a taxpayer's accounting period
160 begins in 1981 and ends in 1982, no modification shall be required
161 with respect to this paragraph (F) for the report filed for such
162 period with respect to property placed in service during that part
163 of the accounting period which occurs in 1981.

164 (ii) For the periods set forth in subparagraph (F) (i) of this
165 subsection, any amount, except with respect to property described
166 in section 168 (f) (8) (D) (iii) of the Internal Revenue Code,
167 which the taxpayer claimed as a deduction in computing federal
168 income tax pursuant to a qualified lease agreement under para-
169 graph (8) of that section.

170 The director shall promulgate rules and regulations necessary
171 to carry out the provisions of this section, which rules shall pro-
172 vide, among others, the manner in which the remaining life of
173 property shall be reported.

174 (3) The commissioner may, whenever necessary to properly
175 reflect the entire net income of any taxpayer, determine the year or
176 period in which any item of income or deduction shall be included,
177 without being limited to the method of accounting employed by the
178 taxpayer.

179 (4) There shall be allowed as a deduction from entire net income
180 of a banking corporation, to the extent not deductible in deter-

181 mining federal taxable income, the eligible net income of an inter-
182 national banking facility determined as follows:

183 (A) The eligible net income of an international banking facility
184 shall be the amount remaining after subtracting from the eligible
185 gross income the applicable expenses:

186 (B) Eligible gross income shall be the gross income derived by
187 an international banking facility, which shall include, but not be
188 limited to, gross income derived from:

189 (i) Making, arranging for, placing or carrying loans to
190 foreign persons, provided, however, that in the case of a foreign
191 person which is an individual, or which is a foreign branch of
192 a domestic corporation (other than a bank), or which is a
193 foreign corporation or foreign partnership which is controlled
194 by one or more domestic corporations (other than banks),
195 domestic partnerships or resident individuals, all the proceeds
196 of the loan are for use outside of the United States:

197 (ii) Making or placing deposits with foreign persons which
198 are banks or foreign branches of banks (including foreign sub-
199 sidiaries) or foreign branches of the taxpayers or with other
200 international banking facilities: or

201 (iii) Entering into foreign exchange trading or hedging
202 transactions related to any of the transactions described in this
203 paragraph:

204 (iv) Such other activities of an international banking facil-
205 ity may, from time to time, be authorized to engage in:

206 (C) Applicable expenses shall be any expense or other deductions
207 attributable, directly or indirectly, to the eligible gross income
208 described in paragraph (B) of this subsection.

209 (5) *There shall be allowed as a deduction from the entire net*
210 *income of a taxpayer eligible for the credit established pursuant to*
211 *section 50 of P. L. . c. (C.) (now pending*
212 *before the Legislature as Assembly Bill No. 3382 of 1985) against the*
213 *tax imposed pursuant to section 5 of P. L. 1945, c. 162 (C. 54:10A-5),*
214 *an amount equal to 100% of the taxpayer's energy costs incurred in*
215 *manufacturing for sale products the composition of which is at least*
216 *50% post-consumer waste material. For the purpose of this para-*
217 *graph, "post-consumer waste material" means any product gen-*
218 *erated by a business or consumer which has served its intended end*
219 *use, and which has been separated from solid waste for the purposes*
220 *of collection, recycling and disposition and which does not include*
221 *secondary waste material or demolition waste; and "secondary*
222 *waste material" means waste material generated after the comple-*
223 *tion of a manufacturing process. The Commissioner of the Depart-*

224 *ment of Environmental Protection, in consultation with the Director*
225 *of the Division of Taxation, shall adopt rules and regulations*
226 *establishing technical specifications for eligibility for the deduction*
227 *established pursuant to this paragraph.*

228 (l) "Real estate investment trust" shall mean any unincor-
229 porated trust or unincorporated association qualifying and electing
230 to be taxed as a real estate investment trust under federal law.

231 (m) "Financial business corporation" shall mean any corporate
232 enterprise which is (1) in substantial competition with the business
233 of national banks and which (2) employs moneyed capital with the
234 object of making profit by its use as money, through discounting and
235 negotiating promissory notes, drafts, bills of exchange and other
236 evidences of debt; buying and selling exchange; making of or deal-
237 ing in secured or unsecured loans and discounts; dealing in securi-
238 ties and shares of corporate stock by purchasing and selling such
239 securities and stock without recourse, solely upon the order and for
240 the account of customers: or investing and reinvesting in market-
241 able obligations evidencing indebtedness of any person, copartner-
242 ship, association or corporation in the form of bonds, notes or de-
243 bentures commonly known as investment securities; or dealing in or
244 underwriting obligations of the United States, any state or any
245 political subdivision thereof, or of a corporate instrumentality of
246 any of them. This shall include, without limitation of the foregoing,
247 business commonly known as industrial banks, dealers in commer-
248 cial paper and acceptances, sales finance, personal finance, small
249 loan and mortgage financing businesses, as well as any other enter-
250 prise employing moneyed capital coming into competition with the
251 business of national banks; provided, that the holding of bonds,
252 notes, or other evidences of indebtedness by individual persons not
253 employed or engaged in the banking or investment business and
254 representing merely personal investments not made in competition
255 with the business of national banks, shall not be deemed financial
256 business. Nor shall "financial business" include national banks,
257 production credit associations organized under the Farm Credit
258 Act of 1933, stock and mutual insurance companies duly autho-
259 rized to transact business in this State, security brokers or dealers
260 or investment companies or bankers not employing moneyed capital
261 coming into competition with the business of national banks, real
262 estate investment trusts, or any of the following entities organized
263 under the laws of this State: credit unions, savings banks, savings
264 and loan and building and loan associations, pawnbrokers, and
265 State banks and trust companies.

266 (n) "International banking facility" shall mean a set of asset
267 and liability accounts segregated on the books and records of a
268 depository institution, United States branch or agency of a foreign
269 bank, or an Edge or Agreement Corporation that includes only
270 international banking facility time deposits and international
271 banking facility extensions of credit as such terms are defined in
272 section 204.8(a)(2) and section 204.8(a)(3) of Regulation D of the
273 board of governors of the Federal Reserve System, 12 CFR Part
274 204, effective December 3, 1981. In the event that the United States
275 enacts a law, or the board of governors of the Federal Reserve Sys-
276 tem adopts a regulation which amends the present definition of
277 international banking facility or of such facilities' time deposits or
278 extensions of credit, the Commissioner of Banking shall forthwith
279 adopt regulations defining such terms in the same manner as such
280 terms are set forth in the laws of the United States or the regula-
281 tions of the board of governors of the Federal Reserve System. The
282 regulations of the Commissioner of Banking shall thereafter pro-
283 vide the applicable definitions.

1 52. (New section) A taxpayer who purchases recycling equip-
2 ment to be used within this State shall be entitled to a credit against
3 the tax imposed pursuant to section 5 of P. L. 1973, c. 170 (C.
4 54:10E-5) in an amount equal to 20% of the cost of the recycling
5 equipment. For the purposes of this section, "recycling equipment"
6 means vehicles used exclusively for the transportation of post-
7 consumer waste material, or machinery or apparatus used exclu-
8 sively to process post-consumer waste material and manufacturing
9 machinery used exclusively to produce finished products, the com-
10 position of which is at least 50% post-consumer waste materials,
11 provided that this transportation, processing or manufacturing
12 activity accounts for at least 50% of the taxpayer's production as
13 measured by the taxpayer's net sales during the tax period for
14 which the credit established pursuant to this section is claimed.
15 "Post-consumer waste material" means any product generated by
16 a business or consumer which has served its intended end use, and
17 which has been separated from solid waste for the purposes of
18 collection, recycling and disposition and which does not include
19 secondary waste material or demolition waste; and "secondary
20 waste material" means waste material generated after the com-
21 pletion of a manufacturing process. The Commissioner of the De-
22 partment of Environmental Protection, in consultation with the
23 Director of the Division of Taxation, shall adopt rules and regula-
24 tions establishing technical specifications for eligibility for the
25 credit established pursuant to this section. Any unused portion of

26 the credit established pursuant to this section may be carried for-
27 ward by the taxpayer for four subsequent tax periods.

1 53. Section 4 of P. L. 1973, c. 170 (C. 54:10E-4) is amended to
2 read as follows:

3 4. For purposes of this act, unless the context requires a different
4 meaning:

5 a. "Director" means the Director of the Division of Taxation
6 of the State Department of the Treasury;

7 b. "Allocation factor" means the proportionate part of the tax-
8 payer's entire net income used to determine a measure of its tax
9 under this act;

10 c. "Corporation" means any corporation, joint-stock company
11 or association and any business conducted by a trustee or trustees
12 wherein interest or ownership is evidenced by a certificate of in-
13 terest or ownership or similar written instrument;

14 d. "Indebtedness owing directly or indirectly" includes, with-
15 out limitation thereto, all indebtedness owing to any stockholder
16 or shareholder and to members of his immediate family where a
17 stockholder and members of his immediate family together or in
18 the aggregate own 10% or more of the aggregate outstanding
19 shares of the taxpayer's capital stock of all classes;

20 e. "Taxpayer" means any corporation required to report or to
21 pay taxes, interest or penalties under this act;

22 f. "Calendar year" means an accounting period ending on the
23 last day of December on the basis of which the taxpayer is required
24 to report for federal income tax purposes;

25 g. "Fiscal year" means an accounting period ending on any day
26 other than the last day of December on the basis of which the tax-
27 payer is required to report for federal income tax purposes;

28 h. "Accounting period" means the calendar or fiscal year, or
29 part thereof, for which a tax is payable under this act;

30 i. "Entire net income" means total net income from all sources,
31 whether within or without the United States, and shall include
32 the gain derived from the employment of capital or labor, or from
33 both combined, as well as profit gained through a sale or conver-
34 sion of capital assets. For the purpose of this act, the amount of
35 a taxpayer's entire net income shall be deemed prima facie to be
36 equal in amount to the taxable income, before net operating loss
37 deduction and special deductions, which the taxpayer is required
38 to report to the United States Treasury Department for the pur-
39 pose of computing its federal income tax; provided, however, that
40 in the determination of such entire net income.

41 (1) Entire net income shall exclude 100% of dividends which
42 were included in computing such taxable income for federal in-
43 come tax purposes, paid to the taxpayer by one or more subsidi-
44 aries owned by the taxpayer. For the purposes of this section, a
45 subsidiary shall be deemed to be any corporation in which a tax-
46 payer is the owner of at least 80% of the total combined voting
47 power of all classes of stock entitled to vote and of at least 80%
48 of each class, if any, of nonvoting stock. With respect to other
49 dividends, entire net income shall not include 50% of the total
50 included in computing such taxable income for federal income
51 tax purposes;

52 (2) Entire net income shall be determined without the exclusion,
53 deduction or credit of:

54 (a) the amount of any specific exemption or credit allowed in
55 any law of the United States imposing any tax on or measured
56 by the income of corporations;

57 (b) any part of any income from dividends or interest on any
58 kind of stock, securities or indebtedness, except as provided in
59 subsection i. (1) of this section;

60 (c) taxes paid or accrued to the United States on or measured
61 by profits or income, or the tax imposed by this act, or any tax
62 paid or accrued with respect to subsidiary dividends excluded
63 from entire net income as provided in subsection i. (1) of this
64 section;

65 (d) net operating losses sustained during any year or period
66 other than that covered by the report;

67 (e) 90% of interest on indebtedness owing directly or indirectly
68 to holders of 10% or more of the aggregate outstanding shares of
69 the taxpayer's capital stock of all classes; except that such interest
70 may, in any event, be deducted.

71 (i) up to an amount not exceeding \$1,000.00;

72 (ii) in full to the extent that it relates to bonds or other
73 evidences of indebtedness issued, with stock, pursuant to a
74 bona fide plan of reorganization, to persons, who, prior to
75 such reorganization, were bona fide creditors of the corpora-
76 tion or its predecessors, but were not stockholders or share-
77 holders thereof;

78 (3) The director may, whenever necessary to properly reflect
79 the entire net income of any taxpayer, determine the year or period
80 in which any item of income or deduction shall be included, with-
81 out being limited to the method of accounting employed by the
82 taxpayer.

83 (4) There shall be allowed as a deduction from the entire net
 84 income of a taxpayer eligible for the credit established pursuant to
 85 section 52 of P. L. . . . , c. . . . (C.) (now pending before
 86 the Legislature as Assembly Bill No. 3382 of 1965) against the tax
 87 imposed pursuant to section 5 of P. L. 1973, c. 170 (C. 54:10E-5),
 88 an amount equal to 100% of the taxpayer's energy costs incurred
 89 in manufacturing for sale products the composition of which is at
 90 least 50% post-consumer waste material. For the purposes of this
 91 paragraph, "post-consumer waste material" means any product
 92 generated by a business or consumer which has served its intended
 93 end use, and which has been separated from solid waste for the pur-
 94 poses of collection, recycling and disposition and which does not
 95 include secondary waste material or demolition waste; and "sec-
 96 ondary waste material" means waste material generated after the
 97 completion of a manufacturing process. The Commissioner of the
 98 Department of Environmental Protection, in consultation with the
 99 Director of the Division of Taxation, shall adopt rules and regula-
 100 tions establishing technical specifications for eligibility for the de-
 101 duction established pursuant to this paragraph.

1 54. (New section) a. The "Municipal Recycling Program Fund"
 2 is established as a special account in the Department of Treasury.
 3 The fund shall be administered by the State Treasurer and shall
 4 be the depository for all monies appropriated by the Legislature
 5 pursuant to this or any subsequent act for the purpose of assisting
 6 municipalities in the implementation of the municipal recycling
 7 program requirements of section 5 of this amendatory and sup-
 8 plementary act.

9 b. The monies in the fund shall be allocated and used to provide
 10 State aid to municipalities for implementing the municipal re-
 11 cycling program requirements of section 5 of this amendatory and
 12 supplementary act. The State aid shall be distributed to the mu-
 13 nicipalities on a per capita basis, except that no municipality shall
 14 receive less than .001% of the amount apportioned to aid all mu-
 15 nicipalities.

16 c. Within 60 days of the effective date of this amendatory and
 17 supplementary act, the State Treasurer shall pay and distribute
 18 to the chief fiscal officer of every municipality in this State, from
 19 monies in the "Municipal Recycling Program Fund," an amount
 20 equal to the municipality's proportionate share of the State aid as
 21 calculated pursuant to subsection b. of this section.

1 55. (New section) Any monies due a municipality pursuant to
 2 the provisions of section 54 of P. L. . . . , c. . . . (C.)

3 (now pending before the Legislature as Assembly Bill No. 3382 of
4 1985) may be anticipated by the municipality for the purposes of
5 preparing its annual budget.

1 56. (New section) The receipt and expenditure by a municipality
2 of the monies which a municipality receives under section 54 of
3 P. L. . . . , c. . . . (C. . . .) (now pending before the Legis-
4 lature as Assembly Bill No. 3382 of 1985) shall be exempt from the
5 limitations on municipal expenditures imposed pursuant to section
6 3 of P. L. 1976, c. 68 (C. 40A:4-45.3).

1 57. This act shall take effect immediately.

STATEMENT

This bill would substantially expand and extend the existing
"Recycling Act" to fully integrate recycling as a basic component
of the State's overall solid waste management strategy. The pur-
pose of this bill is to establish a mandatory Statewide recycling
program and to eliminate certain institutional, regulatory and
statutory impediments to the development of the State's commit-
ment to recycling as manifested in the goals of the State Recycling
Plan.

ASSEMBLY, No. 3398

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1985

By Assemblyman HOLLENBECK

AN ACT concerning beverage containers and recyclable materials
and supplementing P. L. 1970, c. 39 (C. 13:1E-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "Recycling
2 and Beverage Container Redemption Act."

1 2. As used in this act:

2 a. "Beverage" means alcoholic beverages, including beer or other
3 malt beverages, liquor, wine, vermouth and sparkling wine, and
4 nonalcoholic beverages, including fruit juice, mineral water and
5 soda water and similar nonalcoholic carbonated drinks intended
6 for human consumption;

7 b. "Beverage container" means an individual, separate, sealed
8 bottle or can composed of glass, metal, plastic or any combination
9 thereof, containing a beverage;

10 c. "County" means any county of this State of whatever class;

11 d. "Department" means the Department of Environmental Pro-
12 tection;

13 e. "Designated recyclable materials" means those recyclable
14 materials, including but not limited to, metal, glass, or paper,
15 plastic containers, food waste, corrugated and other cardboard,
16 newspaper, magazines, or high-grade office paper designated in a
17 district recycling plan to be source separated in a municipality as
18 required by section 4 of this act;

19 f. "District" means a solid waste management district as desig-
20 nated by section 10 of P. L. 1975, c. 326 (C. 13:1E-19), except

21 that, as used in the provisions of this act, "district" shall not in-
22 clude the Hackensack Meadowlands District;

23 g. "District recycling plan" means the plan prepared and adopted
24 by the governing body of a county and approved by the department
25 to implement the State Recycling Plan goals as required by section
26 4 of this act;

27 h. "Municipality" means any city, borough, town, township or
28 village situated within the boundaries of this State;

29 i. "Municipal solid waste stream" means all residential, com-
30 mercial and institutional solid waste generated within the boun-
31 daries of any municipality, except that, as used in the provisions
32 of this act, "municipal solid waste stream" shall not include asphalt
33 or leaves;

34 j. "Nonrefillable beverage container" means a beverage container
35 which is not designed to, nor capable of being refillable with a
36 beverage for sale by a retailer;

37 k. "Plastic container" means any plastic beverage container
38 or any container having a capacity of 12 ounces or more composed
39 of plastic, containing a food or nonfood product;

40 l. "Recyclable material" means those materials which would
41 otherwise become municipal solid waste, which may be collected,
42 separated or processed and returned to the economic mainstream
43 in the form of raw materials or products;

44 m. "Recycling" means any process by which materials which
45 would otherwise become solid waste are collected, separated or
46 processed and returned to the economic mainstream in the form
47 of raw materials or products;

48 n. "Recycling center" means any facility designed and operated
49 solely for receiving, storing, processing and transferring source
50 separated or source separated comingled non-putrescible metal,
51 glass, paper, plastic containers, plastic beverage containers, and
52 corrugated and other cardboard, newspaper, magazines, and
53 highgrade office paper;

54 o. "Recycling services" means the services provided by persons
55 engaging in the business of recycling, including the collection;

56 p. "Redemption center" means a location established in the
57 municipal recycling program adopted pursuant to section 6 of
58 this act;

59 q. "Refillable beverage container" means a beverage container
60 which is designed to be and capable of being refilled with a bev-
61 erage for sale by a retailer;

62 r. "Retailer" means a person engaged in the sale of beverages
63 in beverage containers to any person at retail for off-premise con-

64 sumption, including any manufacturer or distributor engaging in
65 retail sales;

66 s. "Secondary waste material" means waste material generated
67 after the completion of a manufacturing process;

68 t. "Source separated recyclable materials" means recyclable ma-
69 terials, including but not limited to, paper, metal, glass, food waste,
70 office paper and plastic which are kept separate and apart from
71 residential, commercial and institutional solid waste by the gen-
72 erator thereof for the purposes of collection, disposition and re-
73 cycling.

1 3. A \$0.10 deposit shall be paid upon the retail purchase of all
2 beverage containers in the State.

3 a. A refillable beverage container sold or offered for sale in this
4 State shall have a minimum refund value of \$0.10 when empty.

5 b. A nonrefillable beverage container sold or offered for sale
6 in this State shall have a minimum refund value of \$0.05 when
7 empty.

8 c. Every beverage container sold or offered for sale in this State
9 by a retailer shall be clearly identified by a stamp, label, or other
10 mark securely affixed to the beverage container, bearing the in-
11 scription "New Jersey" or "N.J.," indicating whether it is refillable
12 or nonrefillable, and identifying the refund value.

1 4. a. Each county shall, within six months of the effective date
2 of this act and after consultation with each municipality within
3 the county, prepare a district recycling plan to implement the
4 State Recycling Plan goals. Each plan shall be adopted as an
5 amendment to the district solid waste management plan required
6 pursuant to the provisions of the "Solid Waste Management Act,"
7 P. L. 1970, c. 39 (C. 13:1E-1 et seq.).

8 b. Each district recycling plan required pursuant to this section
9 shall include, but need not be limited to:

10 (1) Designation of a district recycling coordinator;

11 (2) Designation of the recyclable materials to be source separated
12 in each municipality which may include, the following:

13 (a) Aluminum beverage and food containers,

14 (b) Glass beverage and food containers,

15 (c) Plastic beverage and food containers.

16 (3) Designation of the strategy for the collection and disposition
17 of source separated recyclable materials in each municipality;

18 (4) Designation of regional redemption centers for the redemp-
19 tion of beverage containers.

20 (5) Designation of recovery targets in each municipality to
21 achieve the maximum feasible recovery of recyclable materials

22 from the municipal solid waste stream which shall include, at a
23 minimum, the following schedule:

24 (a) The recycling of at least 15% of the municipal solid
25 waste stream by the end of the first full calendar year follow-
26 ing the adoption of the district recycling plan; and

27 (b) The recycling of at least 25% of the municipal solid
28 waste stream by the end of the second full calendar year
29 following the adoption of the district recycling plan.

30 c. Each district recycling plan, in designating the strategy for
31 the collection and disposition of recyclable materials in each mu-
32 nicipality, shall first give due consideration to any person engaging
33 in the business of recycling or otherwise lawfully providing re-
34 cycling services on behalf of the municipality on January 1, 1985,
35 if that person continues to provide recycling services prior to the
36 adoption of the plan and that person has not discontinued these
37 services for a period of 90 days or more between January 1, 1985
38 and the date the plan is adopted.

39 d. Notwithstanding the provisions of the "Solid Waste Manage-
40 ment Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.), each district
41 recycling plan may be modified after adoption pursuant to a pro-
42 cedure set forth in the adopted plan as approved by the department.

1 5. a. Each county shall, within 18 months of the effective date
2 of this act, solicit proposals from, review the qualifications of, and
3 enter into contracts on behalf of municipalities with persons pro-
4 viding recycling services or operating recycling centers for the
5 collection, storage, processing, and disposition of recyclable ma-
6 terials designated in the district recycling plan in those instances
7 where these services are not otherwise provided by the munici-
8 pality, interlocal service agreement or joint service program, or
9 other private or public recycling program operator. Each county
10 shall continue to solicit recycling services necessary to achieve
11 the maximum feasible recovery targets in each municipality as set
12 forth in the district recycling plan.

13 b. In the event that a county is unable to enter into contracts
14 or otherwise execute agreements with persons providing recycling
15 services so as to achieve the designated recovery targets set forth
16 in the district recycling plan, the county may petition the depart-
17 ment for a temporary exemption from the provisions of subsection
18 a. of this section. The department is authorized to grant, deny
19 or conditionally grant the exemption, and shall advise the county
20 as to the steps that may be taken to identify and secure markets
21 for the recyclable materials designated in the district recycling
22 plan. Any exemption granted by the department shall not exceed

23 one year in duration, and shall be granted only upon a finding
24 that the county has made a good faith effort to identify and secure
25 markets for its recyclable materials.

1 6. Each municipality in this State shall, within 30 days of the
2 effective date of this act, designate one or more persons as the
3 municipal recycling coordinator and one or more sites as municipal
4 redemption centers where beverage containers may be returned
5 and from which payment of the refund value thereof may be
6 received. Each municipality shall establish and implement a mu-
7 nicipal recycling program in accordance with the following require-
8 ments and schedule:

9 a. Within 12 months of the effective date of this act, each mu-
10 nicipality shall provide for a collection system for the recycling
11 of the recyclable materials designated in the district recycling plan
12 necessary to achieve the designated recovery targets set forth in
13 the plan in those instances where a recycling collection system is
14 not otherwise provided by the generator or by the county, inter-
15 local service agreement, or joint service program, or other private
16 or public recycling program operator.

17 b. The governing body of each municipality shall, if it has not
18 already done so, within 30 days of the effective date of any con-
19 tracts or agreements entered into between the county or other
20 local government unit and persons providing recycling services
21 pursuant to section 4 of this act, adopt an ordinance which requires
22 that persons generating municipal solid waste within its municipal
23 boundaries shall source separate at least two recyclable materials
24 from putrescible household solid waste and, unless recycling is
25 otherwise provided for by the generator, place the recyclable
27 materials for collection in the manner provided by the ordinance.

28 c. The governing body of each municipality shall, within 30 days
29 of the effective date of the ordinance adopted pursuant to sub-
30 section b. of this section and at least once every 36 months there-
31 after, provide for a review and revision of the master plan and
32 development regulations, adopted pursuant to P. L. 1975, c. 291
33 (C. 40:55D-1 et seq.), by the planning board with respect to
34 changes in State, county and municipal policies and objectives
35 concerning the collection, disposition and recycling of designated
36 recyclable materials.

37 The revised master plan shall include provisions for the collec-
38 tion, disposition, and recycling of recyclable materials designated
39 in the municipal recycling ordinance adopted pursuant to sub-
40 section b. of this section, for the establishment of redemption
41 centers, and for the collection, disposition and recycling of desig-

42 nated recyclable materials within any development proposal for
43 the construction of 50 or more units of residential housing and
44 any commercial or industrial development proposal for the utiliza-
45 tion of 1,000 square feet or more of land.

46 d. The governing body of a municipality may exempt persons
47 occupying commercial and industrial premises within its municipal
48 boundaries from the source separation requirements of the ordi-
49 nance adopted pursuant to subsection b. of this section if those
50 persons have otherwise provided for the recycling of the recyclable
51 materials designated in the district recycling plan from solid waste
52 generated at those premises. To be eligible for an exemption
53 pursuant to this subsection, a commercial or institutional solid
54 waste generator shall annually provide written documentation to
55 the municipality of the total number of tons recycled.

56 e. The governing body of each municipality shall, on the first
57 day of the first calendar year following the effective date of the
58 ordinance adopted pursuant to subsection b. of this section and
59 annually thereafter, submit a recycling tonnage report to the
60 department in accordance with rules and regulations adopted there-
61 for by the department.

62 f. The governing body of each municipality shall, within six
63 months of the effective date of the ordinance adopted pursuant
64 to subsection b. of this section and at least once every six months
65 thereafter, notify all persons occupying residential, commercial,
66 and institutional premises within its municipal boundaries of local
67 recycling opportunities, the location of all municipal redemption
68 centers, and the source separation requirements of the ordinance.

1 7. a. Each retailer shall, on or before the first day of every
2 month, remit to the municipal recycling coordinator an amount
3 equal to the aggregate amount collected by the retailer as deposits
4 on beverage containers for the previous month.

5 b. The municipal recycling coordinator shall deposit the moneys
6 collected from retailers pursuant to this section in a separate
7 account, to be known as the "Municipal Recycling and Beverage
8 Container Account," administered by the chief fiscal officer of the
9 municipality.

10 c. Moneys deposited by the municipal recycling coordinator in
11 this account shall be used to provide payment of the refund value
12 of beverage containers received at redemption centers and for
13 other costs associated with the implementation of the municipal
14 recycling program.

15 d. The municipal recycling coordinator shall keep and maintain
16 accurate records of every beverage container accepted for refund.

17 Records shall include a true copy of each receipt for refunds paid
18 to consumers for empty beverage containers and receipts for any
19 amount received from a recycler in payment for empty beverage
20 containers. Records shall be available for inspection and examina-
21 tion by the Director of the Division of Local Government Services
22 in the Department of Community Affairs or his agents.

23 e. Every redemption center shall be entitled to retain any amount
24 received from a recycler in payment for empty beverage containers.

25 f. A detailed audit of the municipal recycling and beverage con-
26 tainer account shall be conducted annually, the results of which
27 shall be submitted to the Division of Local Government Services
28 in the Department of Community Affairs at the time and in a
29 manner consistent with the submission of municipal budgets to the
30 division.

1 8. a. A redemption center established by a municipality pursuant
2 to section 6 of this act shall be operated and maintained in accor-
3 dance with the minimum standards and guidelines recommended
4 by the department and any other requirements which the depart-
5 ment deems necessary to insure that redemption centers will pro-
6 vide a convenient service to the public. The governing body of
7 any municipality may, in its discretion, jointly establish a regional
8 community redemption center with one or more adjacent municipi-
9 palities or with the county or contract with a commercial redemp-
10 tion center, or both, in order to fulfill the requirements of this
11 section.

12 b. Notwithstanding any other provision of law and unless the
13 public officer or enforcing agency charged by law with the duty
14 of maintaining the safety and security of the public building shall
15 determine it to be inconsistent with the public health and welfare,
16 the governing body of any municipality may use any public build-
17 ing or any portion thereof within its jurisdiction as a redemption
18 center.

1 9. a. Every redemption center shall, upon presentation of an
2 empty beverage container, refund to the bearer the refund value
3 of the beverage container. A redemption center shall not be re-
4 quired to accept or pay the refund value of any empty beverage
5 container which is damaged, unclean, or which is considered to be
6 in a condition which poses a threat to the public health and safety.

7 b. Every redemption center shall prescribe reasonable hours
8 during which it will accept beverage containers for refund. Every
9 redemption center may establish a reasonable maximum number
10 of empty beverage containers which it will redeem at any one time
11 unless advance arrangements to the contrary have been made.

12 Every redemption center shall prominently display notice of these
13 restrictions at a conspicuous location within the center.

1 10. Every solid waste collector or solid waste transporter holding
2 a certificate of public convenience and necessity pursuant to sec-
3 tion 7 of P. L. 1970, c. 40 (C. 48:13A-6) and registered pursuant
4 to sections 4 or 5 P. L. 1970, c. 39 (C. 13:1E-4 and 13:1E-5)
5 or the provisions of P. L. 1983, c. 392 (C. 13:1E-126 et seq.), as
6 appropriate, shall provide for the collection or disposition of re-
7 cyclable materials or otherwise provide recycling services, if re-
8 quired to do so by the district recycling plan of the county in which
9 the collector or transporter engages in solid waste collection or
10 transportation.

1 11. Every solid waste collector or solid waste transporter bidding
2 on contracts for the provision of solid waste collection or trans-
3 portation services pursuant to the "Local Public Contracts Law,"
4 P. L. 1971, c. 198 (C. 40A:11-1 et seq.) also shall bid on contracts
5 for the collection or disposition of recyclable materials, or for the
6 provision of recycling services, if requested to do so by the govern-
7 ing body of the municipality or contracting unit advertising for
8 bids or bidding therefor.

1 12. No beverage container shall be sold or offered for sale in
2 the State in a metal container designed and constructed so that
3 part of the container is detachable, or in containers connected to
4 each other by plastic rings or similar devices which are not degrad-
5 able. For the purposes of this section, "degradable" means capable
6 of disintegrating into minute fragments by naturally occurring
7 biological or physical processes in the environment, within a period
8 of one year after manufacture. The department shall adopt, upon
9 consultation with the appropriate industries and pursuant to the
10 provisions of the "Administrative Procedure Act," P. L. 1968, c. 410
11 (C. 52:14B-1 et seq.), any rules and regulations necessary to imple-
12 ment the provisions of this section.

1 13. This act shall take effect immediately.

STATEMENT

This bill incorporates the objectives of the so-called "bottle bill" with those of mandatory recycling.

The provisions of this bill would:

(1) Impose a deposit of \$0.10 on every beverage container sold or offered for sale in New Jersey:

(2) Establish the refund value of refillable beverage containers at \$0.10 and of nonrefillable beverage containers at \$0.05;

(3) Require each municipality to establish one or more redemp-

tion centers at which local consumers may return clean, undamaged, empty beverage containers and receive payment of the refund value of the beverage containers;

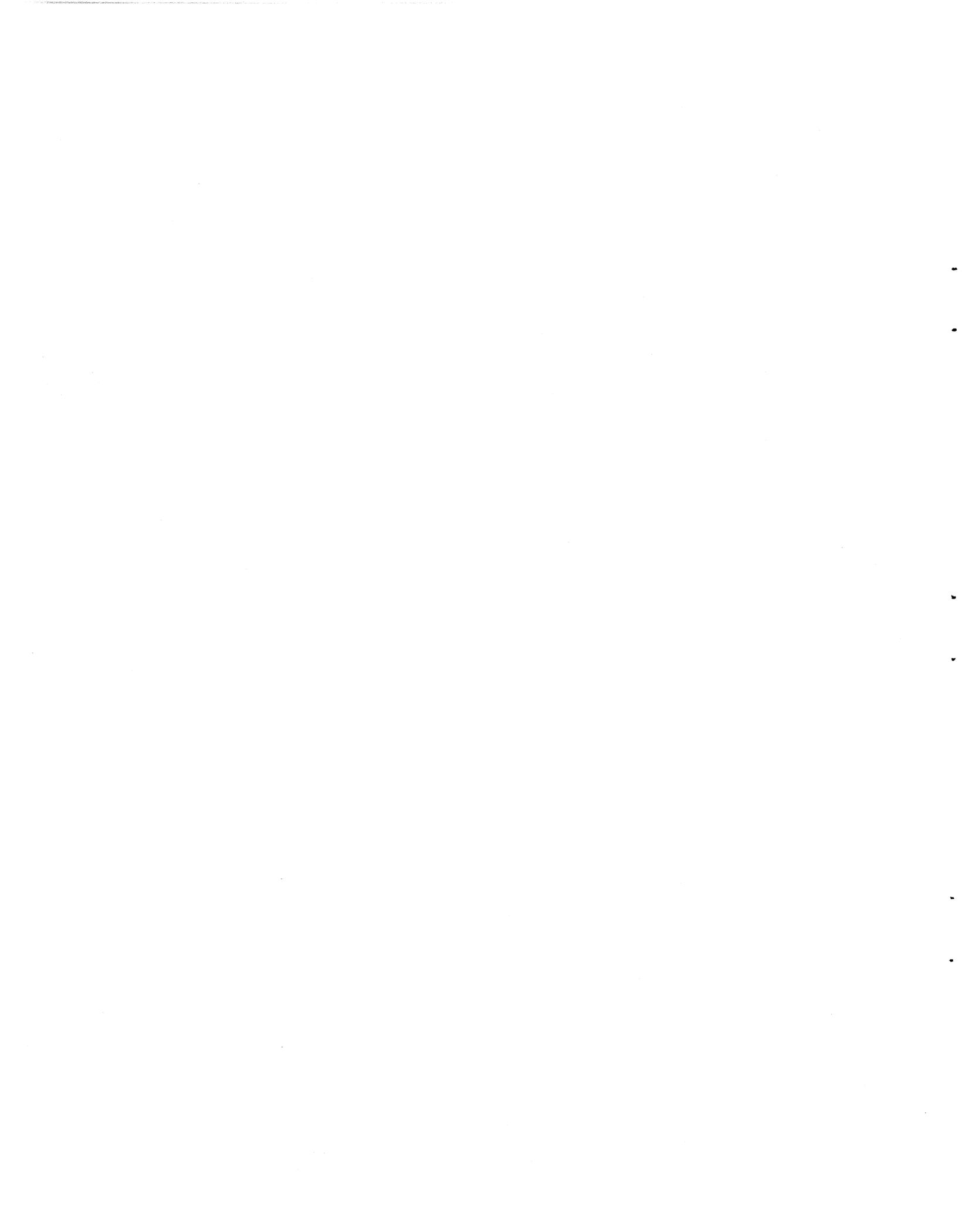
(4) Require counties to establish district recycling plans to substantially reduce the solid waste stream by municipal source separation of recyclable materials and by the establishment of redemption centers;

(5) Require municipalities to appoint a municipal recycling coordinator whose responsibility it would be to coordinate all recycling efforts of the municipality, including the redemption of beverage containers and the management of recyclables collected by solid waste haulers; and

(6) Direct municipalities to establish a "Municipal Recycling and Beverage Container Account" into which moneys from beverage container deposits collected from retailers would be deposited and from which moneys would be withdrawn to pay deposits on redeemed beverage containers.

The responsibility of retailers under this bill would be to charge the \$0.10 deposit and, on a monthly basis, remit the amounts collected as deposits to the municipal recycling coordinator. The municipal recycling coordinator would be required to keep detailed records of deposits into and withdrawals from the "Municipal Recycling and Beverage Container Account." All moneys received as a result of the sale of recyclables to a recycler would also be deposited into the account. The account would be audited annually.

It is anticipated that this bill provide a comprehensive solution to the solid waste management and litter reduction problems plaguing the State.



ASSEMBLYMAN ROBERT P. HOLLENBECK (Chairman): Can we settle down now? There are some seats up front here, if you would like to be seated. I'm sorry we couldn't get a little larger hearing room.

Ladies and gentlemen, I am Assemblyman Robert Hollenbeck, and I am the Chairman of the Assembly Agriculture and Environment Committee. Our hearing today is on Assembly Bills 3382 and 3398. These particular bills and the way they are written are meant as a basis to start the process within the State Legislature to deal with the area of mandatory recycling within the State.

We have a long list of people who wish to testify. We will never be able to cover the whole list today. The intent is to have more hearings than just this one. There will be other hearings, and for the people who do not get an opportunity to testify today, we will keep your names and, of course, you will be automatically called on during the next hearing. The date of the next hearing will be announced.

We want to get as much input on this particular subject as possible. We realize that the impact of mandatory recycling weighs very heavily upon the citizenry of this State, very heavily upon the municipalities of the State, and very heavily upon the counties of the State. However, trying to reduce our solid waste stream is something that has to be done because we are running out of landfill space and areas to take care of our solid waste. These problems would occur in a State like New Jersey first because of our dense population. We are a peninsula State where we have to continually try to protect our ground water supplies. We are concerned continually with our solid waste flow because we just can't keep opening up new landfill sites throughout the State, since there is a potential threat to the ground water supply.

With the advent of resource recovery units being installed and contemplated around the State, most people realize that they are extremely expensive to install and to operate. The capital cost on them is very high. If we can reduce the flow by 25% by taking recyclables out of that flow, we can reduce the size of those particular plants. Conversely, municipalities will save on the cost of the tipping fee to go to those plants, because the cost is going to

rise rather dramatically. So, the need to do it to save the municipalities the cost of going to a resource recovery unit is very important. We realize that an awful lot gets into our landfill sites and our solid waste stream that really shouldn't be in there, including leaves in the fall and back yard waste. These things should really not be going into our landfills. These types of things should all be addressed. That is the purpose of this hearing.

I think that the sponsors -- myself of one bill and Assemblyman Albohn, and the Senate sponsor of the Administration's bill -- all realize that what has been put in writing is not carved in stone. Probably what will finally come out will not look like either one of those bills, but they are a starting point. For that, we are deeply grateful to the Administration for putting a bill in. Of course, we are also grateful to Assemblyman Arthur Albohn, for putting a bill in in our house so we can get started. As I said, these bills are a starting point.

To start the hearing, I think I will introduce some of the people here. As other Assemblymen arrive, I will announce who they are. We have some legislative staff people with us: Algis Matisoska; Karen Jezierny; the Committee Aide, Mark Smith; and, Glen Beebe from the Minority Staff. These people, of course, do most of the research and a great deal of the work of actually putting the bills together for our consideration.

The first person we have asked to testify is the main sponsor of Assembly Bill 3382, Assemblyman Arthur R. Albohn. Arthur?

ASSEMBLYMAN ARTHUR R. ALBOHN: Thank you, Mr. Chairman. I would first like to thank you, as Chairman of the Assembly Agriculture and Environment Committee, and all of the members of the Committee, for their recognition of what A-3382 can do toward resolving New Jersey's solid waste crisis and scheduling the bill for a hearing at this early date, less than two months after its introduction. As the Assembly goes, that is really fast tracking, and I appreciate it. Your interest and concern are very much appreciated by everyone connected with this bill.

Secondly, I want to make it clear that this was not the work of one person, but of a large group of people from a wide variety of backgrounds. They have put in such a large number of man-hours that it must amount to a substantial number of man- and woman-years. The Recycling Forum, in particular, along with interested environmentalists, recycling professionals, representatives of business interests, representatives of solid waste trade associations, and others, have all played a part. Major input was provided by the Office of Recycling, the Department of Environmental Protection, and the Division of Taxation. Finally, it was all pulled together by the members of the Office of Legislative Services. We owe each of these contributors a debt of gratitude for their Herculean effort in producing what is bound to be landmark legislation, not only for New Jersey, but possibly for the entire country.

Recycling has now come of age. It is no longer a tool of hobbyists, lay environmental enthusiasts, or for the casual attention of homemakers, Scout troops, etc. On the other hand, we owe such individuals our gratitude also for laying the groundwork for recycling on a far more extensive scale. They persisted in spite of a variety of obstacles, the major one of which was disinterest on the part of the public in general.

But the problems faced in our State with the disposal of solid waste have now forced recycling into the center stage limelight, and we are about to embark on a program more ambitious in its scope than anyone dreamed possible a few years ago. We can no longer tolerate disinterest, apathy, or annoyance at minor inconveniences that may have to be tolerated in reducing the magnitude of our solid waste disposal problem.

As a result, A-3382 is a hard-hitting, tough bill. It pulls no punches. It calls for commitment and involvement on the part of everyone, every citizen, every industry, every business operation, every level of government. Such commitment is absolutely necessary if we are to resolve the problems the State and the nation face, not simply with hazardous waste, industrial waste, toxic waste, and sewage waste, but with the everyday product of our everyday lives -- the waste from our homes and our style of living, whether it be humble or grand.

It is said that the elephant is an example of an animal designed by a committee. It has certain incongruities, and certain weaknesses. This bill is of the same nature. It, too, was designed by a committee, and it has certain weaknesses, some of which I will point out in a moment or two. But Hannibal would never have crossed the Alps without his incongruous elephants, and we will never resolve our solid waste crisis without a bill like A-3382.

I urge you to consider it carefully, but I ask also that not too much major surgery be done on it. For the most part, it simply needs fine-tuning, and I would be delighted to participate with you in your efforts to that end.

I must, however, recommend deletion or modification of several sections, which seem to have little scientific basis for their inclusion. They seem to be based primarily on emotional impressions or opinions, and not on up-to-date science.

With regard to Section 13 on the recycling of plastic containers, I urge that it be broadened and made more specific so that each type of plastic container can be considered separately, and judgment on its recyclability made separately. Plastics are not a family of materials that can be mixed and matched. For the most part, they are incompatible with one another, and have to be processed separately. If a method cannot be developed for recycling one particular plastic material, that does not mean it cannot be developed for others. Each must be taken on its own, whether it be polyethylene, polypropylene, polyethylene terephthalate, polyvinyl chloride, or a host of other materials, whether now in existence or to be developed in our scientific laboratories in years to come.

With the broadening of Section 13, Section 16 becomes unnecessary, since PVC and polyvinylidene chloride and their mixtures would come under the purview of Section 13.

I also ask that Section 15, prohibiting acceptance of PVC containers at waste-to-energy facilities, be deleted in its entirety, since it is not based on anything scientific, but simply on someone's opinion that is not borne out by scientific fact.

Prohibition of PVC containers from being processed at waste-to-energy facilities does not remove PVC from that stream. PVC is one of the most versatile plastic materials we have. If we aim to drive it off the market, then we must drive out PVC flooring, shower curtains, tablecloths, shoe materials, piping, wire insulation, and a host of other useful products. The sad part of any such effort is that it is unnecessary, because it has been thoroughly demonstrated that well-designed incinerators readily decompose, virtually without a trace, any toxic materials that might be given off by their combustion. This is as true of PVC as it is of a myriad of other materials, all of which give off toxic materials improperly burned, including even paper.

As a final point, I recommend the deletion of Section 17, which would ban the laminated packages known as "brick-packs." Brick-packs are essentially no different than a host of other packaging composites, which are laminations of a variety of materials, the exact composition and arrangement depending on the requirements of their contents. To ban brick-packs would also warrant the banning of Lifesaver packages, Velamint packages, boilable pouches, cigarette packages, and a multitude of useful items in the retail and commercial packaging field.

It should not be our task to ban anything. This is the equivalent of environmental book-burning. Instead, we should learn how to handle the materials and encourage others to put their shoulders to the wheel and assist in this effort. Much of this legislation is based on such a requirement, forcing people, under threat of deposit legislation, to develop means for recycling.

Solution of our solid waste problem is going to have to be a cooperative effort. Let us approach it in that spirit, by developing solutions to any problems that exist, and not by trying to make problems go away by ignorantly placing broad bans on useful materials.

I look forward to working with the Committee on refinement of this bill, and I will be happy to cooperate with any and all of you in any way you deem desirable. Thank you.

ASSEMBLYMAN HOLLENBECK: Just a minute, Art. Ladies and gentlemen, we have just been joined by Assemblyman Pankok and Assemblyman Shinn, members of the Committee. Do either of you have a question of the sponsor?

ASSEMBLYMAN PANKOK: No, thank you, Mr. Chairman.

ASSEMBLYMAN SHINN: I have a question, Mr. Chairman. Art, one of the concerns I have had with various bills is compatibility with counties that are actively involved in recycling. Our county is in the position of having approximately 25 towns, 20 by mandatory ordinance, and about five by voluntary ordinance, that are involved in a county curb-side collection program. Right now we are collecting newsprint, but we intend to commingle glass and cans within six months. I think it might be advisable to put a section in the bill that recognizes county recycling programs, if the materials coming out of the waste stream don't create a bill that conflicts with that, if we are doing mandatory removal of the maximum materials of the waste stream to start with.

I looked at how we could change the bill to be totally compatible, and it is difficult. However, I think if we had a section which identified counties that have countywide recycling programs and made the bill compatible with those programs, it would solve a lot of the problems I had as I looked over the bill.

ASSEMBLYMAN ALBOHN: Frankly, I feel that the bill is completely compatible with such programs. Actually, I feel that your county and your municipalities are probably a leg up on the whole project because you at least have something in place, which a lot of other municipalities do not have.

As far as slight differences in what may be required by the county waste-wise, the county district plan, for example, you, in effect, may already have one. I think you are well on your way to having it, if you don't already actually have it in sufficient detail to satisfy the requirements of the bill. Any minor discrepancies, I think, are the kinds of fine-tuning I mentioned at the beginning -- perhaps before you arrived, I'm not sure -- and they may or may not be necessary.

I think the broad framework is there to accommodate, to encourage, and really to reward, if possible, those people who have done something on their own already and have set the stage, or set a pattern for other municipalities and counties in the State to follow. I think your county and your municipalities, since you have gone as far as you have, are really to be commended. I see no reason at all why they shouldn't be completely compatible with anything that comes out of this bill.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Art. Is Assistant Commissioner Tyler from DEP here?

ASSISTANT COMMISSIONER CHARLES A. RICHMAN: Mr. Chairman, it would make things a lot easier if we could both come up together.

ASSEMBLYMAN HOLLENBECK: Why not?

ASSISTANT COMMISSIONER GEORGE TYLER: Good morning, Mr. Chairman and members of the Committee. How are you? It's crowded this morning, you must be giving something away.

My name is George Tyler; I am Assistant Commissioner of the Department of Environmental Protection. With me is Chuck Richman, Assistant Commissioner from the Department of Energy. We would like to thank you for this opportunity to be here today to discuss the disposal for mandatory recycling legislation in this State.

I would like to take just a few minutes of your time to discuss with you the context within which this legislation was proposed, and some of the background on how it was developed. The members of this Committee and many of those who are here today to testify on this bill are well aware of the fact that the State continues to face critical decisions in solid waste management. I would like to bring you up to date on where we stand at this moment.

We now have 10 sanitary landfills in this State which are receiving more than 90% of the nonhazardous solid waste generated in New Jersey. The five largest landfills are actually taking over 50% of the waste generated in this State. Of the top five, three in the Meadowlands are receiving fully 25% of the State's waste, and are rapidly running out of usable space. In addition, it is questionable whether sufficient space exists in New Jersey to accommodate waste from

landfills which must be closed this year, either because of environmental problems or because of lack of capacity. One landfill alone, the Edgeboro Landfill in Middlesex County, is now accepting waste from four other counties. That waste amounts to almost 7,000 tons a day delivered in some 900 trucks.

As of late last year, Edgeboro was expected to last for at least four or five years, and perhaps eight to ten, given the amount of waste that was disposed there. We now expect it to reach capacity in two years. The fifth of the top five landfills in the State, the Kinsley Landfill in Gloucester County, is operating under a court order, without a State permit, and is scheduled to close by November of this year.

As far as the economics of disposing of waste in landfills is concerned, at least two landfills currently operating in New Jersey have tipping fees in excess of \$30.00 a ton. Fees as low as \$3.00 a ton were common in New Jersey in the late 1970s. Several of the largest 10 landfills have applied to the Board of Public Utilities for increases in their fees in order to make up the amount of money that they need for environmentally sound operation and safe closure. We expect that any landfill that opens from now on will have a tipping fee of at least \$30.00 a ton. As an aside, I might note that we don't think that high tipping fees are, in and of themselves, bad, because properly engineered and environmentally safe landfills cost much more than open dumps do. In New Jersey, we cannot afford to approve less than state-of-the-art facilities for solid waste.

Beyond the current situation with landfills, there is some good news to report to you, and there is some bad news, with respect to resource recovery facilities. The good news is that since the passage of A-1778, which was signed into law on February 4, we have a number of municipalities which are seeking to become host communities for resource recovery facilities. In Middlesex County alone there are four municipalities that have gone on record as saying that they would like to host resource recovery facilities for some or all of the county's waste. A few of those towns are even asking to accept waste from other counties.

In addition, eight counties have formally designated 10 separate sites for resource recovery facilities, and four separate project sponsors are actively pursuing environmental permits and have arranged financing for their facilities. The Department has had discussions with a number of other applicants and the waste to energy siting process is moving along very well at this time, albeit after far too long a delay.

The bad news is that none of these facilities will be in operation before 1988. Moreover, we will need a tremendous infusion of capital to construct resource recovery facilities. Unfortunately, at this time the Congress of the United States is contemplating reducing tax incentives for investment by the private sector in these types of facilities. When we looked at the amount of financing that has gone into the first two facilities, we found that it is costing in excess of \$100,000 per ton of daily capacity to build one. Unless we significantly reduce the amount of waste which must be processed at a resource recovery plant, we will need well over \$2 billion to construct enough resource recovery plants to meet New Jersey's needs.

What we are trying to accomplish in New Jersey is the development of an economically efficient and environmentally sound solid waste management program. We anticipate that by 1995, recycling, including composting, could eliminate about 20% of the nonhazardous waste stream; waste to energy facilities could account for about 60%; and, landfilling would be necessary for the remainder. These goals are realistic. Recycling for reuse is both economically and environmentally the preferred method of handling solid waste, and naturally we would like to see the recycling percentage as high as possible. Our goal is to reach a point at which only non-recyclable residuals and non-processables are being landfilled.

Given these ambitious goals, approximately one year ago we set out to help to develop legislation to meet the State's recycling needs. To assist us in that task, we asked the Recycling Forum, an organization of recycling professionals, to provide input in the development of a mandatory recycling bill. The Forum provided the

nucleus of the Recycling Advisory Committee which was headed by Jean Clark of Montclair. The Committee put a great deal of time and effort into developing recommendations, many of which are now a part of the bill before you today. Their help was invaluable in the process. We recognize that no one will be entirely comfortable with every provision in this bill. In fact, I understand the Recycling Forum will testify to that effect today and will recommend some changes. Nevertheless, we believe the bill is an excellent starting point for your deliberations.

The natural question this bill provokes, as it did initially in advisory committee sessions, is: Why mandate recycling? As you know, since 1982, with the adoption of the Recycling Act, we have been operating a voluntary statewide Recycling Program. We have found this program to be exemplary; it has functioned well and has met with notable successes. Indeed, New Jersey's program has gained national attention and recognition.

Over 400 municipalities today have some level of recycling activity operating. Over 100 of these towns mandate recycling of one or more materials. Our figures indicate that the amount of material recycled in New Jersey has tripled since 1982, which was the first year of the Recycling Act.

We estimate that a million tons of waste is now being recycled in this State. This represents about 15% of the municipal waste stream and 10% of the total waste stream. But this is not enough.

Recently, when the courts were confronted with the problem of dwindling landfill space in specific areas of the State, they began to order entire counties to institute mandatory recycling as a means of conserving what little space is left. This judicial logic parallels our thinking.

To conserve existing landfill capacity and to avoid the costs associated with disposing of waste in expensive new landfills and waste to energy facilities, we must restructure the management of solid waste in New Jersey. Increased recycling must be the cornerstone of our waste management strategy. The excellent start we have made must be built upon and expanded. It is imperative from an environmental

perspective. Happily, mandatory recycling can be highly beneficial from an economic, energy management, and employment viewpoint as well.

Our experience in New Jersey tells us the highest recycling rates are achieved by those communities that: (1) mandate source separation; (2) provide convenient collection systems; and (3), perform effective education programs. Based on that experience, we believe recycling should be mandatory statewide in order to achieve our waste management goals.

One of the major issues with which the Department and the Advisory Committee grappled when drafting this bill was the issue of markets or reuse potential for recycled materials. In order to achieve our goal of increased recycling, there must be a mechanism for reuse, disposal, or, hopefully, a market for the recyclables. The bill addresses this issue in four ways: (1) market availability; (2) incentives to stimulate the market; (3) State procurement to provide a larger market; and (4), recyclability of products.

Except for aluminum cans, for which we know there is an ample market, no material is immediately included in the mandatory recycling program. Let me emphasize this point: If a municipality, or a group of municipalities, or a county, under this bill, cannot make arrangements for reuse, disposal, or sale of the recyclables during the planning phase, the municipality may temporarily be exempted from adopting a mandatory recycling ordinance. Municipalities may, and we fully expect them to, build upon their existing programs to reach recycling goals.

The bill provides four separate tax incentives to the materials recovery industry and the consumer to enhance the demand for recyclables as industrial and commercial raw materials. These include:

A sales tax exemption on products made from 50% or more post-consumer materials;

A sales tax exemption on beverages in a package which is made of 50% or more post-consumer material;

A 20% investment credit against the State Corporate Business Tax for the purchase of recycling equipment; and,

One hundred percent of the energy costs incurred in manufacturing products composed of more than 50% post-consumer waste will qualify as a deduction from the Corporate Business Tax.

In addition, through an increased Recycling Fund raised through taxes on waste disposed of in landfills, more money will be made available for low-interest loans to private-sector recyclers and for research and market development.

Under the bill, the State is to increase its purchase of recycled paper products, in stages, to 60% of paper purchases by 1988. The bill also requires that plastic and metal beverage containers be labeled to identify material composition and whether or not the packaging is recyclable. This will aid the consumer in separating his waste and, it is hoped, will encourage the purchase of goods in recyclable packages.

From a positive perspective, the bill encourages the packaging of products in recyclable materials such as glass and aluminum. That is the underlying philosophy of the proposed legislation. It is a clear message to industry that in developing and using packaging material, consideration must be given to final disposal of the packaging by the consumer. New Jersey's disposal crisis no longer affords us the luxury of displacing recyclable packaging with materials that burden the consumer with increased costs of disposal, both monetary and environmental.

Assembly Bill 3382 is a comprehensive approach to recycling and provides for incentives to encourage the use of recyclable material. The program would be phased in over a period of two to three years. This would provide time for municipal and county planning and for expansion of the markets.

As I stated previously, Mr. Chairman, there may be some controversial aspects to this bill. However, it is vital and essential for the long-term environmental and economic well-being of New Jersey that this bill be enacted. We welcome this opportunity to participate with others who are here today to comment, and to work with you and the other members of the Committee to enact this legislation.

Thank you. I apologize for the length of time I took, but I wanted to give you that background. Chuck Richman from the Department of Energy has a few other thoughts.

ASST. COMMISSIONER RICHMAN: If I may, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: Sure.

ASST. COMMISSIONER RICHMAN: Mr. Chairman and members of the Committee: I think the importance of this legislation is demonstrated by the fact that the Department of Environmental Protection and the Department of Energy can sit side-by-side and endorse this bill. Each of us represents areas which don't always see eye-to-eye on subjects, but on the question of mandatory recycling and the benefits to the State, we jointly believe that passage of this legislation is most important, and passage of it on a timely basis.

Not only does this bill qualify as a sound environmental piece of legislation, but it clearly aids in an intelligent, long-term approach to good energy policy. For each kind of paper we recycle, we save the equivalent of one and three-quarters barrels of oil; for each ton of glass, about a quarter of a barrel; and for each ton of aluminum, about 39 barrels of oil. If you look back to the most recently documented data, the 1983 data, people in this State saved over \$5 million worth of energy recycling paper alone. The energy savings can be substantial, and can add to the benefits of this type of legislation.

The bill, though complex, really revolves around three things. It revolves around a process of establishing planning and implementation at the municipal level, and at the State level, to create a sound recycling program, some of it on a mandatory basis, and some of it through State purchasing. But, it moves in a strong direction to build those incentives in those markets.

The second thing it does is create incentives and disincentives for certain products. We believe that some of these created disincentives are through deposits, as opposed to other products which can be used for packaging where there may not be a deposit. We can move the waste stream in a direction where products which are more easily recyclable, more easily brought in, remain

separate of the waste stream, and can be merchandised and sold in the State. Finally, it provides for certain market development incentives through tax incentives to industry at the beginning which become part of the end of the process, the market side of the process, to develop those markets to use more recycled materials and to make the whole, if you will.

Those three things are repeated throughout the bill. We believe they are adequately addressed to start this important process. Any bill as complex and as comprehensive as this is going to draw fire. You will probably hear at your hearing today, and in the future, from the many people affected by one portion of the bill. I think it is important to remember that the bill should be looked at as a whole. Once we start giving to one area or one special interest group, we start to tear away the fabric of the comprehensive Recycling Act.

When you look at the alternatives to the bill of building more resource recovery facilities, trying to find more landfill space, or trying to deal with the waste products in some other fashion, I think that even if the bill has some warts on it, it is still better than the alternatives we will ultimately face.

We urge the Committee to consider the bill as a whole. We recognize that the bill will be amended; we recognize that there will certainly be more give and take, but we hope that what comes out of the Committee, reaches the floor, and hopefully comes out of the Legislature to the Governor's desk, will be a bill that faces and deals with the entire problem. It was Abraham Lincoln who once suggested: "If we are to overcome all of the objections to doing something, nothing will ever be accomplished." I think we have to understand that when dealing with this bill. We are not going to overcome all of the objections, but we believe that through the long process that has taken place prior to this bill being introduced by Assemblyman Albohn, and through the process of this Committee, we will be able to pound out a bill which will do much, not only to enhance recycling in the State, but will do much to deal with our solid waste problems.

Thank you for your time.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Richman. I hope I don't break up this wonderful love affair between your two Departments. The location of the Office of Recycling is in DOE right now, and there has been some discussion about whether that Office should become a part of DEP. Mr. Tyler, do you have any feeling on that particular subject?

ASST. COMMISSIONER TYLER: I think it works fine the way it is. The old rule of--

ASSEMBLYMAN HOLLENBECK: (interrupting) Is recycling an environmental issue or an energy issue?

ASST. COMMISSIONER TYLER: It's both; clearly it's both. It's an economic issue--

ASSEMBLYMAN HOLLENBECK: (interrupting) Which is primary? Are you saying it is 50%-- I don't know.

ASST. COMMISSIONER TYLER: I don't know how you put a value on those kinds of things.

ASSEMBLYMAN HOLLENBECK: I don't know because--

ASST. COMMISSIONER TYLER: (interrupting) The original Recycling Act created authority for two Departments jointly. Administratively we responded to that legislative mandate by creating a joint program that serves the energy needs of the State and the environmental needs of the State. The old rule of thumb is, "If it ain't broke, don't fix it."

ASSEMBLYMAN HOLLENBECK: Mr. Richman, would you like to respond?

ASST. COMMISSIONER RICHMAN: I would like to agree.

ASSEMBLYMAN HOLLENBECK: You do agree or you don't agree?

ASST. COMMISSIONER RICHMAN: We do agree, certainly. To some extent, I think I take a paternalistic view of the Office of Recycling, in that I was there at the beginning and nurtured the idea of recycling as a State policy back in the mid-1970s. The system works; it works well. It creates a balance of thought and a balance of ideas, particularly when you measure recycling against some of the other aspects of the regulatory process DEP must deal with. Here we are proponents of a given activity, not regulators.

I think it has worked well; I think it has served the State well; and, I hope it will continue in the manner it is now administered.

ASSEMBLYMAN HOLLENBECK: We have some questions dealing with people using the old adage, "If it ain't broke, don't fix it." We aren't fixing a lot of things that aren't broken within this legislation. Assemblyman Albohn suggested the part about the deletion of PVC in his own legislation. He felt that should not be in there. He has asked that that particular section be deleted.

The paper industry is saying they have a fairly large voluntary market now and are doing a fairly good job of recycling paper. There is a system that is working well. Why do we have to go into a mandatory system when it is working well with a voluntary system? These are the kind of questions we get, and they are valid. There are a lot of different groups in there which will interject something into it, but if it is a valid argument they bring, why should you dump on someone who doesn't have to be dumped on?

ASST. COMMISSIONER TYLER: I'm not sure if that was a rebuttal or a question.

ASSEMBLYMAN HOLLENBECK: I thought Mr. Richman would like it. He likes the Departments, so maybe he would like to answer the question.

ASST. COMMISSIONER RICHMAN: The question of PVCs is more in the environmental--

ASSEMBLYMAN HOLLENBECK: (interrupting) I just cited that as an instance, you know, whether we have a tendency to go too far in some things where we really don't have to go so far. I think the Committee members are very concerned with that.

ASST. COMMISSIONER RICHMAN: Sure, but I think, as Assistant Commissioner Tyler pointed out, that the way the bill is structured, if we are really to get the maximum out of paper, if that is to be, and additional communities planning recycling programs cannot find markets, the communities will not have to participate in the mandatory section of the bill, and the market will function fine.

What the bill does is mandate that that town at least look to see if we can squeeze more recycling out of the process. Everything we have seen -- the data we have seen -- suggests that getting more out of recycling will help us on the capital side of dealing with the waste stream in other means.

ASST. COMMISSIONER TYLER: If I may add to that, Mr. Chairman, what is broken here is that we don't have anyplace to put the newsprint that is not being recycled right now. It is going to landfills which, as I indicated, are experiencing a rapidly dwindling capacity, and we are paying more and more to put it there.

ASSEMBLYMAN HOLLENBECK: That is a plus for a resource recovery unit, isn't it?

ASST. COMMISSIONER TYLER: Not necessarily. Every resource recovery operator we have dealt with -- and I probably should have said this in my direct testimony-- There is no inherent conflict whatsoever between a vigorous recycling program and resource recovery waste energy facilities. The two are perfectly compatible. In fact, in resource recovery facilities in areas which do not have vigorous recycling programs, one has to remove most of the recyclables before they are introduced into the waste-to-energy facilities. So, they are perfectly compatible. I have asked the newsprint question of project developers repeatedly, and it is never a problem in terms of taking that combustible out of the waste stream.

I just want to add one other thought. There are lots of potential additional markets for things like newsprint in this State alone, if not in the region. I just checked quickly in the last few days, and basically if there is an average newspaper in a region, the average amount of recycled newsprint is well under 20% in that average newspaper. In fact, just to give you two examples, The New York Times uses about 300,000 tons of newsprint a year; they use only 10,000 tons of recycled newsprint. So there is a 290,000-ton-a-year potential market in one newspaper. I could read all of them off, but then I would have the whole press corps mad at me, so I won't do that. But, there are potential markets out there and, as Chuck said, the bill is not a mandate until the solutions are developed, but is intended to stimulate those solutions. They are solutions we desperately need.

ASSEMBLYMAN HOLLENBECK: Of course, those were national figures. We are not talking State figures on the total tonnage of recycled newsprint at The New York Times, are we?

ASST. COMMISSIONER TYLER: Well, I--

ASSEMBLYMAN HOLLENBECK: (interrupting) We are interested in this particular question in New Jersey, and all of a sudden you use a statistic that has a tendency to mislead.

ASST. COMMISSIONER TYLER: I don't think I am using a national figure. I can check, but I think I am using a--

ASSEMBLYMAN HOLLENBECK: (interrupting) You know, they print more--

ASST. COMMISSIONER TYLER: (interrupting) I think The New York Times is printed in New Jersey.

ASSEMBLYMAN HOLLENBECK: But they distribute it and sell it in other cities and other states, don't they?

ASST. COMMISSIONER TYLER: Well, that gives them an even greater capacity for New Jersey--

ASSEMBLYMAN HOLLENBECK: (interrupting) I'm just showing you that you can't use that as a New Jersey recycling figure.

ASST. COMMISSIONER TYLER: I would be glad to go into it at some length with you at a later date, but I think that is the capacity that is available here. That is what I meant.

ASSEMBLYMAN HOLLENBECK: Assemblyman Shinn?

ASSEMBLYMAN SHINN: George, in siting landfills, there are three problems -- site, site, and site. In recycling, there are three problems -- market, market, and market. I think, from our experience, that if a town or a county -- and we're more county-oriented because that is where we have been doing our work -- is going to be successful in really taking recyclables out of the waste stream in our current market for recycled products, they better have an intermediate processing station, or you are just going to see a lot of exemptions based on this small amount of glass, possible corrugated, bimetal cans, etc., etc.

One of the things that concerns me is, are we going to be able to get through the process with IPFs in DEP soon enough to address

the marketability of the products? I guess the real bottom line of the question is, is there any thinking relative to freeing up the intermediate processing sitings and bringing them on line in order to-- I think as municipalities and counties start to explore this whole process, you will get down to the market and there won't be any. Then you will keep going around in circles. To me, if we are trying to get the maximum out of the waste stream, I think that the commingled material, collected in some fashion, would be the best way to do it.

What do you do with the product once you get it? To me, an intermediate processing facility would be a good way to separate your materials and prepare them for market. If you have a proven solid waste management plan and you have to get it through plan amendment, that process -- the whole siting procedure under the Solid Waste Management Act in order to comply with this bill -- is a long process. I am concerned about where we are going at the end of this line and how everything is going to interrelate.

ASST. COMMISSIONER TYLER: Okay. The bill is designed to fit in, not contradict the Solid Waste Management Act planning process. So, in the final analysis, the county governments of the State have the prime responsibility -- as you well know, given your exemplary program in Burlington County -- for integrating the total Waste Management Program in the counties and, as a result, they will be able to build in, if they so choose, an intermediate processing facility or any other facility they would like to build into the process.

At our end from an administrative standpoint, at the present time, well in advance of any activity that would be prompted under this bill, we are preparing amendments to our Administrative Regulations to deal with the small facility issue under the Solid Waste Management Act. There are a number of types of small facilities such as intermediate processing facilities, vegetative composting in municipal settings, and unseamed disposal of construction debris by builders, that do not warrant the same environmental impact statements and full permitting that a resource recovery facility does. Right now you are correct, it is difficult for the system to distinguish between a small facility and a major resource recovery plant. I think that will

change; I think you will see those changes within the next -- it's a matter of weeks, or if not, maybe a couple of months. So, we will be attempting to expedite that.

ASSEMBLYMAN HOLLENBECK: Assemblyman Pankok?

ASSEMBLYMAN PANKOK: Thank you, Mr. Chairman. The town I live in has a pretty active recycling program. I talked to the people who are running it, and their biggest problem is finding a market, including newsprint, metal, glass -- well, glass is not a problem because Anchor Container in Salem does a commendable job as far as recycling glass is concerned. But, as for the newsprint, metals, and so forth at the landfill where they are storing it in a dry place while trying to find a market, that is the problem. This is fine and this is noble, but we had better darn sure try to find a place, or name a Czar in New Jersey, or somebody who is going to go out and have one job -- one job only -- and that is to find a market for recyclables. If we can't sell it somewhere, then we are just playing games with ourselves. After that newsprint piles up so high, then it is going to go on a landfill because there won't be a place to take it.

ASST. COMMISSIONER TYLER: The bill is designed-- I'm sorry.

ASSEMBLYMAN HOLLENBECK: That wasn't a question the Assemblyman was asking; that was more of a statement. He's probably right. It is a major concern. I think Assemblyman Shinn said it; I think Tom said it. The question is, recycle what to whom? Until we answer those questions -- and they both have to come on line -- we are just spinning wheels. Assemblyman Albohn talked about PVC. Obviously, within your legislation you're saying you think PVC should be banned for use in the resource recovery units. There seems to be a difference of opinion about that particular subject between the one sponsor and yourself. We could probably find a difference of opinion in varying degrees within the Administration on that particular portion.

ASST. COMMISSIONER TYLER: No one promised this was going to be an easy bill, but the bill is designed--

ASSEMBLYMAN HOLLENBECK: (interrupting) Well, you have to justify it, too.

ASST. COMMISSIONER TYLER: (continuing) --to stimulate the markets. As I indicated, there are a number of tax exemptions, sales tax and corporate income tax exemptions, to stimulate the use of recycled materials. There are provisions in this and other legislation to stimulate the low-interest loan situation that we already have under the Recycling Act through the Economic Development Authority for the recycling industry. There are resources provided to serve those kinds of needs.

With respect to the difficult-to-recycle products, we have to address them. They can't be dealt with adequately in existing landfills; they can't be dealt with adequately in resource recovery plants, or at least they are very problematic and add to the costs. This bill doesn't outright ban -- until after a period of time -- attempting to deal with the issue using the technology that is available to us. When we go through that process, the Legislature will have time to review those issues if, indeed, a solution is not discovered. With respect to things like tires, for example, they can't be adequately disposed of in landfills or resource recovery plants without a great deal of additional work in terms of facility development and cost. The bill provides time for the industry to identify the means to deal with those kinds of products, and then it provides resources through the government to try to deal with those kinds of products.

So, in the long run it is a progressive bill to address these problems. To do nothing is to leave these problems on the table where they are today, and to give us problems in either a resource recovery situation or a landfill situation. We have to take a step in that direction.

Secondly, to go back to Assemblyman Pankok's comment, the bill is not a mandatory recycling bill unless there is a technique, a mechanism, a disposal option, or a market available for those products. So, while it will stimulate those kinds of needs, and will serve those kinds of needs, it will not force a municipality into building a mountain of unuseable newsprint.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Tyler, and thank you, Mr. Richman.

ASSEMBLYMAN SHINN: I have one more question, Mr. Chairman, if I may. I hate to drag this out, but while I have George here, I would like to lean on him as much as possible. (laughter)

ASSEMBLYMAN HOLLENBECK: I wish all the questions were short, and all the answers were short.

ASSEMBLYMAN SHINN: Okay. Would you object to a market research component to the legislation?

ASST. COMMISSIONER TYLER: No, not at all.

ASSEMBLYMAN SHINN: Okay. That's short and sweet.

ASST. COMMISSIONER TYLER: Thank you very much, Assemblyman.

ASSEMBLYMAN HOLLENBECK: What it comes down to-- What the Committee decides we would like to have is what is going to end up in the bill. Again, thank you very much.

May we have Mary Sheil from the Office of Recycling? Mary, you wanted to testify? That isn't a whole book you are going to read, is it?

MARY T. SHEIL: No, I am not going to read anything. I prepared the testimony for Assistant Commissioner Tyler, with Barbara Greer from the Office of Regulatory Affairs. I think he presented what we have to say. I think all we can add is that we feel it has to be addressed as a comprehensive bill. The bill, as Assemblyman Albohn said, is a hart-hitting bill; it pulls no punches. It takes all of the issues into account. We feel that if we are to do recycling, we have to have products that are highly recyclable. The industry that is constantly changing packaging as we develop recycling programs must address this issue in their packaging design. I think that is probably one of the most controversial segments of the bill. The burden should be put on the industry as they design their packaging.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Do you have any questions of Mary Sheil, Assemblyman Shinn?

ASSEMBLYMAN SHINN: Would you object to a marketing component in the legislation?

MS. SHEIL: No, I think we built that into the bill. We have 35% of the revenues that would be generated through this bill dedicated to market development and research efforts. The Committee should be

interested to know that because the Office of Recycling came out with a report to the Governor and the Legislature, and then this bill came out of the Legislature, the plastics recycling industry formed a Plastics Recycling Foundation. Out of that came the Plastics Recycling Institute. They searched all over the country and selected Rutgers University as the site for that Institute to do research and development on plastics recycling. They are putting their own money into it. They have raised close to \$1 million, and plan to raise \$3 million more over a three-year period for that program.

So, this bill is looming out there on the horizon. People are listening to us about the needs. Some of that is occurring already, and we are very supportive of it.

ASSEMBLYMAN SHINN: It is my feeling that we have to bring that to the forefront of the bill because what we are telling towns is: "Okay, take all of this material out of the waste stream." My concern is that if we get the material separated, it will end up in a landfill, because we can't stockpile forever. Then communities will go into resource recovery facilities with plastics with a high BTU rating, and we will get into a problem with large quantities of pure plastic in resource recovery facilities. If we do not get that market addressed early on, or at least decide what we are going to do with the product, I think it is going to build problems down the line. Communities are not going to be able to subsidize programs unless we pull that marketability to the forefront and get people working on specific products, such as tree stumps, tires, plastics, and glass, and involve the industry in the process, and the scientific community, to really identify that specifically. To tell a town to separate without a market is, as you know better than anyone, a real problem.

MS. SHEIL: We totally support that. We think it fits in very well with the high technology research that the Governor is supporting in the State of New Jersey. There is no better place than our universities to develop some of this. We have worked on research projects on composting and food waste ourselves with Rutgers University, and we very wholeheartedly support expansion of that type of work.

ASSEMBLYMAN HOLLENBECK: Thank you. Assemblyman Pankok?

ASSEMBLYMAN PANKOK: Is your Department doing anything to find markets for recyclables?

MS. SHEIL: Well, we have marketing incentives built into the bill to expand those markets. We developed--

ASSEMBLYMAN HOLLENBECK: (interrupting) The question was, "Are you now doing it?"

MS. SHEIL: What we have in our office right now is a directory, which is probably the most comprehensive directory in the nation on availability of recycling markets in this area. We work with various industries to try to sort out problems as they come up, but right now we do not have the incentives that are built into this proposed legislation, built into our existing legislation. We have worked closely with the paper industry and the plastics industry. Right now we are working on a marketing and recycling plan with the tire industry -- Firestone and Goodyear are involved in it -- to come up with something workable for New Jersey. But, we feel we need the financial incentives that are built into this new bill to help to stimulate and expand market capacity.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mary. We have just been joined by Assemblyman Adubato, who is the Vice Chairman of this Committee.

May we have Mr. Richard Killeen from the Bergen County Utilities Authority? Going once, going twice-- (Mr. Killeen not present) Ms. Trisha Ferrand, Executive Director, Association of New Jersey Recyclers? (Ms. Ferrand not present)

ASSEMBLYMAN SHINN: See, Mr. Chairman, you fooled them all; you started on time.

ASSEMBLYMAN HOLLENBECK: That's right. We do fool them when we start a hearing on time. Mr. Maurice Sampson, Recycling Coordinator for the City of Newark? (Mr. Sampson not present) I'm going down the list fast. Ms. Vicki Snyder, Recycling Coordinator, Gloucester County Planning Board? (Ms. Snyder not present) Oh, we're doing wonderfully. (laughter) Ms. Pamela Tidswell, Burlington County Waste Management Programs? (Ms. Tidswell not present)

ASSEMBLYMAN SHINN: I'll make sure she gets docked. (laughter)

ASSEMBLYMAN HOLLENBECK: I know the next gentlemen on the witness list are here, Steven Fass and Ted Pytlar, Essex County Department of Planning and Economic Development. We knew that Essex County would be here. Gentlemen, if you have a long prepared statement, please submit it, and then paraphrase it for the Committee. Just pick out the major portions of it.

THEODORE PYTLAR: Mr. Chairman, we have given your aide 10 copies of our statement for distribution.

Good morning, Chairman Hollenbeck, members of the Committee, and staff. We appreciate the opportunity to offer testimony on behalf of Essex County with regard to these two bills. My name is Ted Pytlar. I am the Director of the Division of Solid Waste Management for Essex County. Steven Fass is our Recycling Manager.

The passage of either of these bills would have an impact on everyone who lives or works in New Jersey. The bills would also affect the work that has been underway in Essex County to deal with our solid waste disposal and litter problems. Therefore, we are most concerned about the content of these bills, and we hope you will seriously consider the proposals which we offer today.

Since the problems that mandatory recycling and beverage container deposit legislation are trying to solve are closely related, legislation advancing them cannot be considered separately. Public debate on these subjects has reflected their inseparability for some time. Mr. Hollenbeck, your bill has been the first piece of legislation that has attempted to reflect that reality, and we commend you for it. It is extremely difficult to devise a concept that eliminates the conflict between mandatory recycling and a beverage container deposit system, but it must be done.

Essex County supports the goals of waste reduction and litter reduction through recycling and beverage container deposits. In February, 1983, a requirement for mandatory recycling countywide was included in our Solid Waste Management Plan. In addition, County Executive Peter Shapiro and the Board of Chosen Freeholders have stated their support for beverage container deposits on a number of occasions. Any legislation that is passed must advance both goals and

not hinder either. Our goal and our oral and written comments on the legislation are offered to that end.

We would like to offer suggestions for improving specific provisions contained in the bills and then to propose a new concept which, along with the improved provisions from each bill, would comprise a unified legislative proposal.

Mr. Fass will now detail those and give you our proposal.

STEVEN FASS: Mr. Chairman, in compliance with your request, I will try to paraphrase as much as I can.

First, I would like to comment on some specifics in the two bills. While both bills contain a number of desirable provisions, such as requirements for the procurement of products produced from recycled materials and tax incentives for firms involved in recycling, some of those provisions need strengthening, particularly with regard to markets. Unless we are able to resolve the marketing problems, I don't believe that either mandatory recycling or beverage container deposit legislation will be able to produce the waste stream reductions that they fully should. Market development research, while necessary on an ongoing basis, is not adequate to respond to the marketing problems we have right now, particularly with respect to food and beverage containers and leaf compost. Any effective legislation must emphasize the necessity that the private sector or the State provide market commitments and alternative uses for many of these materials. If the marketing dilemma cannot be resolved, I think the legislation will have a high probability of failing and causing a setback similar to the one that was experienced in recycling the collapsed newspaper market in 1974.

One of the things that we have a great concern about is the phase-in of the bills and the timetable that is established for them. We feel that the schedule for achieving recycling bills should correspond with a schedule for implementation of each county's Solid Waste Management Plan.

The use of percentage requirements, specifically the 15% waste stream reduction in the first year and the 25% waste stream reduction through the second year of the bill, are probably unworkable

and should probably be replaced with specific performance standards based upon the expansion of recycling programs by municipalities and businesses. As you may be aware, we cannot accurately measure our waste stream right now since we do not have scales at landfills uniformly throughout the State. So, to assess our progress in terms of percentage reductions in the waste stream doesn't make a whole lot of sense, because while the recycling data we have is pretty firm, the information we have on the size and composition of the waste stream is not as good, if it exists at all.

Another point is that changes in the composition of the waste stream, such as glass and cans being replaced by plastic and other packaging materials, is making garbage continually less heavy, and to use a weight reduction basis may not make sense if a lot of the materials are lighter. We may not be able to make the 25% by weight. Also, the day-to-day variations in moisture content of the waste may make those performance standards unworkable.

One of the particularly important things we have considered as a county is the development of collection systems for suburban programs in particular. The solid waste industry has indicated an interest in getting involved; however, they have some very real concerns that need to be addressed. Most of these relate to regulation by the Board of Public Utilities. Included already in the bill is an exclusion of all recycling revenues from tariffs established by the BPU for solid waste collector/haulers. We feel that this is very important, as well as no economic regulation of recycling collections by the Board of Public Utilities.

We would also suggest, in addition, that private contract collection, which is, in fact, the primary type of collection regulated by BPU, either be changed to be franchised by the municipality, or that collection fees be established on a cost-per-bag or cost-per-can basis. This will provide an economic incentive to residents to participate in recycling programs. In addition, in the commercial waste management end, we feel there is a need for a two-tiered tariff for commercial waste collection and disposal, which would essentially set the tariff just for the collection and transportation to the

disposal site, and would then bill back the generator for the actual disposal costs. This would tie in very well with the scales yet to be implemented throughout most of the State.

Specifically again, the requirement for separate collection of leaves should be removed. I think it is adequate in the bill as it stands right now just to require that they not be accepted at landfills during the period specified.

We have some concern about the landfill surcharge increase under the Recycling Act that is proposed through this bill. Municipalities have informed us directly that their property taxpayers have borne about as much as they can in terms of disposal surcharges and increases. The surcharges on disposal under the Recycling Act as it now stands, Assembly Bill 1778, the Landfill Closure Act, and the County Environmental Health Act all together, along with the increases in landfill rates themselves, are currently providing enough of an economic disincentive for disposal that I don't think we need to expand the recycling tax for that purpose. I think that increases in the tax should be clearly linked to the specific programmatic needs for the recycling program in New Jersey.

Let me just move ahead. In the market development section, regarding some of the taxes, consideration should be given to substituting a reduction in the gross utilities' receipts tax payments, instead of the 100% energy cost deduction from net corporate income taxes. Many recycling businesses are not terrifically profitable. In fact, many times they are marginal businesses. We feel that to provide a direct reduction in the billing for electricity would be perhaps more effective than offering the corporate net income tax deduction.

Let me move ahead to a specific proposal we have developed. We feel that the primary conflict between recycling and beverage container deposits occurs regarding the questions of how to deal with beverage and food containers. This is also the area in which recyclers currently face the biggest marketing problems. It is difficult at this time to find very strong markets for glass, and certainly for plastic bottles, tin cans, and bimetal cans. Since mandatory recycling and beverage container deposits have strong support in New Jersey, we feel

that legislation is needed which combines the two approaches and meets the primary objectives of the advocates of both approaches. We feel we have a proposal which should be considered an alternate to some extent. It attempts to combine the two concepts.

It would speak to the goals which are crucial to beverage container deposit and mandatory recycling programs: reducing the amount of materials disposed as garbage; again, strengthening of markets for recyclable materials; using the "polluter pays" principal to reduce litter; discouraging the use of any nonrecyclable containers and packaging; protecting existing jobs and creating new jobs in container manufacturing and recycling; and, maximizing private-sector involvement.

The provisions of this proposal would apply to all food and beverage containers. We feel there are basically two courses of action to be followed through this. The first is, the State must receive from the private sector -- and for the purposes of this section we are referring primarily to container manufacturers and/or the food and beverage distributors -- a commitment in a form acceptable to the State, which might be a promise to essentially buy back all of the containers which are sold in the State, either through container manufacturers or through other means. The commitment should provide for the purchase of the materials at fair market value. The amount to be purchased could be ultimately equal to a certain minimum percentage of the total amount consumed in New Jersey each year.

If the case of any food or beverage container for which no commitment can be made, there would be a requirement that: (1) it be refillable and a deposit placed on it if it is a beverage container; or (2), that a tax be placed on it if it is not a beverage container. When a purchase or an acceptance commitment for a type of container or packaging is made, the law will require that it be included in all county recycling programs and that the container must have clearly marked on it a statement that disposal of the container is prohibited by New Jersey law. The liability for compliance will rest with the generator, and not the collector or the disposal facility operator.

Container deposits will be collected, and emptied containers will be redeemed at retail establishments where they are sold or at an alternative location agreed upon by retailers, municipalities, and counties. Taxes collected will be utilized for litter abatement, market development, and recycling programs, and could be considered as an adjunct or a substitute, in part, for some of the current recycling tax that is assessed at landfills.

ASSEMBLYMAN ADUBATO: Is that it?

MR. FASS: That's it, yes.

ASSEMBLYMAN ADUBATO: Okay. Thank you very much. Assemblymen, any questions? (negative response) Okay. Thank you very much for your testimony.

MR. PYTLAR: You're welcome.

MR. FASS: Your're welcome.

ASSEMBLYMAN ADUBATO: I would like to call John Roland from HMLC -- the Hackensack Meadowlands Development Commission. (Mr. Roland not present) Ms. Carol Murphy -- Freeholder Carol Murphy from Morris County? (Freeholder Murphy not present) Lori Scozzafava from Morris County? (Ms. Scozzafava not present) Ms. Jean Clark, Director of Recycling, Montclair Recycling Plan? You can always count on people from Essex County, particularly people from Montclair. Hi, Jean. Do you have any written testimony for the Committee?

JEAN CLARK: Yes, I do. My name is Jean Clark. I am here today to testify as President of the New Jersey Recycling Forum. The Forum is a group composed of representatives of major recycling industries, dealers, recycling coordinators, haulers, and environmental organizations -- the people who are most involved in the day-to-day business of making recycling work. All members of the Forum also served on the Recycling Advisory Committee which spent long hours preparing a series of recommendations requested by Commissioner Hughey prior to the drafting of the mandatory recycling legislation, A-3382, which you are considering today. We argued, discussed, compromised, and arrived at the consensus which is included in these recommendations.

While we are pleased to see that many of our recommendations have been included in this bill, we are very concerned that some of its provisions may hinder, not help, to achieve the goal of increasing the amount of material recycled in New Jersey.

First, we feel that this goal should be spelled out in the bill by adding the following language at the end of Section 1:

In the implementation of this legislation, it is not the intent of the Legislature to replace or displace existing recycling activities, but to generate new or additional recycling programs to further reduce the amount of material going to landfills.

The Forum's major concern is to see that in the desire to increase the amount of material being removed from landfills, we don't forget that this material is not recycled unless and until it is converted into a useful product. This usually means selling it to a market. No useful purpose will be served if existing for-profit or nonprofit recycling networks are simply replaced by municipal or other public-sector employees. We feel strongly that the wording in Section 3(c) of the bill, which says only that private-sector recycling should be given due consideration in district plans, is not adequate and that the following wording should be substituted:

No recycling plan, solid waste district, or municipality shall divert materials from, or compete with, a commercial, for-profit or nonprofit organization operating within the solid waste district.

Basic to the recommendations of the Forum is the belief that a market must be assured before the requirement that a municipality mandate separation or provide for the collection of materials takes effect. This can be done by securing agreements with the markets. While we believe this is also the intent of the drafters, the language of the bill must be changed in Sections 4(a) and (b), and 5(a) and (b) to make this clear by stating that the agreements required are for the disposition of materials, rather than for providing "recycling services," which are defined in the bill to include collection, processing, and storage, as well as disposition.

Another of our concerns is that the time periods allotted for obtaining markets and setting up collection and processing systems

start with the adoption of the district recycling plan. However, there is no time limit given within which these plans must be adopted. Without some time limit, this process could be protracted interminably. We feel, therefore, that the requirement in Section 3(a) should state that plans must be prepared, and the word "adopted" added, within six months. By the time this becomes law, some counties will have completed, and most will have started, a recycling plan, since this is also a requirement of Chapter 326.

We realize that there is great concern about the increasing shift from the use of recyclable packaging materials, such as paper and glass, to materials for which there is no ready recycling market, such as plastic containers, aseptic packaging, and bimetal cans. We feel, however, that this is a very complex issue and should be dealt with in a separate bill. We feel it is particularly unwise to provide for the almost automatic imposition of deposits on both plastic containers and tires solely at the discretion of a department head without any further action by the Legislature. Any such proposals should be acted upon separately through the legislative process after full debate on both environmental and economic impacts. We feel that the hazards attributed to aseptic packaging and PVC containers should be carefully documented before such a drastic action as an outright ban is imposed. The Forum, therefore, recommends that the following alternative provision be substituted for Sections 12 through 17, and 21, that are referred to in the printed bill:

The industry and the State Office of Recycling shall investigate alternative methods for the collection, processing, and recycling of tires and plastic containers, including the imposition of deposits, and shall make recommendations to the Legislature by July, 1986.

We also feel that singling out aluminum cans as the only material mentioned in the bill for which mandatory separation ordinances are specifically required is likely to reduce, rather than increase, their share of the beverage container market. This is precisely the opposite of the effect desired.

In its recommendations, the Forum accepted the 36 cents per cubic yard landfill surcharge included in the October report of the Office of Recycling, which also outlined the anticipated use of this money. But we have seen no justification for the increase to \$2.00 per ton, or about 60 cents a yard, which is called for in this bill. It may be to provide more money to municipalities through grants and to recycling businesses through loans. However, our experience with the current Recycling Act has been that the State is much too slow in getting money back out where it can do some good. Of first importance is increasing the ability of markets to handle the additional material generated. But to date, not one penny of the money allocated for low-interest loans to recycling businesses has yet found its way into the hands of a single business, although the bill anticipated money would be available on January 1, 1982. Because a revision had to be made to that bill, the money actually became available in the summer of 1984, but I think the first loan is about to go out right now. There is no point in collecting more money if it never gets distributed.

We also approved an immediate distribution of \$1.00 per capita to municipalities to cover some program start-up and education costs. This money was to come from general appropriations and be distributed within 60 days, and was later to be reimbursed from the Recycling Fund. However, the appropriation has not been included in the bill.

One of the areas we spent a great deal of time on was to recommend ways in which legislation could stimulate markets. One recommendation was an investment tax credit of 50% on recycling equipment with a 10-year carry-over period. This has been reduced to 20%, which we think is far too little to provide the incentive needed, and we urge that this be raised. The carry-over period was also reduced to four years and we feel this is too short. We examined the possibility of sales tax exemptions as included in the bill, but did not recommend it since we felt it to be unworkable.

Since time is limited, I hope you will permit us to provide you with additional written comment on some other items pertaining to solid waste haulers, requirements for intermediate processing

facilities, and BPU regulations which have been mentioned in the bill. The Forum is still working on some recommendations to give you.

The final point I would like to make today is that the Forum feels that the Office of Recycling should not be split between two Departments -- the Department of Energy and the Department of Environmental Protection -- as it is at present, but should be given status in law in this bill and be included within the Department of Environmental Protection, since its problems are most closely related to those of solid waste management. Thank you.

ASSEMBLYMAN ADUBATO: Ms. Clark, I have a question. You made several recommendations that would make A-3382 a better piece of legislation. My question goes to the degree to which these recommendations would improve the legislation, meaning how vital are they to having mandatory recycling efforts work, in your experience? If we do not make these changes, what would the effect be? Would it be non-implementable?

MS. CLARK: I think the Forum feels that the changes we have recommended are essential -- that they are essential because, again, as has been reiterated by all of the people who know about recycling, markets are of prime importance. We must retain at least the recycling we have in the State today. If we don't do that, we are going to take a step backward, rather than a step forward.

ASSEMBLYMAN ADUBATO: Okay. Assemblyman Pankok?

ASSEMBLYMAN PANKOK: I have no questions.

ASSEMBLYMAN SHINN: Ms. Clark, basically I think the comments in your testimony were excellent and went to several of the areas I have concerns about -- conflictions within the legislation that would give county programs problems. I personally have a problem with the \$2.00 a cubic yard. I think when the new landfill rates hit the residential tax bill, we are going to see more than a minor uproar. Quite frankly, the government is going to get some responsibility for that. I think some of our tipping fee dollars are a little higher than

they might be. I am not sure the dollars are actually resulting in markets, which I think is part of the intent. So, I think we really have to focus on the market area, which you brought forward. I think that point is well taken.

ASSEMBLYMAN ADUBATO: Thank you, Assemblyman Shinn. Thank you, Ms. Clark.

I would like to call Robert Scalppino, Planning Director, Gloucester County.

ROBERT SCALPPINO: My name is Robert Scalppino. I am sorry, but I am a poor substitute for Ms. Snyder whose name is on the agenda.

I have a packet of information and some comments from our Freeholder, Steve Atkinson, which I would like to present to you. These comments are very specific, but I am not going to go through them. You have them in front of you.

I just want to make some brief comments. There is a big difference between the intent and the goals we want to achieve in this bill. A great deal of effort from many people has gone into the creation of this bill.

I am concerned about the implementation of the legislation and the regulations that will come from it. You are the people who pass legislation, but by the time the bills get to the implementation stage, I'm sure that in some instances, you don't recognize them.

We are most concerned about the problem we are all faced with; you've heard it before, and you are going to hear it again. The biggest problem we face is with the marketing of the materials we collect and recycle from the stream.

In Gloucester County, we have had a recycling program for quite a number of years. We have had some very successful municipal programs. We estimate that we are taking out about 15% of our generated County waste.

The Counties of Gloucester, Camden, and Salem are already under court order mandating recycling, and most of the municipalities in these three counties have recycling programs on their books through municipal legislation or resolutions.

We have had some sad experiences with changing life-styles and separating recyclables. Recyclables are collected by reluctant salvage collectors at the business level, and they are put in a bin. There is no market. The Department of Public Works takes this material to a landfill. That is disheartening, but that is what is happening.

We cannot overlook the aspect of marketing. We think the State must have a vital and strong role of initiative and leadership in the marketing aspect that can't be done at the municipal and county levels.

The major emphasis for recyclables is on aluminum. That is a very small part of our waste stream. One of the biggest parts of our waste is yard waste and asphalt, but your definition excludes them.

It is my opinion that the bill, as it is being presented, is not workable. It will not accomplish what we all hope to accomplish, and that is, reducing the amount of waste that goes into land disposal or resource recovery facilities.

Thank you.

ASSEMBLYMAN HOLLENBECK: Are there any questions? (negative response) Okay, thank you.

Ladies and gentlemen, we will be taking a lunch break for one hour at 12:30; then we will continue until exactly 4 o'clock.

Martha Clark from the Borough of Fair Lawn?

MARTHA CLARK: My name is Martha Clark. I am the Recycling Coordinator for the Borough of Fair Lawn.

ASSEMBLYMAN HOLLENBECK: Will you speak more directly into the microphone, please, so that the other people can hear you?

MS. CLARK: Sure. I would like to first comment on Assembly Bill 3398. Within this proposal, there are no considerations for the product to be sold within the recycling markets. There are no stipulations within this bill that the items cannot be landfilled. There are no provisions for the containers, which are damaged, unclean, and pose a threat to the public health, to be recycled. There are no regulations over the redemption centers.

From my personal experience regarding the deposit law in Connecticut, my family rents a cabin on Candlewood Lake outside of

Danbury. When we go fishing on a Saturday or a Sunday, I notice the deposit bottles, among other litter, floating in the cove where we launch our boat. We have also noticed these deposit bottles, among other litter, along the roadway. The grocery store I went to in order to redeem my deposit bottles checked every container; they gave me a receipt for cash, which I had to redeem in the same line as everyone else who was checking out his groceries. That was a long wait to get \$2 in redemptions.

I feel this proposal has good intentions, but it needs to address the markets and controls over the redemption procedures. I feel that the little abatement program we instituted in Fair Lawn with the younger school children will help to reduce the litter, especially when these children reach adulthood. I feel it is good to teach the young when they are very young.

Regarding Assembly Bill 3382, it is my opinion that this bill is an excellent foundation for statewide recycling, but there are a few suggestions I have for your consideration.

For a municipality that contracts out its solid waste pickup within the municipality, I feel the solid waste contractor should report directly to the municipality and county exactly how many truckloads of garbage are taken directly to the landfill. Those truckloads can be either in tonnage or in cubic yards. In Bergen County, we have cubic yards. This information would enable the municipality to monitor its waste stream and its recycling efforts.

With regard to the markets, weight tickers and/or letters verifying weights of materials recycled within the municipality -- whether a commercial establishment or a private concern -- should be made available to each municipality.

I am finding more and more of our residents using plastic bags to contain their garbage. I am very concerned about these plastic bags and I would like to ask for an alternative which would be safer for all of us.

With reference to the State Recycling Fund, I feel that a municipality that services its community with curb-side pickups and recycling centers should be awarded a bonus from the 35% allocated for

businesses and industries. It takes a lot of planning and effort for the municipality to provide this service which, I feel, should be rewarded. In the majority of the State of New Jersey, there is no such service available.

I would like to take this opportunity to thank the Committee members for listening to my comments, and a special thanks to the Office of Recycling for all of its assistance during the past two years.

I have the background information of our recycling program, and I would be happy to give this to you.

ASSEMBLYMAN HOLLENBECK: All right. Mr. Garger, do you also have testimony.

JOSEPH W. GARGER: Yes, I do.

ASSEMBLYMAN HOLLENBECK: All right.

MR. GARGER: My name is Joe Garger, and I am the Borough Manager for the Borough of Fair Lawn. Martha is the Recycling Coordinator.

Now you are listening to the little people all the way at the end of the line. You've heard from department directors and executives on the county level -- the Meadowlands -- and, we are the people at the end of the line who will be allegated and regulated with respect to any mandatory recycling act.

I originally planned to testify regarding the recycling bill itself, but when I found out that the companion bill, known as the Recycling and Beverage Container Redemption Act, was also on the agenda, I would like to take this opportunity to tell you that I have good and bad comments about both bills. I have good and bad recommendations about both bills. Unfortunately, Assemblyman Hollenbeck, I have a bad recommendation on your bill, Assembly Bill 3398, known as the Recycling and Beverage Container Redemption Act.

ASSEMBLYMAN HOLLENBECK: That concerns me a little too.
(laughter)

MR. GARGER: Since I am so close to North Jersey, I had fears about making these comments. I am making them in sincerity, with the hopes that they help this Committee.

It appears that the intention of this legislation is to provide a substitute or alternate method of collection of beverage containers in substitution for the legislation known as the Bottle Bill -- officially known as Assembly Bill 2606.

In my opinion, this legislation should not be enacted in any form or manner, even with modifications. We, the people who have to carry this out, tell you that it cannot be done without a total fiasco. I'll give you my reasons very quickly. I will be glad to come back, if there are modifications, to review those, and to give you my comments.

This bill is regressive, deficient, and does not accomplish the results intended by the Mandatory Statewide Recycling Law, known as P.L. 1981 c. 278.

Legislation provides for redemption centers to collect refillable and nonrefillable beverage containers without providing disposal markets.

Section 3(b) mandates redemption centers to collect and provide refunds for nonrefillable beverage containers without provision or knowledge of what will happen to, or how containers are to be disposed of.

Mandatory redemption centers established by legislation would virtually have to handle -- and, I ask you to consider this -- thousands, not hundreds, of different types and sizes of soda, beer, wine, liquor, etc. bottles and cans.

I have spoken personally to several individuals who have strong recycling goals, and I have found no one who feels that this legislation, on a municipal level, is in the best interest of statewide recycling goals and programs.

There are dozens of other material and worthwhile comments I could offer in testimony regarding the reasons why this legislation should not be enacted, but I decline to do so at this time with the understanding that this legislation, Assembly Bill 3398, will not be given serious consideration in its present form.

Now, the good news--

ASSEMBLYMAN HOLLENBECK: Neither will 3382, Joe. (laughter)

MR. GARGER: I'm sorry. It should be 3398.

ASSEMBLYMAN HOLLENBECK: And I said neither will 3382 be given serious consideration in its present form; that is the one you strongly support.

MR. GARGER: You know, everyone has the right to differ. I asked Martha Clark, my Recycling Coordinator, to prepare her comments independent of mine. I didn't know what she was going to say today, but I did want to give her the opportunity to make her comments known. I am happy to see that many of her comments coincide with mine.

Assembly Bill 3382 is known as an "Act Concerning Mandatory Statewide Recycling." This legislation has my full support, with some recommendations.

I congratulate the sponsor, Assemblyman Albohn, and all of those who contributed to the bill's content. I know Mary Sheil's office did an awful lot towards the drafting of this legislation.

The testimony I am giving you is from one of the people who has had to run around screaming, "They did it again. Look what we have to do now."

For more than 16 years, I have found myself in the position of responding to legislators in the Assembly and Senate pressing the voting button on a bill that is then signed by the Governor. Then the game "Simon Sez" begins.

I feel I can fulfill my duties as Manager of a fairly large community and get the job done with this legislation.

However, I offer the following recommendations for the Committee to consider:

1. In Section 4(a), there is language to the effect that the county has a right to enter into contracts on behalf of municipalities without the municipalities' consent. I don't think that language should be in there;

2. In Section 5, I have no problem with my municipality appointing a municipal recycling coordinator because we already have one, but the 30-day period for all the 500-some municipalities to appoint a recycling coordinator is going to be very difficult because there are very few knowledgeable and qualified people in this field. I think you should lengthen that time;

3. In Section 5(d), lines 51 to 54, the exemptions you are providing for-- I think the eligibility for an exemption must be much more stringent than what you have inserted in the bill -- that all they have to do is furnish documentation of how many tons they have recycled. This is for a business or an institution. This would create situations whereby the business or institution being exempted could be making virtually poor efforts to recycle. There should be some contingency or additional requirements that the municipal recycling coordinator, or some other individual, could override insincere holders of exemptions;

4. I also have difficulty with the language in the bill. I can't decipher from the language where the money for the three funds is going to come from at the inception of the decisions to establish the fund. It indicates specifically how much money is going to be inserted into that fund based upon previous tonnages of the prior year, but it does not indicate when that fund is going to begin. I think there should be some clarifying language as to how that money is going to get into that fund and when;

5. Of all of my recommendations, Section 38, the amendment of Section 4(a), is probably the most important. With this legislation, you have imposed \$2 per ton. That figure is strange to a lot of municipalities and individuals in the solid waste management business -- garbage collection, etc. -- because we are used to dealing with cents per cubic yard. It was 12 cents, but in 1986, it is supposed to go down to six cents. That six cents is equivalent to only 20 cents per ton. This legislation is asking for a ten-fold increase of the recycling tax. I have no difficulty with the \$2, but I think it should be done on a gradual basis, not multiplied 10 times from what it was intended to be on January 1, 1986.

We, as residents and homeowners, are feeling the impact of a lot of the large increases already, and my recommendation is to modify this gradually.

At this point, I only have two other areas that deeply concern me -- much more than the five recommendations I have already made.

One area is part of this legislation, and the other area is not. The concern I have regarding this legislation is the distribution of what is known as the State Recycling Fund as outlined in Section 39, which amends Section 5 of P.L. 1981 c. 278.

I am strongly opposed to the reduction from 45% to 35% of the Fund that will be used for the annual expenses of a program for recycling grants and bonuses to municipalities. This is going to be a traumatic responsibility on the part of any of the municipalities that are now only dealing with volunteer organizations. For them to get into this type of mandatory recycling program is going to take a lot of time, a lot of planning, and a lot of expense. I see no reason to reduce that now at a loss to the municipalities.

In Section 54, it establishes the Municipal Recycling Program Fund. At the present time, there are no funds -- unless I don't know what is happening in some other bill -- to implement Section 54. That is even more reason why that 45% should not be reduced to 35%.

The other word in that same section that bothers me as far as legality is concerned is the word pertaining to grants. At the top part of that section it says, "There shall be bonuses and grants." On Page 26, line 46 of the same section, however, the word "may" allocate bonuses appears -- not the word "shall." Considering the intent of a bonus, I think the word should be "shall" so that no one arbitrarily has the power of decision to take away those bonuses intended by this legislation. My recommendation, therefore, with respect to a bonus, so that there are no arguments back and forth, is to establish a simple percentage for a bonus.

The section for increasing low-interest loans, etc. from 20% to 35%, if you take my first recommendation not to reduce it from 45% to 35%-- Some other section has to be increased, and I think because of the huge increase in the tax itself, there are going to be adequate moneys for additional loans for businesses.

Finally, in that particular section, the part that deals with county and municipal programs regarding planning grants: The brackets, which mean to me that you are taking out "and municipal," I don't think is fair. We have a right to have planned grants also. We have many,

many more agencies than the counties, and the municipalities should have grants.

The final area of my concern -- as I mentioned before, I have two major areas of concern, and you have heard so much about it today -- is the establishment of markets. I can only repeat that I support what has been said today regarding the establishment of markets.

Our recycling contractor in the Borough of Fair Lawn will probably go out of business very shortly. In the last three months, our recycling buy-back center ceased to purchase corrugated. Two weeks ago, at the closing of the Owens-Illinois North Bergen outlet, we ceased to purchase any additional glass. That is not all.

Yesterday, our recycling contractor advised that his market for used newspapers, without magazines, has been cut -- this is what we need per month -- from approximately 80 tons per month to 10 tons per month. The sadder news is, he has already used up his 10-ton allocation for the whole year, so we don't know where he is going to market his goods.

At this point, anyone involved in recycling knows that there are just a handful of those individuals knowledgeable about curb-side collection and running buy-back centers. Without a market for recyclables, there can be no margin of profit unless direct payment for services is rendered, and therefore, there can be no recycling business people. The only other alternative, which is the obvious one -- it is the one that the Borough of Fair Lawn has prepared -- is to collect the recyclables themselves at the expense of the taxpayers.

What I am recommending is the creation of markets, which can only be accomplished by private research and/or State incentives. We have heard this before today. After hearing my recommendations today, I don't think this legislation should be delayed, but my recommendations, if considered, should be followed by amendatory legislation recognizing and addressing this problem.

I would like to thank the Committee members for the opportunity to address you, for listening, and hopefully, agreeing to my recommendations.

A special thank you to your aide, Mark Smith, for his kindness and courtesy, and to the State Office of Recycling for all the assistance it has given Borough officials in Fair Lawn during the past two years.

Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Garger and Ms. Clark. Does any member of the Committee have any questions? (negative response) Thank you very much.

Mr. Jack Trafford, New Jersey League of Municipalities? (not present) Does anyone see Jack Trafford out there? (no response)

Leonard Ruppert, New Jersey Conference of Mayors? (not present)

Guy Millard, New Jersey Association of Counties? (not present)

Edward Lloyd, New Jersey Public Interest Research Group?

EDWARD LLOYD: Thank you, Mr. Chairman and members of the Committee. My name is Edward Lloyd. I am general counsel of the New Jersey Public Interest Research Group, New Jersey PIRG.

You have heard this morning about the solid waste crisis, and I don't want to be repetitious; however, we have a serious landfill problem and a serious problem, as well, with finding the money to build incinerators to deal with our solid waste.

I want to commend the sponsors of both of these bills for the most comprehensive addressing of the solid waste problem that I think we have seen to date. I also want to commend both sponsors for including deposit mechanisms in the bills they have drafted. We think deposit mechanisms and sewer separation are the two best ways to reduce the solid waste stream and to promote recycling.

We think the deposit mechanisms should be implemented immediately in either bill you consider because there are many products in the waste stream. With the deposit mechanism, we will get those products out of the waste stream very effectively and very quickly. We have seen in the experience of other states that use the deposit mechanism, that there is an immediate reduction in the waste stream of 5% to 9%.

We are aware of the large amount of effort in many municipalities throughout the State in their recycling programs. They have met with limited success. We know that success can be multiplied many times by the initiation of deposits on certain products in the waste stream.

In the other states, we have seen that these deposits will also mean large increases in recycling. If you look at the data from other states that have deposit legislation, you will see an 80% to 90% rate of recycling of glass, aluminum, and plastic containers. Indeed, most of the recycling in the country is being done in those states. Ninety-nine percent of the recycling of plastics in the country is being done in deposit states.

Just to give you an example of the experience in New York State -- this is from the Rockefeller Institute Report of February of this year -- they looked at data in July, 1984, which was less than a year's experience in New York with deposit legislation. They found that glass was being recycled at a rate of 77%; metal containers -- that is, bimetal and aluminum containers -- were being recycled at a rate of 59%; and, plastics were being recycled at a rate of 33%.

New Jersey, if we were to put these deposits into effect, would be closer to many of the industries, and our rate would be even higher than that.

With respect to Assembly Bill 3382, we don't believe we will be able to meet the 55% goal of the recycling of glass and metal within two years. We see no reason why the deposit mechanism shouldn't be imposed immediately. Why should we wait when we have seen the success of other states in increasing recycling and reducing the waste stream with this mechanism?

Source separation is an appropriate method to additionally reduce the waste flow of many products in the waste stream. It will take time to implement, but we should start now. The status quo is not acceptable. I think we recognize that there is a problem with markets, but we also recognize that in the states that have initiated deposits on containers, those markets have been created. Once you give an economic incentive to collect these products, the markets are

developed. Once you have a large amount of these products collected, a demand for the markets is created.

Any reduction in the waste stream will save millions of dollars in tipping fees for the municipalities to continue to send these products to landfills or to incinerate them.

We think deposit legislation and mandatory recycling are appropriate to be considered together. Indeed, they are perfect together. We think the Committee should develop legislation to enact them together. We urge the Committee to use the bills before you now as a mechanism to develop a comprehensive bill, including immediate deposits and mandatory recycling, to begin the process of significantly reducing the solid waste stream and dramatically increasing recycling of resources that we are now throwing away.

We would be happy to work with the Committee to develop this comprehensive approach. Thank you very much for giving us the opportunity to present our views this morning.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Lloyd. Do any members of the Committee have any questions? (negative response) Thank you very much.

ASSEMBLYMAN SHINN: I have one question, Mr. Chairman. I'm sorry; I was looking at a bill.

Regarding the states that are doing the 99% plastic recycling, what happens to the plastic?

MR. LLOYD: I don't know exactly what is happening, but I do know that the plastics industry has claimed this year that it is recycling 100,000 tons of plastic, and that 99% of that recycling is occurring in the states that have deposit legislation.

ASSEMBLYMAN SHINN: When you say recycling, it means it goes from the shelf back into something, and that the end result is, it goes back into the landfill. That is the problem I have with the whole concept.

MR. LLOYD: I agree with you. We don't want it to go into the landfills. That is not--

ASSEMBLYMAN SHINN: (interrupting) If someone is doing something with it-- That was my interest. I thought you might know what happens to recycled plastic.

MR. LLOYD: Assemblyman, I will supply that information. I don't have it here, but I will supply it to the Committee.

ASSEMBLYMAN HOLLENBECK: Thank you. Next are Freeholder Carol Murphy and Lori Scozzafava from Morris County.

FREEHOLDER CAROL MURPHY: Thank you very much.

ASSEMBLYMAN HOLLENBECK: Ms. Scozzafava, I'm sorry if I mispronounced your name.

LORI SCOZZAFAVA: It is pronounced Scozzafava.

ASSEMBLYMAN HOLLENBECK: I was making it much more difficult than it really was.

FREEHOLDER MURPHY: Mr. Chairman, ladies and gentlemen, my name is Carol Murphy. I am a member of the Board of Chosen Freeholders of Morris County, and I wish to thank you for giving me this opportunity to share some of our concerns with you.

On behalf of my Board, we want this Committee to know we wholeheartedly endorse the principles embraced by the two bills before you today, A-3382 and A-3398.

Morris County has initiated its own internal recycling program as proof of how seriously we take this issue. One of our major concerns, however -- and, I am sure I am not the first person to speak to this today -- is finding and maintaining markets for the recyclable materials, be they aluminum cans, glass containers, plastic jugs, or yesterday's newspapers.

Morris County's last internal recycling effort failed when the markets we had for our recycled materials disappeared, and given the vagaries of the marketplace, we fear it could happen again as long as local markets are to be used to absorb the amounts we want taken out of the solid waste stream. This is an area where we, and we are sure the other solid waste districts, will be looking to the State for guidance.

We are not recommending another fully staffed office for marketing, but we do suggest initiating financial incentives to recyclers to provide sufficient rewards to keep the waste flow moving, even when they are facing temporary gluts. Of course, there would be some provision for distributing that data to the solid waste

districts. That information, regularly updated, could eliminate one of the ongoing worries about how to maintain recycling efforts, making it simple, consistent, and cost-effective.

Last month, the Board of Chosen Freeholders unanimously approved a resolution setting a mid-September deadline for our 39 municipalities to adopt mandatory recycling ordinances. The Board took this action knowing there are no provisions in the law that give the county any legal power to issue such an edit, but we did so with the limited authority granted under the Solid Waste Management Act that enables the county to direct the solid waste stream.

The one enforcement tool we do have, however, is the authority to turn away unsorted garbage from the landfill that Morris County will build in the near future. It follows, naturally, that a mandated statewide recycling program would ease the county's enforcement burden.

We believe a recycling law that includes everyone, without exception, would also encourage the participants to start looking for innovative ways to reduce their solid waste production.

It is our contention that many minds applied to solving a problem will eventually do so with dispatch and a good deal of inventiveness.

Again, I would like to thank you for listening to me. If you have any questions, I will be glad to answer them, as will Lori Scozzafava, our County's Recycling Coordinator. Thank you, gentlemen.

ASSEMBLYMAN HOLLENBECK: Thank you. Yes, Assemblyman?

ASSEMBLYMAN PANKOK: Where are you sending your recyclables? Where is the market?

MS. SCOZZAFAVA: Presently, we have markets in Newark. We are also sending to Thatcher Glass, which just recently discontinued its services to our municipalities. Although they have taken our 200 workers, they are no longer servicing our communities.

ASSEMBLYMAN PANKOK: What do you do with your glass?

MS. SCOZZAFAVA: Presently, it is being stored and a search for further markets is being developed.

ASSEMBLYMAN PANKOK: How about metal products?

MS. SCOZZAFAVA: Presently, we are taking our aluminum down to Newark. We have a couple of scrap metal dealers in the area, but we tried desperately to find a market for our tin, which has also been discontinued.

ASSEMBLYMAN PANKOK: Thank you.

ASSEMBLYMAN HOLLENBECK: Assemblyman Shinn? (no questions) Freeholder, do you think before we go into a mandatory recycling program that there has to be a guaranteed market?

FREEHOLDER MURPHY: I think that has to be in order to--

ASSEMBLYMAN HOLLENBECK: (interrupting) Before you mandate it? In other words, you should guarantee that there is a place to get rid of it?

FREEHOLDER MURPHY: Well, in order to encourage people to comply, rather than force them to try and conceal, somewhere along the line there has to be either an incentive or an open market situation for them.

ASSEMBLYMAN HOLLENBECK: There has to be a market if we are going to mandate it. I think that is the general feeling most people have. Thank you very much.

FREEHOLDER MURPHY: Thank you. We have left Ms. Scozzafava's testimony for the record.

ASSEMBLYMAN HOLLENBECK: We'll include it in the record.

FREEHOLDER MURPHY: Thank you so much.

ASSEMBLYMAN HOLLENBECK: Is Joe Gonzalez, New Jersey B&I, here?

DAVID NALVEN: As you may recognize, I am not Joe Gonzalez, but I am representing New Jersey B&I?

ASSEMBLYMAN HOLLENBECK: Oh, all right, David.

MR. NALVEN: Good afternoon. My name is David Nalven, and I am representing the New Jersey Business and Industry Association. I thank you for the opportunity to address the Committee.

I would like to make one comment regarding my written testimony, which I have handed to you. It refers to R-31, March 4, of the bill, so the numbers do not correspond to the latest edition of the bill.

I am a licensed professional engineer and a member of the New Jersey Business and Industry Association's Environmental Quality Committee. NJBIA's 11,000 member companies make us the largest State employer association in the United States. For more than seven years, I also served as the Chairman of the New Jersey Advisory Council on Solid Waste Management.

Recycling in New Jersey may well be an idea whose time has come. We do have a crisis in available landfill space, and we have been wasting valuable resources by burying them in the ground. We can establish a network of resource recovery facilities which are complemented by efficient recycling and resource separation systems. However, implementation of a workable statewide recycling system will not happen overnight, and it won't happen by government decree. The legislation being considered today, in its efforts to be comprehensive -- to be a single answer to a series of different and not necessarily similar policy questions involving not only the disposal, but the manufacture, sale, and use of paper products, bottles, cans, plastics, rubber products, and so on -- ends up creating more problems than it would solve.

In our view, the legislation fails to recognize that there are limits to the amounts of recycled materials for which there are short-term markets, and that those markets will expand only gradually -- not by government fiat. There are active private and public recycling efforts already under way that this bill would trample. It would have been better to have tackled this problem one piece at a time, rather than offering a legislative package with so many problems, conflicts, and competing goals. This bill sacrifices efficiency for quantity.

Most members of our Committee, and I believe most members of our Association, support the concept of a statewide recycling program and will do their share in trying to make whatever system is developed work. However, I believe that we are being very naive if we think we can build a workable recycling system without adequate markets for the material we recycle. You cannot recycle a material if you can't sell it or give it away.

New Jersey has been looking at the problem of recycling for a number of years. The New Jersey Recycling Forum has already made a presentation on the work they have done.

We do not know why the recommendations of the New Jersey Recycling Forum were not followed in the drafting of this legislation. While we may or may not agree with their recommendations, at least they arrived at their conclusions by a process of deliberation by a widely representative body. The modifications and subsequent changes made in the recycling bill do not evidence this kind of rational thinking. Indeed, many of our objections refer to the differences between the Recycling Forum's proposals and the legislation as drafted. For example, the bill establishes planning criteria for county planning boards. The Recycling Forum recommended 100 residential units and large commercial facilities, as minimums. This was changed in the bill to 50 residential units, and any commercial or industrial development of 1,000 square feet or more of land. I think there is considerably more than 1,000 square feet in this room. This is a small, but significant, example of an arbitrary change that will be costly and doesn't make sense.

We are in agreement with the Recycling Forum's proposals on eliminating those sections referring to the plastic and metal containers, etc., so I won't belabor that subject here.

I would just like to add -- and, this is a problem that we see in the drafting of the bill -- that in referring to PVC and PVDC containers, obviously the reason for leaving this out must have had something to do with the fact that a PVC, if you burn it, produces hydrogen chloride gas, which is an acid gas. But, we are also already requiring anyone who is putting up a resource recovery facility to spend anywhere from 20% to 50% more in capital to install scrubbers to remove acid gases. We are glad to see that Assemblyman Albohn has recommended that this section be dropped.

We would also like to ask why— The State has been working with the Rubber Manufacturers Association, and the Office of Recycling worked with them on developing a comprehensive plan for handling the safe and efficient reuse or disposal of used tires. Then, it went into the bill before this collaboration was completed.

If we look at the paper recycling market in New Jersey, we will see several problems. At the present time, the numbers I have indicate that 56% of all newspapers and 52% of all corrugated paperboard is being collected for recycling. This is an example of recycling that is working. Unfortunately, the proposed system promises to disrupt the existing system and drive out the profit and nonprofit entrepreneurs who keep the system working. Recycled paper companies are concerned about their private suppliers being replaced with a governmental system that promises to double or triple the cost of collecting paper and, at the same time, lower the quality of the product. There is a real danger of flooding the existing markets with inferior materials. Paper recyclers worry about the lack of quality control on municipal operations. Contaminated newsprint does not have a market. Bales of recycled paper are commonly dropped in landfills when there is a lack of quality or markets.

One item of conflict was brought up that perhaps should be considered in this bill. That is the fact that the New Fire Safety Law is presenting problems for the paper recycling industry as a result of over-regulation of storage facilities.

What I feel most in implementation of the bill is that transporters and warehouses of recycled material will be getting rich without producing any gain to the local community. I can envision a scenario that has a homeowner sorting his trash, which is picked up by collectors, taken to a collection point where it is resorted and checked, and then taken to an interim storage facility pending sale to a recycler. Finally, without an ultimate buyer, once again, it could be transported to a landfill or a resource recovery facility for disposal.

The act encourages, but does not appear to clearly mandate, that the State purchase paper products made from recycled material. We believe that the sponsor of this bill and the members of this Committee should examine the law in Maryland. They have a successful program for the use of recycled paper.

We appear to be holding landfills and resource recovery facilities hostage. I forget the section of the bill; it is in the

planning section, but the bill calls for the integration of the recycling plan into any proposal that is made for a landfill or a resource recovery facility in the county. Given the problem involved with siting these facilities, why do we want to include additional administrative restrictions? We do not see where recycling goals have anything to do with siting a landfill.

This bill is an attempt to define and implement a comprehensive recycling system for the State. Unfortunately, the interrelationship of the various regulatory, market, and political components hasn't been well thought out. The bill places requirements on existing county solid waste management systems that may be counterproductive. This is not a cohesive program.

We urge you to require that this bill be substantially reworked by the Administration and the Assembly's legislative staff.

We believe that New Jersey needs an expanded system of recycling to help solve the present solid waste crisis. Our study of the problems of the proposed comprehensive legislation mandates an alternative course. The New Jersey Business and Industry Association would very much like to work with you in developing a workable program which would have realistic objectives.

We thank you for the opportunity to speak before the Committee.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Nalven. A this time— Excuse me, will you come back, please? I think we have some questions to ask you.

Mr. Shinn, do you have any questions? (negative response) Mr. Nalven is a very important person regarding this issue. His organization is one that has a great deal of input as to whether or not legislation of this sort should be implemented. Mr. Nalven is a very important person.

MR. NALVEN: We have always strived to cooperate with the Legislature.

ASSEMBLYMAN HOLLENBECK: We understand that. Earlier, Mr. Albohn said that with reference to the one section about plastics, he would like to have it removed. I don't think he agreed with your

reasoning why it shouldn't be removed because I don't know if it was added for the reason you gave. I think the reason why it was in the bill was because when dealing with plastics and PVC, it was not because of worrying about the hydrochloric acid emission. Rather, it was because of the concern about dioxin emissions in the process. Wasn't that the real reason?

MR. NALVEN: I don't think the dioxin-- First of all, I don't think dioxin is a problem. I know that many people disagree. The second thing is, they don't believe, even if there are dioxins coming--

ASSEMBLYMAN HOLLENBECK: (interrupting) You wouldn't want to drink a glass of it, would you? (laughter)

ASSEMBLYMAN SHINN: I think one of the general problems that recycling deals with regarding plastics and resource recovery units is that resource recovery units are designed for a percentage of plastics. When there is recycled plastic going into a resource recovery unit with a high BTU output, number one, it burns hotter, and number two, you have a slug going through a processing facility that gives you many more stack emission problems. I think there is some concern in DEP about that possibility, and I think it is something that threads through all our different recycling bills. It is a real concern as far as stack scrubbers and the design of them are concerned. You may be designing for a 2% composition mixed with garbage, but then all of a sudden you are dealing with someone who backs up a 20-cubic-yard truck and gives you a whole load of plastics to go through a burning facility. If you have different raw material at the front end, then you are going to get something different out of the stack. I think that is something which is currently being looked at with some concern by DEP.

MR. NALVEN: That is one of the reasons why we wouldn't want to see all of these containers taken out, separated, put together, baled, and then taken in one lump and brought to the resource recovery facility to burn, rather than recycling it. There is no market for it.

ASSEMBLYMAN HOLLENBECK: Do you know of a market for recycled plastics?

MR. NALVEN: Pardon?

ASSEMBLYMAN HOLLENBECK: A market for recycled plastics.

MR. NALVEN: No, I do not know of a market. I know that people have been developing uses for years and years and years, but the markets have not been developed yet.

ASSEMBLYMAN HOLLENBECK: What type of uses are you referring to?

MR. NALVEN: Pardon?

ASSEMBLYMAN HOLLENBECK: What type of uses?

MR. NALVEN: You can use it for making cheap construction materials; you can use it for packaging materials. The problem, of course, with recycled plastics is that it isn't quite the same as mixing metals. Metals will very often alloy together when they are melted together. Many plastics just don't mix. If you don't have a well-purified stream of plastics, they will not mix and they won't be recyclable. They would only be useful for providing fuel for a resource recovery facility. They are valuable for that because of their high-energy content.

ASSEMBLYMAN HOLLENBECK: What do we do with old tires?

MR. NALVEN: The Rubber Manufacturers Association has worked out a number of things. I believe Mr.--

ASSEMBLYMAN HOLLENBECK: (interrupting) What is the market right now for recycling an old tire?

MR. NALVEN: Pardon? I didn't hear you.

ASSEMBLYMAN HOLLENBECK: What is the market for recycling an old tire right now?

ASSEMBLYMAN PANKOK: Beach restoration along the New Jersey coast.

MR. NALVEN: That is about it, and I don't know what that percentage is.

ASSEMBLYMAN HOLLENBECK: No, that is hiding it.

MR. NALVEN: The first place I worked was in a tire recycling plant in Connecticut, and that plant has long since shut down. I think there is only one plant left in the United States that recycles old tires.

There are a lot of processes they can use tires for, but they require economic incentives for people to go into that business.

ASSEMBLYMAN HOLLENBECK: So, what is left for us to do with the tires?

MR. NALVEN: I would rather defer that to the tire expert who is going to testify this afternoon.

ASSEMBLYMAN HOLLENBECK: You know, that is a major problem we have in the State. One of the Committee members mentioned the artificial reefs, etc., except that they--

MR. NALVEN: (interrupting) Tires are less than 1% of the weight of our solid waste.

ASSEMBLYMAN HOLLENBECK: Ask Ocean County if they like the artificial reef idea. (laughter) That happens not to be the answer.

Okay, thank you very much. Ladies and gentlemen, we are going to break for lunch now. We'll resume at 1:30.

(LUNCH BREAK)

AFTER LUNCH:

ASSEMBLYMAN HOLLENBECK: I'm glad we have more chairs this afternoon. Is Jim Morford here?

MR. SMITH: No, Linda Pelrine is going to be testifying.

ASSEMBLYMAN HOLLENBECK: All right. Linda Pelrine?

LINDA PELRINE: Thank you, Mr. Chairman. My name is Linda Pelrine, and I represent the New Jersey State Chamber of Commerce. I appreciate the opportunity to speak on behalf of the Chamber and its entire membership to address the issue of mandatory recycling.

I would like to outline some of the reasons why the State Chamber endorses the concept of a statewide mandatory recycling plan, but cannot support in total the proposal before this Committee today.

A clean environment is perhaps the most precious legacy we can pass on to those who will follow us. The State Chamber has worked throughout its existence to promote efforts on the State, local, and Federal levels toward achieving the highest standards in the control of land, air, and water pollution. No one can deny the urgency which

faces every citizen of this State to act now to resolve the critical problem of solid waste disposal.

James Morford, Vice President of the New Jersey State Chamber of Commerce, is a Trustee of the New Jersey Recycling Forum. The Forum, representing solid waste haulers, the plastics, paper, and beverage industries, municipal recycling coordinators, and others, was asked by Commissioner Hughey to work with the State Office of Recycling to develop a mandatory recycling program. After nearly a year of conscientious and exhaustive effort, we are disappointed that the Department of Environmental Protection chose to ignore so many of the recommendations of the Recycling Forum.

With regard to Assembly Bill 3382 and Senate Bill 2820, we ask you to consider the following recommendations:

First, of utmost importance is the fact that these proposals do not protect the private sector in its efforts to continue established recycling programs or begin new ones.

The fundamental right to compete must not be denied to commercial, nonprofit, or for-profit organizations by new municipal programs. We believe that the main purpose of this legislation should be to encourage new and additional collection and reuse of recyclable materials.

Without this protection for private or volunteer organizations, we believe the State would be defeating its purpose.

Second, the State Chamber believes we cannot isolate recycling as a single issue. New Jersey must adopt a comprehensive plan incorporating recycling, resource recovery, and the limited use of landfills in evolving a solution to cleaning up solid waste.

As we continue to gradually phase out our reliance upon landfills as the primary method of disposal, we must turn toward a balance between recycling and the use of resource recovery facilities. Turning solid waste into energy is a relatively new concept in this country, but the technology is realistic: the remaining ash from incinerated garbage is far less bulky and the need for landfills can be reduced by as much as two-thirds.

The significance of resource recovery is that it can extend the life of our State's landfill capacity, while also unlocking energy from garbage, thus producing electricity and steam.

Our ultimate goal should be to arrive at the least expensive but most environmentally sound method of waste disposal. An effective recycling program can remove up to 25% of the flow of garbage, and incineration can reduce garbage to ash which requires up to 70% less landfill capacity.

The State Chamber, therefore, recommends that amendments be made to the legislation to incorporate resource recovery provisions.

Third, we take strong exception to the absolute power given to the Department of Environmental Protection to impose mandatory deposits on all plastic containers, bimetal containers, and tires. The Chamber has consistently been opposed to deposit legislation in the past because we feel that it is not an effective approach to the solid waste problem. But the enforcement of these particular provisions of the recycling bill would amount to virtually the most offensive, costly, and ineffective consumer tax ever imposed upon the citizens of this State. It is, in every sense, an overkill.

Because you will hear testimony from the many industries which would most seriously be affected by the deposit mandate, I will not take the time to address our concerns regarding specific products.

However, I want to emphasize that the scope of a mandatory deposit on all plastic containers alone is mind-boggling, when we consider that it would affect not only beverage and food containers, but literally thousands of other products sold in this State, including such items as cosmetics, drugs, medical supplies, toiletries, household cleaning agents, and toys. The costs associated with manufacturing, processing, distributing, and selling all of these products would skyrocket, placing excessive burdens on New Jersey's industries and consumers.

The State Chamber strictly opposes all provisions allowing for mandatory deposits and recommends that they be deleted from this legislation.

Section 17 of the bill, which would ban the sale of certain products sold in New Jersey, such as "brick-packs," simply because they are not recyclable, is another concern. We believe alternative methods can be developed so that these waste products can be utilized more effectively, such as in waste-to-energy facilities.

Again, I would like to emphasize that the State Chamber supports the original recommendations of the New Jersey Recycling Forum. However, we recently outlined some changes to the original proposals which will be made available to you. These have also been forwarded to Governor Kean for his consideration. We are further willing to cooperate in every way with this Committee, with DEP, and with the Office of Recycling to develop a sensible recycling plan which will achieve our mutual goal of solving our solid waste crisis.

Mr. Chairman, I would just like to make a few brief comments about Assembly Bill 3398. The State Chamber wishes to acknowledge this legislation as a unique proposal, and we commend you, Mr. Chairman, for your sincerity and dedication in working to develop what you feel is the best approach to our solid waste problem.

But we cannot support this proposal because it is contrary to our long-standing policy of opposition to forced deposit laws. The bottle bill will hurt consumers. It will cause the further loss of thousands of jobs of our people in the vital glass, plastics, and beverage industries, just as it has done in the other nine states which have adopted these deposit laws. It is not the most economical and environmentally viable approach to cleaning up New Jersey's total litter.

Let me quickly point out three other problems we have with this bill:

First is funding. The only source of funding is the deposits on beverage containers. One reason why we support an alternative litter control program which entails a broad-based tax on the majority of litter-generating products sold in New Jersey is because the funding mechanism is not limited to taxing a small percentage of litter.

Second is refillable containers. Due to the seriousness of New Jersey's present water supply, and for that matter, the water

supply of the states surrounding us, we should not encourage the use of refillable beverage containers. In keeping with our efforts to conserve water wherever possible, we must realize that the amount of water needed to clean, sterilize, and prepare bottles for reuse is about 15 times the amount needed to make new ones.

Three, it is difficult to understand why a beverage container deposit law should be merged with a source-separation plan. If the source-separation program is efficient, then how is the need for deposits and redemption centers justified? In our view, merging the two programs would be placing more unnecessary burdens on consumers.

In closing, I would like to thank you, Mr. Chairman, and the members of the Committee, for listening to our views. We trust you will give serious consideration to our recommendations and realize that in trying to solve New Jersey's solid waste problems, we must continue our efforts to attract new industry and to support the growth of business, rather than enacting unworkable laws that will drive vital industries out of our State. Thank you.

ASSEMBLYMAN HOLLENBECK: Do you have any questions, Assemblyman Shinn?

ASSEMBLYMAN SHINN: What is your recommendation for solving the problem?

MS. PELRINE: The basic recommendation is-- We recognize that the present legislation has to be continually reworked to achieve mutual goals. Basically we would like to see the legislation incorporate the essence of recycling, resource recovery, and deflecting solid waste from landfills. Essentially, we strictly oppose the deposit mandate that would be allowed.

ASSEMBLYMAN HOLLENBECK: Assemblyman Pankok?

ASSEMBLYMAN PANKOK: No questions.

ASSEMBLYMAN HOLLENBECK: Thank you. May we have Ezra Bixby from Lowell Associates and the Rubber Manufacturers Association?

EZRA BIXBY: Thank you, Mr. Chairman. I have with me Thomas Cole from Washington, Vice President of the Rubber Manufacturers Association, who will give testimony on behalf of the tire manufacturers.

THOMAS E. COLE: Thank you, Mr. Chairman. I have a prepared statement which I will leave with the Committee. I will not take the time to read that to you at this point.

I would like to take a brief moment to summarize our testimony and respond to your questions to the extent that I am able to do so.

We recognize that there are particular concerns in the State of New Jersey and that the question of disposal of scrapped tires is one which must be dealt with. However, it should also be stated at the outset that tires represent something less than, and we would suggest considerably less than, 1% of the solid waste stream.

We have been working with officials within the Office of Recycling at the Department of Energy for about a year now, providing technical expertise and guidance. We are trying to work with them, or, to put it another way, with you in the State of New Jersey, to develop an overall program for dealing with the disposal of scrapped tires. There are a number of things that can be done and a number of technologies that exist. In summary, we would suggest that at the very least a scrapped tire has energy potential which should be recovered, and that a scrapped tire, in essence, can afford to pay for its own disposal. Scrapped tires can be used as auxiliary fuels, along with coal in stoker-fired boilers. Having said that, I recognize that there are none in New Jersey, but that is not to say the scrapped tires could not be chopped and distributed or sold elsewhere across State lines.

They can also be used as a stand-alone fuel. When I say that, I am suggesting as an example in a boiler which might be associated with providing steam resources required by a hospital, or something like that. The mere or simple act of chopping a scrapped tire does other things for you, as well. It significantly eliminates the health hazard that exists with a pile of whole tires. There is no longer an opportunity for vermin, mosquitoes, or whatever to reside in a pile of scrapped tires. It also reduces the volume by a factor of about 10, and eliminates the fire hazard. The problem with tires that catch on fire today, if they are stacked in their whole state, is that there is no reasonable way to put that fire out. It has to burn to its

completion. But, if you chop them first and then stack them in a pile, the fire is contained and will not burn the same way.

There are a number of commercial enterprises throughout the country that are addressing the issue of scrapped tires, and I have noted a couple of them in my testimony to highlight them: Louisiana Pacific Corporation in California uses shredded tires, along with wood wastes and other leftovers, at a fuel savings cost to them of somewhere in the neighborhood of \$35,000 per day. Waste Recovery, Inc. is probably the best-known of all of the commercial enterprises in the scrap tire disposal arena today. They have several facilities, and are currently building a facility in the Houston area which will handle four million scrapped tires per month. To put that in perspective, our estimates indicate that New Jersey generates something on the order of seven to eight million tires per year.

So, there is technology out there and this can be a viable commercial enterprise. Thus, needless to say, we do not think that the legislation -- or the sections in the bill before you -- are appropriate or necessary at this time.

It should also be pointed out, I think, that a tire is not recyclable in the same terms as a bottle or a can. There is limited or no reuse for the scrapped tire in the manufacturing process, particularly with high technology things, such as radial tires. Most companies will not use any reclaimed rubber in the manufacturing process. It just creates more safety-related problems than it is worth.

I would like to focus on the labeling and deposit section of the bill. Simply stated, we feel it is an administrative nightmare nearly beyond description. Tires are not like bottles or cans. We don't have regional manufacturing facilities, and tires manufactured in any given factory can be shipped anywhere in the world. Thus, the manufacturer does not know where a tire is going to end up, which suggests then that the tire would have to be labeled at the retail level. We know of no way of labeling a tire in a permanent fashion other than by branding, and branding holds the potential of damaging the tire physically or, at least, cosmetically. That would lead to

other problems as well. There would be the possibility of counterfeiting. Your friends in New York or Connecticut could brand tires that were scrapped there and bring them back here for refund. All kinds of problems would be created by an enactment of this deposit program.

I have made some other specific comments on what we see as deficiencies in the language of the bill we have studied, and I will leave those for the staff to look at. They are more technical than they are substantive.

In summary, at I said at the outset, we think the enactment of the tire portion of this bill is inappropriate and unnecessary at this time. At the very least, we would suggest that members of the Association that I represent be given time to continue their dialogues with the Department of Energy, Office of Recycling. Let us bring those to fruition and then you take a look at and evaluate the results.

Thank you, Mr. Chairman. I would be happy to respond to your questions.

ASSEMBLYMAN HOLLENBECK: We have some questions. Seven or eight million tires a year in New Jersey?

MR. BIXBY: Five to seven I think is a better number.

MR. COLE: Well, the best numbers we have been able to come up with suggest that scrapped tires are generated in about the same numbers, and in the same geographic distribution, as population. So, whatever the population of your State is, you will generate approximately that many scrapped tires each year.

ASSEMBLYMAN HOLLENBECK: What are we doing with our scrapped tires in the State right now?

MR. COLE: I can't answer that.

ASSEMBLYMAN HOLLENBECK: What is the industry doing for us in our State? If we have seven or eight million scrapped tires that are unrecyclable, what are we supposed to do with them now?

MR. COLE: What is the manufacturing industry--

ASSEMBLYMAN HOLLENBECK: (interrupting) Yes, the manufacturing industry; otherwise, you are just creating something unrecyclable. You dump it on us and it becomes our problem. What are you doing for us in New Jersey now?

MR. COLE: Conservatively, I would estimate that we have given about \$100,000 worth of free advice to the State Office of Recycling to help them to develop a plan to deal with the problem. We don't look at scrapped--

ASSEMBLYMAN HOLLENBECK: (interrupting) That advice must have gotten the language in the bill.

MR. COLE: Well, that comes as a surprise to us, because it was our understanding from our conversations with them that we were on the right track, and as long as we were continuing to work with them to develop this program, we would be left out of the legislation.

ASSEMBLYMAN HOLLENBECK: I have a tendency to think because we have had the problem, we see what is happening with it. You give us a non-recyclable product, and now, you know, you're telling us about things in Louisiana and all the wonderful programs there. Does that mean they will come into New Jersey, buy our tires, pay for them, and then take them away and use them for fuel to save that \$35,000 a day? Or, does it mean that we have to take them, ship them out there and pay the shipping costs, maybe pay them to take them off our hands, and that will take care of our problem?

MR. COLE: Mr. Chairman, I would suggest that there is perhaps an element of both. There may be a need for New Jersey to help to finance the disposal of scrapped tires, the same way it does any other waste. But, having said that, I would point out that there is a commercial operation in the City of Baltimore, just south of here, that recycles I don't know how many millions of tires a year and is selling the chopped tires as auxiliary fuel as far away as Georgia and Canada. So, the prospect is there. The perfect possible usage for scrapped tires' auxiliary fuel is in the cement industry and, certainly, there are cement kilns not that far from New Jersey.

ASSEMBLYMAN HOLLENBECK: In other words, you're saying that there is a gentleman down in Baltimore who is willing to purchase seven to eight million tires from us right now? Or, is he willing to have us sell to him at our price? Do we have to pay to have him take the tires the industry gave us off our hands -- the seven or eight million tires that we can't recycle, that we have nothing to do with, that we find dumped around? That is what you're telling me.

MR. COLE: I can't answer the specifics of what the commercial enterprise would be. I am not that conversant with the economics. All I'm saying is that it can be done.

ASSEMBLYMAN HOLLENBECK: That is really kind of narrowed down. I'm just picking on you. You know, each industry is going to come up with the same thing, but yours is more dramatic, I guess, than a lot of them. What it is narrowed down to is that your companies make a product; they know there are going to be so many of them which are no good anymore, which are going to end up in the waste stream somewhere. We can't take them in our waste stream; we can't recycle them. We have nothing to do with them. You're doing that and then you dump the problem on us -- us meaning the State, the government. What are you doing now for New Jersey? Nothing. You talk about programs. We could pay somebody to take them off our hands, but why should we pay to have your tires taken off our hands?

MR. COLE: Well, the rational answer to that is that the tire isn't any different from any other item in the solid waste stream. It isn't different than a refrigerator, a range, or a car, and you certainly don't look to those manufacturers to come to haul away their element of the waste stream, nor a box manufacturer, nor anyone else. It is part of the responsibility of the local or State government to deal with this as with any other social service it provides for its residents. We are willing and able, we have been involved in trying to assist the State in developing a rational program for dealing with this element of its problem, and we will continue to do so. But, if you're looking to the tire manufacturer to come in and haul away all the products that are manufactured and sold here, you will have to look beyond ACMIN because I would submit that you have factories in Germany, Italy, and all around the world, whose tires are ending up in New Jersey.

ASSEMBLYMAN HOLLENBECK: Yes, I agree, they come from all over. It is just that as an industry you give them to us, and we have nothing to do with them. I am just curious, why then should you be eliminated?

MR. COLE: We are not saying we should be eliminated.

ASSEMBLYMAN HOLLENBECK: Should we receive something so that we can then pay someone to take them off our hands? Should there be, as suggested, deposit legislation as a method of getting moneys so that we could dispose of your product and get it out of our waste stream?

MR. COLE: I would not be in a position to argue about whether or not you need additional revenues to dispose of scrapped tires. I would suggest that the deposit and labeling provisions that are before you are unworkable. You may want to raise revenues by putting an additional fee on your vehicle registration, or a per-tire tax at the retail level. It is presumptuous of me to try to tell the State how to raise its revenues. What I am suggesting is, this deposit refund scheme will simply not work.

ASSEMBLYMAN HOLLENBECK: As long as we don't inconvenience you.

MR. COLE: It isn't going to affect us one way or the other, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: In one way, the labeling and the deposit would.

MR. COLE: As I suggested, there is no way that you can label a tire in a factory anyplace in the world with an assurance that it is going to end up in New Jersey, which says then that it would have to be done at the retail level.

ASSEMBLYMAN HOLLENBECK: Are there any other questions?

ASSEMBLYMAN SHINN: Yes.

ASSEMBLYMAN HOLLENBECK: Assemblyman Shinn.

ASSEMBLYMAN SHINN: Your 1½ estimate of the waste stream, is that weight or volume?

MR. COLE: Volume.

ASSEMBLYMAN SHINN: When they process the tires as primary fuel, what size does the tire chip end up in, approximately?

MR. COLE: That varies. If it is going to be burned along with coal, the tire chip size has to be roughly the size of a silver dollar. However, it is possible to build a boiler which will take whole tires as the only fuel source. So, the whole range in-between can be utilized.

ASSEMBLYMAN SHINN: Is the processing technique shredding or shearing?

MR. COLE: Well, it is called a "tire shredder," but it uses shears to do it, yes.

ASSEMBLYMAN SHINN: Roughly, what are we talking about for the cost of a shredder -- a ball park figure?

MR. COLE: About \$1 million for a shredder that will process two and a half million tires per year.

ASSEMBLYMAN SHINN: You indicated that that process is occurring in Baltimore, right?

MR. COLE: There is a commercial enterprise in Baltimore.

ASSEMBLYMAN SHINN: And they have a shredder in place?

MR. COLE: He has a shredder; in fact, he is now installing a second shredder. He has a fleet of some 200 semitrailers scattered around, 100 of which are on the road at all times. The other 100 are at tire dealers being filled with scrapped tires. So, he has a--

ASSEMBLYMAN SHINN: (interrupting) They're processing about two million tires a year through the shredder?

MR. COLE: That's right.

ASSEMBLYMAN SHINN: So, we're talking about an offsetting cost of 50 cents a tire, roughly.

MR. COLE: He's making money doing what he's doing, yes, sir.

ASSEMBLYMAN SHINN: And, he charges for the tires he collects?

MR. COLE: That's right. Right now, the tire dealer who is the accumulator of scrapped tires is paying, usually, a dollar or two to have his casings hauled away.

ASSEMBLYMAN SHINN: When he sells the fuel chips, do you have any idea what he gets for the product on a ton basis?

MR. COLE: In the neighborhood of \$15.00 to \$25.00 a ton. To put that in perspective, if you are talking about passenger tires, a ton of tire chips would be about 125 tires.

ASSEMBLYMAN SHINN: And, that's delivered?

MR. COLE: That's right, delivered.

ASSEMBLYMAN SHINN: And, the nearest market for that that you know of is where?

MR. COLE: I don't know what the nearest market is. I believe he is selling some to the cement accounts in Pennsylvania, but I know he goes as far away as Canada and Georgia for the wood products manufacturers.

ASSEMBLYMAN SHINN: That's all I have, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: Assemblyman Pankok?

ASSEMBLYMAN PANKOK: Beyond shredding and using them for fuel, are there any studies being conducted by the industry as far as other uses for waste tires are concerned?

MR. COLE: There are a number of possible uses for a scrapped tire, yes. Rubberized asphalt is one of those. It is a realistic use of the reclaimed rubber in a tire. There has been a great deal of work done on pyrolysis in an attempt to capture the oil, the carbon black, and the other chemicals in the make-up of a tire. That has not at this point been proven to be commercially viable. Goodyear, for instance, has even done some work to the extent of putting a tire in a giant microwave, if you will, and reducing it to its chemical elements. Again, that is not commercially viable at this point; however, there is a great deal of ongoing effort to attempt to--

ASSEMBLYMAN PANKOK: (interrupting) Ongoing studies into the alternate uses?

MR. COLE: Yes, sir.

ASSEMBLYMAN PANKOK: I did read an article about road surfacing where there were experiments made on it. It was rather interesting.

MR. COLE: Yes, sir. It is being done quite heavily in Arizona. There is an organization out there that is very much involved in the rubberized asphalt business.

ASSEMBLYMAN PANKOK: Do you have the exact area of Baltimore where the tire shredder is?

MR. COLE: Mr. Bixby has been there; I have not.

ASSEMBLYMAN PANKOK: Will you supply my office with that information, please?

MR. BIXBY: Yes, sir.

ASSEMBLYMAN PANKOK: Thank you.

ASSEMBLYMAN SHINN: Are you familiar with the cryogenics process?

MR. COLE: Broadly, not in any great technical detail, no, sir.

ASSEMBLYMAN SHINN: Can you describe that generally?

MR. COLE: Well, that may be what I was referring to when I said pyrolysis. I am not certain of that. I think that is where they burn the tire in a fluidized bed in an attempt to recover the--

MR. BIXBY: (interrupting) Pyrogenic is--

MR. COLE: (interrupting) Oh, I'm sorry.

ASSEMBLYMAN SHINN: The cryogenics process I'm talking about is freezing and shattering.

MR. COLE: Oh, all right. No, I'm sorry I--

MR. BIXBY: (interrupting) We can get you some information, but we don't have it today.

ASSEMBLYMAN SHINN: If you can, we would appreciate it. I've heard of it, but I am not familiar with it specifically.

MR. BIXBY: My guess is, sir, that in view of the fact that it did not come up in the discussions we have had in the last four or five months with the technical guys from the industry, that it is not yet a viable technology. No one mentioned it.

ASSEMBLYMAN SHINN: I understood there was someone who was doing it on the East Coast. We have not been able to locate who it was. I am interested, if you have any information on it. They were freezing and breaking tires.

MR. BIXBY: I'll see what I can find out.

ASSEMBLYMAN HOLLENBECK: Thank you very much, gentlemen.

MR. COLE: Thank you.

ASSEMBLYMAN HOLLENBECK: May we have Paul Parker, National Association of Recycling Industries?

PAUL A. PARKER: Thank you, Mr. Chairman. I am Paul Parker, Vice President of Government and Technical Programs for the National Association of Recycling Industries.

I will not read my comments today in the interest of time. I would like to strongly endorse the comments of Jean Clark of the New

Jersey Recycling Forum this morning. The amendments she proposed go directly to the heart of the comments contained in my written statement, and yet also, the National Association of Recycling Industries represents private recycling companies actively engaged in finding markets for materials. Rather than read another harangue to you about the importance of markets -- I think it has been adequately demonstrated and everyone understands it -- I would just like to comment a little bit on some of the earlier remarks other people made, and then maybe I can answer some of your questions on the problems involved in obtaining markets.

NARI represents private companies which recycle all types of metals, paper, textiles, plastics, glass, and rubber. I would first like to comment on George Tyler's statement today that the proposed legislation -- A-3382 -- would not require a locality to collect material that did not have a market. That is not correct. If you read the wording of the proposals carefully, localities must contract for "recycling services." Recycling service is entirely different than a recycling contract or a market contract, which assures you that you have someone prepared to buy, or at least to receive the materials. So, we strongly recommend and endorse the Forum's comments that the proposal be amended to require localities to collect material only after they have secured a market contract, not a service contract, for the material.

Second, it is important to recognize the problem of timing and markets. We strongly endorse the proposal's tax incentives for developing expanded new markets in the State, but that will take time. Even if a company planned to build a new manufacturing facility today to use more recycled materials, there would still be a several-year time lag before they could get that plant on line. So, the original proposals do not adequately reflect the time spans involved in expanding the markets in this State to absorb the desired volumes of materials. Certainly, an expansion of 15% statewide, and 25% statewide after one and two years, is faster than the ability of new capital investment to come on stream to absorb those materials.

So, again, we urge that the localities be required to investigate the markets and, as more plant capacity comes on stream, then they would be required to collect their own materials.

What would it take to expand the markets in the State? First, incentives in taxes. The tax incentives created in A-3382 are strongly necessary to promote a recycling industrial base in the State. Various states have worked to create a tax environment, for example, to encourage high technology and computer industry development. They have targeted those as desirable industries. Certainly New Jersey should target in its industrial development policies, those manufacturing companies which consume various recycled materials.

Second, we strongly endorse the proposal for State consumption of recycled products, particularly paper. Since the discussion has focused on tires, the State should be using recapped tires on all State vehicles as a contribution to the disposal of these tires.

Third, we strongly endorse the concept that was raised by the legislator this morning that the legislation include a strong directive for State-sponsored research projects, possibly lodged in the State University, to find new technological uses or implementations for recovered materials in the State. That is an excellent proposal.

I would like to comment briefly on the discussion on tires. There are three uses for tires, in addition to using them as fuel. One, as I mentioned, is recap, if a tire is not too badly used. Second, crumb rubber, which is the powdering and grinding of the tire. That is essentially used in molded rubber products, piping, pads, and the like. It has come under a lot of competition from plastics. That is one reason why recycled rubber use has been declining, while the applications for it have been replaced by plastics in hosing and other uses.

Finally, asphalt rubber, which was just mentioned. We urge the State to institute a program of demo projects for the use of asphalt rubber in State highways. If it is found applicable for the climate, the road usage, the usage of salt, and such, it should be pushed rapidly. We represent the asphalt rubber group, and I would be glad to mail you more material on that type of product.

Questions were raised on the uses of plastics. There are a couple of uses for it, but there are also problems. Essentially, as was stated, plastics are only used in a downgraded form. Then you grind them and re-extrude them into molded plastic products. There are some uses for that, and some companies doing it are scattered around the country; however, they are few and far between. Certainly the investment tax credit contained in the legislation would be an incentive for a company interested in having an available supply of plastics in the State. Some financial incentives to do so could establish such an operation.

There are companies currently in business -- Dow, DuPont, and some smaller companies -- which are using industrial grades of plastic where they have a homogeneous supply they are sure does not commingle in a different source of plastic, and that the plastic is not contaminated from post-consumer use with food. So, there are technical applications, but, again, they are very limited.

I would like to comment on the deposit proposals in A-3398. Particularly we would like to oppose, strongly, the differential between the 10-cent and the 5-cent deposit on the aluminum can, which would not get the citizen the full return because it is not refillable. Currently, a citizen of the State can recycle his aluminum cans for somewhere between 28 and 32 cents per pound. Under the deposit proposal, even if he returned them, he would still be out five cents per can times approximately 26 cans per pound. He would be out \$1.30, plus the 30 cents or so he would not be able to obtain by recycling them on the open market. The net effect to consumers who are now actively engaged in recycling aluminum cans is approximately \$1.60 per pound. For the recycling of the aluminum can, which has the strongest market potential of any commodity in the post-consumer waste stream, we feel it is just not proper to cost the public that much money per pound of aluminum, when they can readily recycle it and, indeed, are doing so on their own.

Just to summarize, recycling proposals should be modified to meet several important criteria, markets first, collections second. No municipality should be forced to collect materials for which there is

no market. Private industry development should come first. Expanded recycling presents an excellent opportunity for economic development in the State. Strong preferential options for private industry implementation must be included in the proposals. This, like tax incentives, particularly the investment tax credit for productive economic growth, should be strengthened from 20% to 50%. Finally, the punitive taxes levied on highly successful aluminum can recycling should be abolished.

I would be glad to take any questions you may have.

ASSEMBLYMAN HOLLENBECK: Assemblyman Shinn?

ASSEMBLYMAN SHINN: You said you had some market information relative to tires. We would certainly be interested in receiving some additional data on that.

MR. PARKER: There is one recycling tire company in the State -- Nearpara -- which I believe is located somewhere in the Trenton to Camden area. It is essentially, as I understand it, a crumb rubber manufacturer of molded rubber products. That is the nearest one to home. Again, I would strongly recommend that the State Department of Transportation be mandated in legislation to undertake a test program for recycled asphalt rubber to see if it is appropriate for regional climate and road use.

ASSEMBLYMAN SHINN: I think the comment you made relative to the State utilizing recycled materials is a good one. I know we have investigated several areas, such as processing concrete back to a granular form. Under the Department of Transportation guidelines, the only thing you can use that processed material for is fill, not as a sub-base for road construction. So, we have a lot of homework to do in the State on the use of recycled materials. That should really occur early on so we can go back to the market question, which I feel very strongly about. Certainly when you are dealing with concrete and asphalt, there are markets that have a good potential, and we have to make the market in our State specifications a part of the overall program. Your comments are well taken.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Parker. May we have the gentlemen from The Society of the Plastics Industries?

GARY MINOR: My name is Gary Minor. I am Vice President of Parkway Plastics in Piscataway, New Jersey. I welcome the opportunity to appear before you this afternoon to offer my views and the views of my trade association, The Society of the Plastics Industry, SPI, on Assembly Bill 3382.

Chairman Hollenbeck, members of the Committee: My company employs 75 people in the manufacture of stock plastic containers for industrial, pharmaceutical, medical, and cosmetic applications. We have been in business for over 30 years and, as constituents and corporate citizens of this State, we are very aware and concerned about the landfill crisis, which is our crisis. We want to work with the State of New Jersey toward a multi-faceted solution to the solid waste problem.

We applaud Assemblyman Albohn and this Committee for your openness to change, which will ensure a fair and practical measure, and which will craft it.

Sections of the Mandatory Recycling Act dealing with plastic containers, namely Sections 12 through 17, contain the most devastating and drastic legislative language that our industry has ever seen. We cannot economically survive under the terms of those sections. This will be further amplified by our next presenter, but let me give you a specific example.

We currently recycle scrap recovered in our manufacturing process for direct reuse in that process. However, post-consumer containers cannot be recycled and reground in the manufacture of new containers due to problems with contamination of the containers themselves from their ingredients. Mere washing cannot guarantee that the recycled product meets purity standards. What is ironic here is that the general purpose styrene and polypropylene that we fabricate into containers is reground and recycled on our premises every day. For many other plastics and mixed plastic packaging, this is not even possible.

Sections 12 through 17 are trying to encourage more plastic recycling by wielding the threat of mandatory deposits on every conceivable plastic container sold in this State. Based upon the

technical, economical, and practical hurdles that must be overcome, the packaging aspects of this bill are tantamount to banishment of all containers that are not readily established in mature recycling markets.

There are over 1,200 plastics industry processing plants, resin producers, mold-makers, and plastics machinery manufacturers, accounting for 60,000 employees and over \$1 billion in payroll in this State. This vital growth industry is working at advancing plastics recycling by focusing on three components needed for progress to occur: (1) a consistent source of plastic which is separated into generic types; (2) an economically viable process to clean it up, if possible, to usable quality; and (3), regular markets for which the recovered material is suitable.

I want to be perfectly candid with you. Considerable developments and breakthroughs must be achieved in each of these areas to make plastic recycling more visible and viable. Our task is inherently more complex than the process of recycling aluminum cans, glass bottles, or paper. There are hundreds of different kinds of plastics used in packaging today, and they have to be separated at some point because you cannot recycle mixtures when you are producing a product. Different types of plastics are used to make the same basic products, like shampoo or mouthwash bottles for example. Once made into a product, it is difficult to tell one type of plastic from another. Consumers, even with the aid of coding, cannot be realistically expected to go through this time-consuming separation process.

This is not to say that plastics recycling is not taking place; nor do I wish to suggest that plastics recycling is not becoming more and more viable.

For easily identifiable soft drink and milk containers, for example, considerable recycling is occurring and is being spurred by plastic and beverage industry-funded research underway through the Plastic Recycling Foundation established at Rutgers University. This \$1-million-a-year industry-funded research effort is the first in the history of the United States to direct resources toward the development

of plastics recycling. For other plastics, we must view the recovery of its energy value by incineration as a principal form of recycling. Plastics range in energy value from 12,000 to 20,000 BTUs per pound, compared to wood at 9,000, and raw municipal waste at 5,000 BTUs per pound.

I implore the Committee to work with our industry toward a common-sense and practical plan for resource management. I must, like Assemblyman Albohn, view the mandatory recycling bill, as drawn, as an opportunity to open a dialogue, not as a proposal etched in stone that is intended to become law. Clearly, New Jersey lawmakers would not be in favor of mandatory deposits on thousands of plastics products in the home, without achieving the important objective of reducing landfill and recovering resources.

I will turn now to Roger Bernstein of our trade association, The Society of the Plastics Industry, to briefly elaborate on some of the issues I have raised.

ROGER D. BERNSTEIN: I'm Roger Bernstein, Director of State Government Affairs for The Society of the Plastics Industry. We have 1,400 member companies total; we have 115 New Jersey-based companies which are members. Our trade association encompasses producers of plastics raw materials, firms that make molds, companies that fabricate finished products, and the machinery manufacturers. According to census data, the value of total New Jersey plastics-industry shipments was \$6 billion in 1982 alone. Our industry is growing and we view ourselves as integral partners with you in your efforts to provide jobs and a healthy, economic climate.

At the same time, we view ourselves as a resource in helping New Jersey cope with its ever-increasing solid waste burdens. The New Jersey Recycling Forum has expressed itself on appropriate and economically viable ways the State can spur recycling activity. We agree with Jean Clark in her comments earlier.

Sections 12 through 17 of the Mandatory Recycling Act, in our view, must be eliminated. These sections fail to recognize that there is no such thing as a universal plastic material. Containers for milk and containers for ketchup can be as different from one another as

aluminum is different from copper. Plastic containers are sometimes made up of as many as seven different materials. This results in the creation of unique properties that guarantee increased shelf life, safety, product protection, and other important characteristics.

Therefore, as a basic premise, the recycling of plastics has to take into account the separation of plastic materials. Collecting containers consisting of combinations of plastics, or mixing containers of various types of materials together, present extremely poor value to a recycler or a manufacturer. And, as the bill would call for, as initially proposed, deposits on plastic containers would be triggered because we could not reach, by any stretch of the imagination, in my children's lifetime or their children's, a 55% recycling rate based upon the technical hurdles we have to overcome.

The Plastics Recycling Foundation was established in New Jersey -- and I think Mary Sheil deserves some credit, and I give that to her-- to try to come to grips with: what plastic is out there that would have recycling value, how do we improve the quality of post-consumer plastic material, and how can we help the State identify which of our products could play a meaningful role in a source separation program. We have poured, along with the rest of the beverage industry, \$1 million in initial funding into the Plastics Recycling Institute established at Rutgers, to develop state-of-the-art technology to improve both the quality and economics of recycling plastics. Soft drink and milk containers -- I know this -- will be in the forefront of early research because they are easily identified. Consumers can readily identify them. It doesn't take any miracle coding for them to see the basic shape and what it is, that it is a separate plastic material. The new technology developed by the Institute will be made available to anyone desiring to enter the plastic recycling business or to upgrade technology. It will be a real clearing house of information. They have systems in place, and are looking at systems in place that will improve the quality of post-consumer plastic material, especially PET and the polyethylene in the milk bottles. We think that is going to be the biggest emerging market, where we can clean that stuff up and get it to specifications

so that manufacturers can find true value in it and it can be market driven.

While some plastics lend themselves to regrinding for manufacturing, other plastics are only suitable for recycling energy value through incineration and resource recovery. The PVC issue was mentioned before, and the bill, as initially drawn, would ban incineration of PVC and force deposits on it. I am glad that Assemblyman Albohn has information about the fact that PVC can be incinerated safely. As a matter of fact, New York City has recently announced that it will be building five incinerators on the basis of an independent study which indicated no adverse health or safety impacts from their use of these systems. We can make any studies along those lines and independent studies available to you to ensure the Committee that this is the case. The technology is there. It has to be done right, but the technology is there.

Some of our products can readily be recycled, and we are developing programs to accelerate this activity. Other plastics must play a role in these burning systems, and the value to this State will be in the recovery of energy and the high BTU value we offer these systems. Forcing deposits on all plastics through unrealistic recycling goals will not solve New Jersey's problems. If this bill as written is enacted, I can imagine that consumers will be forced to have about \$5.00 in pocket change when they walk into a grocery store just to put a deposit on all of the things that would be required under this law. It would force the funneling of all kinds of plastics, which just by the mere fact of funneling them wouldn't do anything about solving the marketing problems this Committee is now, I think, thoroughly aware of.

In short, we hope you share our view that our industry is here to stay; we want to stay and grow. We, as an industry, have already extended an invitation to all of you to meet with us to help you to identify which of our products are going to play a meaningful role in source separation programs you are considering.

I thank you.

ASSEMBLYMAN HOLLENBECK: I think we are probably going to have some questions for you. Assemblyman Shinn, do you want to start, or do you want me to start?

ASSEMBLYMAN SHINN: You go ahead; I'll yield to the Chair.

ASSEMBLYMAN HOLLENBECK: Let's talk about PVC. You said it could be safely incinerated under controlled conditions. What do you mean by that? In other words, you gave a blanket statement, but there is more to "under controlled conditions."

MR. BERNSTEIN: I am not a technical expert in those systems by any means.

ASSEMBLYMAN HOLLENBECK: All right. You made a blanket statement, but then there's under controlled conditions. What does under controlled conditions mean?

MR. BERNSTEIN: I am not a technical expert in this, but I think there has to be a certain heat range, for example, for all plastics to be safely incinerated. I can make studies available to you that describe what these conditions are.

ASSEMBLYMAN HOLLENBECK: Is that because of the formation of hydrochloric acid? Is that what you're worried about?

MR. BERNSTEIN: Pardon me?

ASSEMBLYMAN HOLLENBECK: Are you worrying about the formation of hydrochloric acid as the reason you need controlled conditions?

MR. BERNSTEIN: Mr. Chairman, I am assured by people who are much more technically knowledgeable than I, that in Europe these systems are in vast use. They present no environmental dangers. There are some specifications to running these plants which I am not familiar with, but I can give you all of the research we have been able to gather which assures our industry and the people who are using incinerators in New York City that these materials can be safely incinerated.

ASSEMBLYMAN HOLLENBECK: You also said that when we are dealing with the recycling of it, we have to deal— We can't mix and match; we have to keep certain types separated because that is a real problem. So now we are not only talking about the recycling of plastics -- do we have to take the plastic out -- but now we have to

separate out types of plastics. Aren't there some types of plastics where you have two different kinds of plastics laminated, such as the ketchup bottles you mentioned? Are they coming out with a double plastic bottle that is non-recyclable?

MR. BERNSTEIN: My understanding is that the Foundation we have established -- as Mary Sheil indicated -- has about a \$3 million commitment over the next three years. It is first going to look at: what are the materials that can most readily be recycled and make a major contribution to getting out of the waste stream? For example, milk and soft drink containers comprise about 40% of the plastics out there by volume, so because they are a good market for recyclables, we think they are going to be the focus of the Institute right away in terms of the post-consumer processing that is necessary to really spur that activity.

Then the Foundation is going to look at the other major problems -- and I agree with you that they are major -- in terms of how to, through processes, make the other combination of plastic materials viable as a recycled product. It is not going to be easy.

ASSEMBLYMAN HOLLENBECK: Where have you been for 10 years? What about the plastic beer cans with metal ends on them which are non-recyclable? What do we do with those?

MR. BERNSTEIN: The plastic what?

ASSEMBLYMAN HOLLENBECK: They have come out with plastic beer cans -- plastic sides. They are a laminated double plastic with metal on each end of them -- hand caps. What are we going to do with those?

MR. BERNSTEIN: I'm not even--

ASSEMBLYMAN HOLLENBECK: (interrupting) It's the same thing I said of the tire industry; you did the same thing to us. You dump on us. Your industry is dumping on us. You're giving us something, and after you get rid of it, it's our problem. We can't handle the problem anymore; we have no room for the problem.

MR. BERNSTEIN: Mr. Chairman, there are recyclable products out there and there are non-recyclable products out there. We make both; that is a fact.

ASSEMBLYMAN HOLLENBECK: And yet, when it comes to questions dealing with-- If you can't make it recyclable, if we cannot meet those controlled conditions to burn it, then what are we going to do with it, landfill it?

MR. BERNSTEIN: I'm not saying you can't meet those conditions. I think incineration is going to be the way to deal with the plastic that is not readily recyclable.

ASSEMBLYMAN HOLLENBECK: Again, I think this is where the whole problem started. Plastic is one of the problems. You put us into a throwaway society, and then dumped on us.

MR. BERNSTEIN: We're making a major commitment to try to identify--

ASSEMBLYMAN HOLLENBECK: (interrupting) I agree; I wholeheartedly support that; I think it's wonderful; but, where have you been? Assemblyman Shinn?

ASSEMBLYMAN SHINN: I don't know where you've been, but I'm glad you're here now. I applaud all the efforts through the Recycling Committee to get industry involved in solutions because I think if we are going to get them, that is basically where they have to come from.

In the recyclable plastics category-- How many different categories would you estimate there are in recyclable plastics?

MR. BERNSTEIN: John, do you have any idea?

JOHN LAWRENCE: I am John Lawrence, Technical Director of The Society of the Plastics Industry. Right now, as Roger pointed out, there are two clearly identifiable recyclable materials, and they are being recycled today. We believe, from our studies at Rutgers and other universities, that we will determine what other plastics can be cleaned up on which we can develop specifications that designers and specifiers can rely on. One of the problems today is, there is not good reliance on the quality of recycled plastic. The Foundation and the Institute at Rutgers, hopefully, will develop specifications so that we can call for the use of returned plastics for good viable products.

So, there is a vast array. Theoretically, every plastic that is put into the marketplace can be returned. The economics and the likelihood of that are not there. We are going to try to work to develop as much practical recycling as conceivable.

ASSEMBLYMAN HOLLENBECK: I don't think you answered his question. Try it again.

ASSEMBLYMAN SHINN: I guess what I was getting at-- I understand the problem of high quality recycling of plastic for a food container, for instance, but I'm thinking about a lower quality category that could be used for car trim fender strips or something that is not in the food processing line. Is the industry looking at a higher quality recycling -- I know you are -- and a lower quality plastic recycling? Would that carve more of the plastic market--

MR. LAWRENCE: (interrupting) Yes, we're looking at not only returning it into the original products that plastics are used for today, but for new applications. One of the new applications just developed in the last few years is the making of a synthetic lumber type of material. There are a variety of other products of this nature that are not in existence today, which conceivably could be in the marketplace to fulfill real needs.

ASSEMBLYMAN SHINN: What I was leading up to was, would it be practical, in the manufacturing process, to put a large number on the bottom of the container to indicate what type of a plastic it was? In other words, if a bottle had a one on it, it could be easily separated either by the consumer or at an intermediate processing station. That would be a Category One plastic. Then you could have Categories Two, Three, and Four. What I am trying to get an idea of is, in the recycled category, how many different numbers would we be looking at?

MR. LAWRENCE: You're a lot further ahead in your thinking as far as the way we might go. That is one of the options. We don't believe it is practical to put a number on the bottom of each container or package that would sort it into its generic type. We think maybe a more practical way to do that would be on a mass scale. For example, and we're not sure this would work, a universal product on many packages, conceivably could be a way to sort out by generic type. But, we have a lot of work to do before the sorting business could solve the problem. We need to determine what quality, what technology, and what economics can be applied once we have segregated.

ASSEMBLYMAN SHINN: I would like to have you keep one thing in mind as you pursue this. I think a lot of the plastics, as we get into recycling, are going to have to be done at a processing station. I don't think the consumer -- if we are looking to get the most out of the waste stream -- is going to be the vehicle to get it done. I think we need something, if we do a mass separation, readily identifiable without looking at an eighth-of-an-inch code on a bottle. I think it is going to have to be a split second separation identification type situation.

MR. LAWRENCE: That is what we are experimenting with. We think that can be done automatically so that hundreds of containers a minute could go by a station and be read. However, we are not sure that would be a practical solution at this point.

ASSEMBLYMAN HOLLENBECK: Who would do the separation under a system like that? You know, it's no good for you to come up with solutions for us to separate your plastics.

MR. BERNSTEIN: It would be an intermediate processor of some kind, I would imagine.

ASSEMBLYMAN SHINN: Yes. I would hope that we wouldn't have to totally rely on electronic processing. I'm thinking of intermediate processing stations with labor-intensive conveyers.

MR. LAWRENCE: That is certainly a possibility.

ASSEMBLYMAN SHINN: That latitude should be looked at also because I think as more counties and municipalities get into this area, you are going to see more intermediate processing type facilities for separation and readying for market.

The other part of the question I have is, with your recyclable and your non-recyclable plastics, once you identify how your recyclables can be used and identified, is the possibility of shifting more of the non-recyclable plastics into the recyclable plastics a reality, or is it a myth? Is it financially practical?

MR. LAWRENCE: That is one of the challenges of our present studies. I think we are convinced that that is a high likelihood, but just how much, we are not sure we can work in today.

ASSEMBLYMAN SHINN: Okay, thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, gentlemen. Dr. Charles Johnson, National Solid Wastes Management Association? Good afternoon, sir.

DR. CHARLES A. JOHNSON: Good afternoon. I think I will give you a little change of pace from what you have been hearing. I have given you my prepared testimony. I will read parts of it and I will paraphrase parts of it.

My name is Charles A. Johnson. I am the Technical Director of the National Solid Wastes Management Association, which is the trade association that represents the private solid waste collection, transfer, disposal, resource recovery industry. I am here today representing the members of our New Jersey Chapter, whose members provide those services to the citizens of your districts and your State.

Many of our members are active recyclers. For that reason, they have a dual interest in this particular program. They have an interest from the standpoint of their activities as recyclers, and they also have an interest from the standpoint of providing the services which they do provide in the way of solid waste collection and disposal.

As an aside, the materials which are mainly recycled by our people today are corrugated and fine papers. These are the materials which they are able to receive from the solid waste generators in a relatively separated form and for which there are markets today.

I was going to say something on markets, but I think that has been covered adequately and I will let others who are more familiar with it deal with that subject.

I want to concentrate on two areas. The first is the possibility that enactment of the bill before you might actually interfere with ongoing or future activities in recycling conducted by our members and other people. Secondly, certain provisions of the bill might inadvertently interfere with the ability of our industry to provide the efficient and economical solid waste collection and disposal service that the public has come to expect.

I think the intent of the legislation is obviously one that no one can quarrel with. Recycling should be encouraged for just the purposes stated and, in fact, the very reasons it is to be encouraged are the reasons that our members do it already. Whether the objective -- 25% waste reduction by recycling -- is achievable or not remains to be seen. I will say that other states have attempted to put forth recycling programs on a statewide basis, perhaps not as comprehensive as what you are talking about, but I don't think anyone has come close to this objective as yet. So, you have an ambitious program and one that is going to take the wholehearted cooperation of literally everyone in the State if it is to come anywhere near reaching that objective.

We urge that any new program not be allowed to disrupt, interfere with, or preempt recycling activities that are already being carried out by other parties, whether they are for-profit or not-for-profit organizations. I think the draft bill is notably weak in its recognition of this concern. Assemblyman Shinn referred to it earlier this morning, as did Jean Clark. By the way, the numbering on the draft that I have is not consistent with the numbering the Committee printed. I understand the numbers I have are older numbers, to which I hope you can relate.

There is a section that says that each district plan, in designating the strategy for the collection and disposal of recyclable materials in each municipality, shall give due consideration to any person engaging in the business of recycling or otherwise providing recycling services, provided he is doing it as of January 1, 1985 and that he continues to do so without any disruption of more than three months between that time and when the plan is adopted. I don't think the instruction "give due consideration" is sufficient protection against the possibility that the municipality may want to recycle the very same materials that are already being recycled by another party. Municipalities may propose, as part of their plans, to actually preempt recycling activities being conducted by our members or others.

In effect, the provision in the draft would grandfather in recycling activities already being conducted, but it would not protect

similarly anyone proposing to get into a recycling activity, as you suggested, sometime in the future, for a material, for example, for which there is no market today.

We think this business is a business which should be allowed to compete. It should be expanded, but in no way should a State program be set up that would effectively displace, or have the possibility of displacing the alternate recycling programs. We do not want the bill to displace competition or to protect the ongoing activities from competition. Competition will make recycling stronger, and we welcome competition. What we don't want is to have our recycling activities preempted, either present ones or future ones, by a State program. I hope you understand the distinction there.

We think the bill is perhaps inadvertently a threat. We would recommend that the language in Section 3(c), as I have it, be replaced with something more simply saying that the district recycling plants shall not interfere with, disrupt, or preempt recycling activities conducted by other public or private parties, something much more direct and straightforward than the present section.

Let me turn now to some of the requirements the bill would place on solid waste collectors. Section 8, in my draft, would require haulers who bid on contracts to provide solid waste collection and transportation services to also bid on contracts for collection and disposition of recyclable materials. We presume the intent is that the bidding process for the collection of solid waste and that for recycling would be separate, that there would be one bid for solid waste and another bid for recycling. That is a presumption; that is not necessarily stated specifically in the bill, but it should be. If they are not to be separate, a municipality would be precluded from selecting the lowest cost providers of service for solid waste collection and recycling. Furthermore, a combined bid would also preclude an otherwise qualified solid waste collector from bidding to provide solid waste collection services if he could not somehow meet a requirement to recycle; for example, on the basis that a market for that particular material was not available to him.

I note that the definition of recycling services includes the word "disposition." I agree with that completely. You haven't recycled anything until you have actually marketed it, as has been pointed out by many people this morning. If a hauler, for example, does not have a market available to him, and if he is required to recycle a particular material, he might be precluded from bidding on an entire solid waste collection contract for a town, a borough, a county, or what have you. We believe the solid waste collectors will respond to bids for collection of recyclable materials if they are put forth and if they are well constructed, but we disagree with the absolute requirement that he must do so as a condition of his bidding for solid waste services.

Let me mention another little concern that perhaps may elude you. Section 9(a) in my draft -- I'll paraphrase -- would authorize the governing body of any county with an adopted district recycling plant to prohibit for acceptance for disposal at a landfill in that county or other disposable facility -- a waste-to-energy plant, for example -- any solid waste from a county outside that district, if that solid waste happened to have any recyclable materials in it. It sounds innocuous. The idea is, if you are going to import waste from another county, the other county ought to be recycling. It is not innocuous. I guarantee that every bag of trash and every can of trash we pick up contains something in it that might have been recycled -- a piece of newsprint, a bottle, a can, what have you. What happens? Every county that has a waste disposal facility, a landfill, as today, and perhaps a waste-to-energy plant in the future, is itching to figure out a way to keep the other counties out of their facility. For political, capacity, or whatever reason, they would love to be able to close their boundaries and not import the trash from over there.

If they were able to do so, if they were to have this provision available to them where they could say, "If we find one piece of recyclable material in that trash, you're out," they would be doing it day in and day out. That is too important an oversight to allow to creep into this bill. New Jersey has a critical shortage of solid waste disposal facilities. Need I tell you? I think it is fair to

assume that counties would jump at the chance to interdict the flow of solid waste from outside their boundaries if they were given the opportunity to do so. That clause, Section 9(a) in my draft, would do just that.

We suggest that you look at that carefully, examine the intent, and think of the consequences before you enact such a bill.

Let me talk about another section that hasn't hardly even been mentioned today, Section 16 in my draft, which deals with the disposition of leaves at sanitary landfills. Now, I don't think leaves are the most important provision of this bill. It says that no sanitary landfills will be allowed to accept for final disposal any leaves generated from residential premises which are suitable for composting between the months of September and December. This begs a number of questions.

In the first place, what is magic about September to December? Would this not encourage people merely to store their leaves until after the prohibited period is over, to keep a few bags in the garage, and then put them out on January 1, or whenever? More importantly, though, think of it, how is a solid waste collector to know that a trash can or a plastic bag at curb-side, which he is about to pick up, contains leaves or contains something else? He can't be expected to look inside and see, and leave it there if it happens to have a few leaves on top. If the leaves are at the bottom, he is completely helpless.

The point here is this, and it doesn't apply just to leaves: You can't have the hauler, the trash hauler who is trying to provide economical, efficient service, be the policeman as to whether there is something that has been ordered to be recycled contained somewhere in the middle of that container of trash. It is beyond the scope of his ability to do that.

Finally, let me turn to the matter of tariffs. The bill contains some rather inconsistent and contradictory statements. Section 9(c) of my draft says: "Any additional expenditures for the collection or disposition of recyclable material made by any solid waste collector or solid waste transporter as a result of the

provisions of this section shall be deemed to be tariffs for solid waste collection and shall be subject to adjustment by the Board of Public Utilities pursuant to the provisions of P.L. 1970."

On the other hand, Section 37(b) of my draft says: "Notwithstanding the provisions of P.L. 1970 or any other law, the Board of Public Utilities shall not have jurisdiction over charges or rates for recycling services provided by persons engaged in the business of recycling or otherwise providing recycling services in this State." Which is it? Are they regulated or are they not? Clearly, these sections are contradictory. There is no ambiguity; they are an outright contradiction to each other. Certainly the intent -- I hope -- is not to differentiate as to who provides the service as to whether or not they are regulated. How is it possible to regulate rates and at the same time expect haulers to bid on municipal contracts? That is an aside question.

There are two sides to this issue which you might think about. Certainly, a hauler who is mandated to carry out recycling services is entitled to be reimbursed for the expenses that he incurs in providing those services. You're not expecting him to pay for this, I hope. On the other hand, we feel that persons who are engaged in recycling ought to be encouraged to do so by being allowed to profit from those activities when it is possible. We have a dilemma. Is this going to be an entrepreneurial function, or is it going to be a regulated public utility? I think this is a dilemma that is squarely in your hands, but I point out to you the very important ramifications of this particular point.

Finally, and this was not in my prepared testimony -- I wish the Chairman were here (Chairman temporarily out of the room) -- I want to comment on Assemblyman Albohn's remarks earlier this morning about the prohibition on PVC and other chlorinated plastics in waste-to-energy plants. Other members of ours build and operate waste-to-energy plants, and we would like to operate some here in New Jersey. We agree completely with your recommendation that that section be stricken from the bill. There is no need to exclude chlorinated plastics from waste-to-energy plants. The reason proposed by others

about why we should do so -- as correctly observed by some of the panelists but not by some of the witnesses -- is that they have nothing to do with acid gases, although they are responsible for acidic components. The real reason why some people have made this proposal is because of the concern over the formation of toxic organics containing chlorine. Dioxin is only one of several. The concern is misplaced, for two reasons: First off, there is plenty of chlorine in trash other than chlorinated plastics to provide all the chlorine atoms needed to produce the chlorinated organics, if they are able to be produced. Excluding the PVCs and polyvinylidene chlorides will solve that problem. What would solve the problem would be operating under the correct conditions.

You may say, "What are the correct conditions?" Well, that is becoming pretty well known by extensive measurements at many plants in the United States, Canada, Europe, and Japan. It is clear that the two critical conditions are the very conditions that are critical through their combustion -- temperature and time -- plus turbulence, and plus oxygen amounts. It appears possible, and this is where the USEP is likely to come down on this. They have a mandate from Congress, by the way, to provide guidance on this very subject. They are likely to provide guidance that says there has to be a certain temperature, with a certain time, with a certain amount of excess air in a waste-to-energy plant in order to ensure good combustion, and that chlorinated toxic organics are not produced in the combustion process.

I hope that answers, at least qualitatively, the question you raised, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: I knew the answer myself.

DR. JOHNSON: I thought you might.

ASSEMBLYMAN HOLLENBECK: I knew we were being rather misled by somebody saying something there.

DR. JOHNSON: Well, there are answers to this. I think it is still--

ASSEMBLYMAN HOLLENBECK: (interrupting) However, there are also disputes in Federal reports and Federal studies dealing with temperatures.

DR. JOHNSON: There are many--

ASSEMBLYMAN HOLLENBECK: (interrupting) There are disagreements about the dioxin formula and the degrees. There are disagreements about whether it is a high temperature that causes it.

DR. JOHNSON: There are disagreements as to where it is formed.

ASSEMBLYMAN HOLLENBECK: The high temperature also causes the knocks because of some other problems. Assemblyman Shinn?

ASSEMBLYMAN SHINN: No questions.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Dr. Johnson.

BASIL SNIDER, JR.: Mr. Chairman--

ASSEMBLYMAN HOLLENBECK: (interrupting) My apologies, Mr. Snider. I didn't realize you were testifying today.

MR. SNIDER: I am the one without hair, and I am the one without the nice Irish name. Mr. McKernen called your office, and I think they misunderstood who was going to represent us. Mr. McKernen is here, and so is Mr. Edwards, who is passing out copies of the testimony we wish to give. Mr. Robert Marcalus, who is Chairman of the Board of the Marcal Paper Company located in North Jersey, couldn't wait any longer, so he left.

ASSEMBLYMAN HOLLENBECK: No, he didn't leave. He just returned, and is right over there.

MR. SNIDER: Come here, Robert.

ASSEMBLYMAN HOLLENBECK: My apologies. I did not realize that you gentlemen were going to testify.

MR. SNIDER: We appreciate the opportunity, ladies and gentlemen -- those here in the room who are interested in this issue -- to present our views today.

Mr. Edwards, who is seated to my left, is the Vice President of the Paperboard Group, one of the divisions of the American Paper Institute, which is a national trade organization representing some 90% of all the paper mills in the United States.

Robert Marcalus, who just joined us, as I mentioned, is Chairman of the Board of his company up in North Jersey.

Just to make it clear, I am Basil Snider. I am President of the Garden State Paper Company. The name, of course, is Garden State

Paper Company because we stated here in the State. This is where we have our largest manufacturing facility. Our claim to fame is that we are the only ones in the world, literally, who manufacture new newsprint from old newsprint. We use absolutely no new fiber. Last year, we consumed over 750,000 tons of old newspaper; that is quite a pile, in case you have never seen that much.

Our Company has been in business here in the State for 25 years. We have recycled over five million tons of old newspaper. Roughly 70% to 90% of that material has come from the State. We have been contributing to the solution to the solid waste problem for many years. That is not always acknowledged in the circles of those who are drafting legislation or those who operate recycling encouragement programs here in the State.

I also speak on behalf of other mills here in the State; there are some 22 mills. Virtually all of them use recycled fiber to some extent. We happen to be one of the few-- I think Mr. Marcalus operates close to 90% of his capacity as recycled material. We happen to be one of the few that operates 100%.

It is kind of strange, I suppose, for many people to think that we would sit here and offer what amounts to maybe a negative view regarding the mandatory recycling bill. It would seem to be like mana from heaven, and when we first heard about it, we thought it might be.

We have some very serious concerns about it. We recognize that there is a solid waste problem here in this State. As I said, our Company has been here 25 years. I am not currently a resident, but I did live here for about eight years. I like the State; it is just an accident of fate that I am not living here now. Anyhow, there is a problem here that has to be solved, but mandatory recycling is not going to solve it for you. It may help, but it is not going to solve anything.

In the case of paper, you have an absolute success story. We are proud. We point to the State as we travel around the country encouraging recycling. Mr. Edwards does the same thing. We spend a half a million dollars every year promoting recycling around the country. We have been doing this for many years. We are very proud to

point to New Jersey as a good recycling State. We have a success story. You and all of the people of the State can be proud of that.

As best we can judge, over 50% of the wastepaper in the State of New Jersey is recycled already. We are 90% sure that that is the highest recycling rate of paper of any state in the United States. I have only been in one country in the world that recycles at a higher rate. That happens to be Japan. Japan has no trees, so they are really motivated to do this. I would add parenthetically that we might learn something from Japan by looking at what they do with various kinds of recycling. They operate incinerators; they recycle; they do everything. I am not saying that they do everything perfectly, but they do it well. We believe the rate you have here is the highest.

Now, how did we get there? First of all, it is like the Scotchman said when we admired his golf course: He started 200 years ago. In the case of New Jersey, it started something like 100 years ago. I suspect that is roughly when the paper industry got under way here.

Our Company is a young company. Bob, when did yours start?

ROBERT L. MARCALUS: About 52 years ago.

MR. SNIDER: Fifty-two years ago.

MR. MARCALUS: Forty years for recycling.

MR. SNIDER: We have been working at this thing very hard. Our forest -- his forest, in effect -- is the wastepaper stream. Our foresters are church groups, Boy Scouts, profit and nonprofit groups, the Westwood High School Band, and the independent dealers. These are literally the little fellows in tennis shoes, who are retired in tennis shoes, if you will, because they are comfortable. They bring in loads of waste. There are also small businessmen, and yes, also businesses operated by ourselves; that is, recycling centers. That is how it is done, and that system works. There is an infrastructure there.

As Dr. Johnson just suggested, there is a system in place that is working. We wonder why you need to legislate something that would tamper with that. It is not a free system; we pay for it. We pay money to people who recycle. Our judgment is that the nonprofit organizations in the State received something like \$700,000 last year

from just recycling various amounts of paper. I suspect if they knew -- if all of them really knew -- what could happen under this, you might have some of them testifying here today. It is hard for them to do that -- to catch up to this. They may before it is over.

We say that we have a successful infrastructure. There was something like 800,000 tons of paper recovered in 1984 in New Jersey. That is a pretty high recovery rate. Again, the recovery rate for old newspapers is over 50%; old corrugated containers is over 56% -- these two are the highest; high-grade paper is up around 90%. We are talking about waste that you can use. Waste is not just waste. It has a specification, and you have to feed that in. If you feed garbage in the front end of a paper mill, it makes garbage and you can't sell it. We have specifications. Mr. Marcalus does, we do, and every paper mill that operates by using waste does.

We see nothing in this bill that really addresses the market problem. We are happy to hear that others are recognizing that, and we know you are examining that. Markets must be secure, but not just for the paper. We have to have a market for what we are making and, at the moment, our mill is running at capacity. In fact, it has been ever since its inception. You can't make any money on a paper mill like ours -- a high-speed newsprint mill -- if you don't run it 360 days a year, 24 hours a day. We have to run it wide open, even if we have to cut the prices of our product to move it. Currently, that is part of the problem we have. There are the Canadians who have the 77-cent dollar. They can discount 23% and still be even with us. They are our competitors.

We operate competitively here in the State. We like operating here with what we have, but there is no way that our company is going to expand in this State. We have no more land and the market isn't here. The newsprint market in this country is developing in the Sunbelt -- Florida, Georgia, California, Texas, and Arizona. Newsprint mills are being built in those states. They are not going to build them here in this State and recycle more of your paper, even if you give them all the money in the world. The economics aren't here; they cannot ship it those distances and make the buck.

There are other grades of paper-- This may not be true, and I'll be happy to let Mr. Marcalus speak about that, but I'll tell you, you have to look at water supply. We are already being cut back 25% on water supply. We are struggling. We have real problems. There is not enough water even if we had all the incentives to build another mill here.

The point is, if you forced every newspaper publisher in this State to buy our newsprint, we wouldn't sell any more paper. We wouldn't recycle any more paper, so why mandate something that-- I like your expression, Mr. Hollenbeck: "If it ain't broke, don't fix it." What are we going to accomplish with this?

There is the State Purchasing Preference Program that may have some desirable effects. Mr. Marcalus may comment on that, and you may hear from others.

From a printing- and writing-grade standpoint -- just printing and writing papers -- the best we can determine-- We calculated how many tons of paper is used in all of the State offices; we're glad you use a lot of paper. How much do you use? Well, it is something like 1,300 tons of sanitary paper and 1,700 tons of printing and writing paper. So, if you convert that and it is made 100% from recycled paper, we think you might have used something like 500 tons of wastepaper. Now, that wouldn't make a big dent; it wouldn't even make a dent in Saddlebrook, New Jersey, where they have a very small population.

We question whether you need to mandate it in that way. It may need to be examined carefully, and there may be ways to encourage some purchasing of products that are now made using recycled paper, etc. But, we question the way it is presently written. You would rule out bidders if they had to have recycled fiber. If there are 174 mills in this country that make printing and writing grades, and only 12 of them use wastepaper, you could cut out bidders and reduce competition for the printing and writing grades you are already getting.

A lot has been said about the various types of packaging -- what are we going to do with it, and how are we going to recycle it? There is a brick-pack, which is an aseptic package. It is a laminated

product, and it is typical of many products that are being developed in research labs.

We would question the banning of something that we genuinely believe will be for the benefit of the consumer, and we would question why consumers don't perceive that. Perhaps they will testify and give their views on that.

That particular package, by the way, I know is manufactured here in New Jersey. It is a very clever package, a combination of laminated aluminum, plastic, and paper. It happens to be tough to recycle; I grant you that. It offers an energy savings. You can package things without having to refrigerate them. Put that into your equation. I don't hear anyone talking about that part of the equation.

We know there is a serious problem here in the State, and we honestly want to make our contribution in helping it. Frankly, we appreciate the level of awareness that has been brought about regarding the whole recycling situation, including paper, as a result of just contemplating this legislation, and as a result of Mary Sheil's office. We like that.

Frankly, that is what the Japanese do. They have an Office of Recycling. What do they do? They put on promotions. You can go on a subway, and you'll see something about recycling. You'll see it on billboards. Do they enter in the specifics of developing a recycling system? No. They have a group very much like ours who work under that umbrella. You see television ads; they have a number of them. They let the companies do the job, and they work with the people to do the job.

Bob, if I may, I would like to ask you to make a few comments and say what you feel would be appropriate. Between the two of us, we happen to be, I think, two of the largest recycling paper mills in the State of New Jersey. We represent a high percentage of the various kinds of wastepaper that can be and are recycled in the State.

MR. MARCALUS: Thank you very much. Out of respect for the Committee, I will try not to be too redundant with respect to what has been said, but I'm afraid there may be some duplication.

Mr. Chairman and Committee members, I have a few remarks that I would like to put before you. I assure you that what I am going to say is said with enormous respect and a very genuine concern for the problem that confronts every one of us -- every responsible citizen. This is a problem that must be dealt with, but in a manner that no matter how well motivated, should not adversely affect an already functioning system, which I certainly believe is the case.

The only example I can give in this case is what I know best, and that is our own business. Marcal Paper Mills is totally dependent upon wastepaper to recycle into sanitary tissue products for the consuming public, as well as institutions, industry, and government agencies. Marcal employs approximately 1,000 people at its Elmwood Park Plant, with an annual payroll in excess of \$22 million. Marcal's people, its technology, and virtually all of its equipment are geared to the use and processing of wastepaper.

We have been recycling in ever-increasing amounts for each of the past 40 years. In 1984, Marcal used more than 125,000 tons of wastepaper, which represented about 90% of all the fiber used by us in Elmwood Park. In fact, most of Marcal's products are made from 100% recycled material.

There is no way that any mandate with regard to recycling would enable us to use more than the 100% that we already do. In the event that that we welcomed legislation which would result in more material and, in turn, possibly lower prices, it is our belief that this would not be the case, and that a mandate with regard to sewer separation -- that is, wastepaper -- and worse, a mandate with regard to use or inclusion of wastepaper in finished product, would be a mistake. It would be counterproductive and, in fact, it could jeopardize the existing wastepaper collection system. It could ultimately result in an excess of unwanted material, the lowering of prices that certainly would drive some suppliers out of business, and would leave fewer suppliers in a less competitive wastepaper market than we have now.

There are minimum levels or floors below which the wastepaper dealer cannot exist. That wastepaper dealer is an important

link in an economic change. It is our obligation to keep him in business, and there has already been a reduction due to mergers, as well as failures, during depression periods.

Excessive material results in the lowering of prices to a point where the wastepaper packer/dealer cannot survive. Excess material will result in that excess going to landfills or being burned. In fact, it does now to some extent. Events such as these occur during times of brisk business and strong economy, but when they occur during down cycles and a slumping economy, they spell disaster for the wastepaper industry on which we depend very much.

If a paper industry was not performing at a high level of use and efficiency, and was not demonstrating the level of responsibility it has and that its economics dictate that it must on an ongoing basis, then there might be some excuse to mandate certain aspects. But, that isn't the case.

Better than 50% of recoverable material, as Mr. Snider said, and as has been demonstrated from the statistics we have, is recyclable. But, what I think is terribly important is that the rest of it -- the balance -- decomposes in a very short time, and does not continue to exist as a blight on the landscape. That is quite unlike a great number of the other materials we are concerned with in the recycling bill, and justifiably so.

I respectfully suggest that we be left to continue under our own recognizance and that a free market and free enterprise system be permitted to continue performing as it obviously has. Thank you very much for the opportunity to testify.

ASSEMBLYMAN HOLLENBECK: Mr. Snider, you said with regard to the amount of newsprint that your firm recycles that there are other firms in the State which use newsprint for recycled products?

MR. SNIDER: Absolutely.

ASSEMBLYMAN HOLLENBECK: That brings us up to that 50% level?

MR. SNIDER: That is right. Absolutely. There is no one who uses 100%. We are dependent upon 100%, but some of the board mills and mills of that nature-- I think Mr. Flicker of Homasote Corporation uses newsprint. There are many other mills that use portions. They can use a different grade than we use.

What we prefer and, in fact, what we almost have to have is newsprint with all the rotary gear sections and all of that taken out. We ask, and people usually do remove most of those. Then we do a hand-picking operation after that.

Yes, we are not the only user in the State. We happen to be one of the larger, but we do buy most of our material in the State. Because our shipments go outside the State to places like Washington, DC, we back haul paper from there. If we didn't, we couldn't compete in that market. We pay a one-way fare to deliver paper, but we deliver most of our paper -- something like 75% -- within 150 miles of our mill at Garfield, New Jersey. It is very localized, and yet, we also have to go outside of that to economically base the mill so that it can survive.

MR. MARCALUS: Something occurs to me to add that might be of general interest to those present. It is rather unique, I think, because of the fact that we each represent a variety of interests and concerns in this overall picture. It might be of interest to know, for instance, that Marcal, with the considerable amount of material it recycles, doesn't use a single pound of newsprint or corrugated. Yet, here is a gentleman who uses nothing but newsprint, and I am sure we have people here who use mostly corrugated, if not exclusively corrugated.

I would think that also points to the fact that of the key areas of wastepaper generation, and the bulk of it, each of us, in turn, is using a different segment. We take all we can get, all we can use, or if we need more, I assure you, there is more that would come out of the woodwork. I think that is a terribly important thing to recognize.

ASSEMBLYMAN HOLLENBECK: Mr. Shinn?

ASSEMBLYMAN SHINN: How does your recycled newsprint compare cost-wise with new material?

MR. SNIDER: We don't normally talk about that for two reasons. One is, I don't really know. That would imply industrial espionage, and I can assure you, we do not do that. If I knew the costs-- We make a lot of calculations as to what our competitors --

north of the border in particular -- are able to produce that paper for. We know what they sell it for, and they don't think as much of their product as we do of ours. That is, they sell it for a whole lot less. They have the advantage of the Canadian dollar.

From a cost standpoint, it is our best judgment relative to raw material that our raw material cost, which is the wastepaper and chemicals that we have to use to bring it to that same level so we can reconstitute it, is very close to what our Canadian competitors have.

ASSEMBLYMAN SHINN: I wasn't getting at your cost; I was looking at cost to the user.

MR. SNIDER: Oh, I'm sorry. The cost to the user-- We sell it at whatever the Canadians tell us we have to sell it for. They dominate the market. Sixty-five percent of the newsprint in this country is made in Canada. It has dropped to maybe 60% because there is about 5% coming in from Scandinavia, and they are beating their brains out.

Basically, most of it comes from Canada. We dance to their tune. They say what the price is, and we either have to match it, or we don't sell it.

ASSEMBLYMAN SHINN: So, as far as an additional market for recycled newsprint is concerned, the market is there -- potentially.

MR. SNIDER: No, the market for newsprint is relatively fixed, and it grows. You can just about track the real growth.

ASSEMBLYMAN SHINN: But, if there was an incentive for newspapers to buy recycled newsprint--

MR. SNIDER: (interrupting) They would do so.

ASSEMBLYMAN SHINN: They would do so?

MR. SNIDER: Again, I can't talk for a publisher; yet I can tell you a little bit about it. We are owned by a company that publishes newspapers. I can tell you that there isn't one publisher who I've ever met who wants to solely deal with one supplier. I'll start with that. As a matter of fact, most of them -- even small newspapers -- will have four and five suppliers, at least three of whom are usually Canadians.

ASSEMBLYMAN SHINN: But, if there was a profit incentive, he might consider using more recycled paper.

MR. SNIDER: I doubt it. I strongly doubt it. I'll tell you why. There is a difference -- not a substantial difference, but there is a difference -- between recycled paper and virgin paper. Okay? Even though we put a lot of chemicals back in it, to reconstitute it and make it perform exactly like virgin paper, it doesn't quite do it. One of the properties that it has -- it is not a serious property, but it is serious enough -- is that most newspaper operators who run very high-speed presses and have a deadline to meet, don't want to get an imbalance of that in their product line because if it breaks on the web, and they shut the machine down, you won't get your paper at six o'clock tomorrow morning.

Therefore, one of the key differences between virgin newsprint and our newsprint is the ability to absorb water. In other words, as Mr. Marcalus knows, when he makes a tissue, he wants it to absorb water. When we make newsprint, we don't want it to absorb water because the printing publisher uses water in his printing process. It weakens the sheet and it can break it. We have to pour chemicals into that sheet to reconstitute it, and it is difficult to bring it 100% back to the virgin level. You can't bring it back to that level economically. I can't afford to put many chemicals in it and still make a profit, so I've got a slight disadvantage. Consequently, the publisher doesn't want to take too much of that. He likes us because we are close; we are a domestic supplier; we have small labor problems; and, we have a tenure agreement. We have those advantages, and we can deliver it when he wants it. That is our advantage.

ASSEMBLYMAN SHINN: If you are running at 100% production, is your additional production limited without plant expansion?

MR. SNIDER: We cannot expand the plant where we are presently. We would not expand in New Jersey, sir.

ASSEMBLYMAN SHINN: One of my concerns regarding this whole scenario is, if we had twice the raw material dumped on the manufacturers in a very short period of time, the only result I can see is a marketplace problem and an eroding of the price we are getting, which we have seen over the past year or so, and really a lessening of what we can sell newsprint for.

Is that accurate?

MR. SNIDER: The lessening of what we saw in newsprint? I want to be accurate.

ASSEMBLYMAN SHINN: Recycled. I'm coming from the county perspective or the municipal perspective.

MR. SNIDER: Yes. Oh, as the recycled product, yes.

ASSEMBLYMAN SHINN: Our collected newsprint--

MR. SNIDER: (interrupting) I can tell you, sir, it would go to pot in a hurry. One of the gentlemen this morning referred to the fact that his curb-side program, his buyer, had to cut him back. Do you know who the buyer was? Me. Do you know why we had to cut him back? Our warehouses are absolutely packed; we are running wide open; and, we can't use any more. What are we going to do? We are cutting our collection facility until we get it in balance. We can't help that. We are one of the few people who warehouse extensively to try to level the market and level the bumps in it. Other people do it, but we are one of the bigger ones here in New Jersey.

I know we have more warehouse space rented for old wastepaper than anyone else in the State. We level it out that way, and we try not to cut off a city manager. We didn't really cut him off. Did you notice that? He still had 10 tons, and that was delivered. We didn't go to zero. Unfortunately, that wasn't enough to help him, but that was our policy. We would not cut him off completely if the quality was right. That is another problem. There is a difference involved.

ASSEMBLYMAN SHINN: So, if we recognize that the domestic market has a limitation, then we are looking at an export market for newsprint.

MR. SNIDER: You are, and it is a highly variable market right now. The biggest markets in the world are Korea, Taiwan, Mexico, and Canada. Those are the four big ones.

Right now, the price of old newspaper on the West Coast, on the dock, is \$45 per ton. All right? Now, you don't have to know too much about the recycling business to know that there is hardly any margin left in there for anyone to do anything; therefore, it is just not moving.

On this coast, there is a very small export market that has some potential. Those of us in this business look at that. We look at this kind of thing, and we would like to help you develop it if it is there. But, I can tell you right now, it is dead. I say "dead" because relatively speaking, it is hard to sell it. We are trying to find sales for the paper that the manager spoke about today so we can get rid of it and not have to cut back.

ASSEMBLYMAN HOLLENBECK: Thank you, gentlemen. Of course, you represent the firms who have been the real good guys in the recycling business, and you are a major part of the recycling industry in this State. I want to thank you very much for your testimony.

MR. SNIDER: Thank you for being so patient and so interested.

ASSEMBLYMAN HOLLENBECK: Roger Levine, Institute for Scrap Iron and Steel, New Jersey Chapter?

PETER AVAGLIANO: Mr. Chairman, I am here in place of Roger Levine.

ASSEMBLYMAN HOLLENBECK: I didn't think you looked like Roger.

MR. AVAGLIANO: I am Peter Avagliano, Vice President of Schiavone-Bonomo of Jersey City. Our company deals exclusively in ferrous, non-ferrous, and alloy scrap. That is our only business.

I am a former president of the New Jersey Chapter Institute of Scrap Iron and Steel, and presently, I am the national Foreign Trade Group Chairman.

This afternoon I would like to give you a brief profile of the Institute and our New Jersey members. We are a national association composed of 1,450 member firms processing iron and steel scrap for consuming steel mills. We shred, bale, and shear scrap to mill specifications, and we purchase automobiles, steel beams, refrigerators, truck parts, and industrially generated steel, among other things. We estimate the cost of replacement for a typical scrap processing facility today to be \$1.5 million. The brochure we passed out gives you more detail about our industry.

There are 55 member firms in New Jersey employing more than 1,000 people, and we estimate their sales to be over \$100 million per

year. A large percentage of our members have been recycling for more than 75 years, and our members purchase, process, and market more than two million tons of New Jersey iron and steel scrap every year. Our markets consist of New Jersey steel mills, other American steel mills, and the export market. The majority of scrap generated today in New Jersey is exported. Presently, our members are processing for recycling all grades of iron and steel scrap, with the exception of tin cans.

Rather than discuss the specific points of these bills before you today which we disagree with, I would like to make some general positive observations on the state of recycling in New Jersey, or rather, does recycling in New Jersey really pay without supporting markets?

The Legislature, the Governor, and the various concerned departments of State government are to be congratulated on the current success of recycling in New Jersey, which is a good example of public/private cooperation for other states to emulate.

We also applaud your efforts to reduce the amount of material currently going to our diminishing landfills. But, the removal of potentially salable materials without supporting markets will only result in a glut of more unsalable materials. With the exception of tin cans, there exists a market for all steel-discarded materials that can be removed from the waste stream, and our members stand ready to work with the Office of Recycling and all governmental bodies in finding a market for tin cans without imposing a bimetal container tax on them.

We are discussing the possible purchase of tin can scrap with various steel mills -- namely US Steel -- but today, we have no positive response to this problem. We can handle all the iron and steel scrap produced in New Jersey, but our major concern is the amount of paper and glass that a mandatory program will force into a very limited market. I am sure this has been or will be discussed by those concerned with the problem.

We are also concerned with the thrust of this legislation which encourages more public-sector involvement in the processing and

marketing of recyclables. Over the past several years, our Institute has worked closely with the Recycling Forum in formulating a good public/private partnership. Unfortunately, this large amount of effort has resulted recently in rejection of the parts of our proposal which would encourage more private-sector involvement, rather than more reliance on the public sector. This, I am sure, will be touched on by the Recycling Forum. We think your bills should address more private-sector recycling effort and encourage more active participation by those currently in the business.

We also believe that incentives should be granted to encourage the actual consumers of recyclables to expand or locate in New Jersey. The 20% tax rebate in the mandatory recycling bill is a step in the right direction, but greater credit should be given to steel, glass -- until the last speaker spoke, I was going to say paper mills, but he had a different observation -- and manufacturing plants that actually turn recyclables into usable products.

Recycling occurs when the material is reused, not merely collected. Again, we stress the emphasis on markets, and less emphasis on the removing of unsalable materials. Various associations, along with the Institute, helped draft the original recycling bill which encouraged low-interest loans to recycling firms. It is our understanding that while money has been given to municipalities as a reward for removing material from the waste stream, no money has been allocated yet to the actual processors or consumers of recyclable material, even though they are the ones who certify that municipalities have indeed recycled the collected materials. We hope this can be corrected in the coming months and encouragement given to the various departments to streamline the process for private-sector recycling firms to apply and be granted these loans.

The legislation should also be strengthened to discourage diversion of material away from the current private recycling firms who are already the main processors of recyclable materials in the State. Language was written into the original recycling bill to discourage this type of competition, but was changed in writing the rules so that municipalities can indeed compete with the private sector. Money has

actually been given for the purchase of baling equipment when it is specifically prohibited in the act.

In conclusion, we encourage you to study the market for recyclables in greater detail so that these bills before you today -- which stem from only one problem, that of solid waste generation and disposal -- do not create a greater problem, namely more uncollected, unsalable material. Perhaps these bills can be combined into one piece of far-reaching legislation which will begin to solve the monumental problem facing our State. Our members stand ready to assist, and I pledge their support in your efforts.

Thank you. That concludes my formal presentation. Do you have any questions?

ASSEMBLYMAN HOLLENBECK: Mr. Shinn?

ASSEMBLYMAN SHINN: Let's talk a little bit about tin cans. Tell me about the problems with tin cans and what the mill problem is with them.

ASSEMBLYMAN HOLLENBECK: We are interested in the bimetal cans.

MR. AVAGLIANO: Pardon?

ASSEMBLYMAN HOLLENBECK: We are interested in the bimetal cans and why there is no market for them?

ASSEMBLYMAN SHINN: Tin first.

MR. AVAGLIANO: Tin is a contaminant to a steel mill. One of the things they can't use is tin, and they can't use a lot of copper. They don't come out on a slab, and tin is no good in making steel. That is the problem. There is no way to deal with large amounts of tin; however, if they can dilute it enough, they can use a certain amount of it.

New Jersey Steel here in Sayreville used a certain amount of municipal scrap. Today they are not using any. They found too many problems with it. If we can get it into a large mill, such as US Steel, which has blast furnaces-- The steel that comes out of blast furnaces has very little contaminants, so you can mix in the pure form of steel with the contaminated form, and level it out.

In an electric furnace, such as is used in New Jersey Steel or Raritan River Steel, there isn't too much room to deal with contaminants. That is why tin cans are not being used by those people right now.

ASSEMBLYMAN HOLLENBECK: When you use the word "tin," do you mean bimetal?

MR. AVAGLIANO: It is actually tin. A food can is basically all tin; there is no aluminum in--

ASSEMBLYMAN HOLLENBECK: (interrupting) What about the bimetallic cans?

MR. AVAGLIANO: Well, the bimetallic can is aluminum and tin, but that is in the same category.

ASSEMBLYMAN HOLLENBECK: "Bi" meaning two metals. I'm referring to steel sides and aluminum sides with steel tops.

MR. AVAGLIANO: The aluminum smelter can use an all aluminum can; it can't use tin.

ASSEMBLYMAN HOLLENBECK: What about the cast iron furnace where they make in cast?

MR. AVAGLIANO: He basically only uses cast iron. A cast iron foundry uses cast iron scrap.

ASSEMBLYMAN SHINN: As they move towards malleable, they add steel.

MR. AVAGLIANO: US Pipe is now a malleable steel foundry. It has stopped using cast iron, and it is now using steel.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

ASSEMBLYMAN SHINN: You brought up the bimetal can problem which is, obviously, getting the aluminum out of tin cans. It becomes almost an insurmountable project. Do you have any ideas on bimetal can problems?

MR. AVAGLIANO: Let me ask my colleague. This is Joe Gilson.

JOSEPH GILSON: I don't think so. I think that is a greater problem than the tin can. Now you have two specific elements -- aluminum and steel -- and it is even more difficult.

ASSEMBLYMAN HOLLENBECK: That was the argument we had with some of the other manufacturers. They said, "What do we do with them?" Thank you very much.

MR. GILSON: The problem is, in steel making, a certain amount of aluminum is added, but it has to be a known amount. The aluminum in scrap, in that case, would be unknown, so that presents a problem.

ASSEMBLYMAN HOLLENBECK: Thank you, gentlemen.

MR. GILSON: Thank you.

ASSEMBLYMAN HOLLENBECK: Philip Waugh, Joseph Katz, Margit Westerhult?

JOSEPH W. KATZ: I have a couple of props. Thank you, Mr. Chairman and members of the Committee.

ASSEMBLYMAN HOLLENBECK: Are you going to paraphrase this book?

MR. KATZ: I'm going to try to breeze through it. There is a lot of space between the lines, Mr. Chairman.

I am Joe Katz, and I am here with my colleagues, to represent Tetra Pak, Inc. Ms. Westerhult is the Environmental Director of the parent concern in Sweden, and Mr. Waugh is Vice President of the national company out of Dallas, Texas. We are here to explain the process of our company in relationship to this bill.

Our product is known as Brik Pak. It is probably familiar to most of you. It is produced throughout the nation primarily for juice. It is coming to pretty good use with wine in Europe, and we think in the future, it is going to eventually be used in conjunction with milk. Right now, it is sold in some places as little containers of milk. I know some people freeze it and send it to school with their children. By lunch time, it is cool and drinkable.

We don't use carbonated beverages in these containers because they are not strong enough to handle the pressure of carbonation. We only use non-carbonated beverages.

As you may know, our product is also known as Tetra Brik Aseptic. I'll refer to it as TBA. Not only do the TBA cartons preserve the full taste of the product for long periods of time, but

they require no refrigeration. They take up less shelf space, and they are much more resistant to breakage than many of the existing packages. The product is used in 90 countries, and there are packaging factories in 21 nations.

In the United States, we have a Northeast District Office up the road from here in Somerset, New Jersey.

I have some sheets here that I would be glad to let you see. This product is pretty much akin to a milk carton material, or a non-aseptic -- aseptic means bacteria-free packaging -- juice carton. The only difference is that there is a thin layer of aluminum foil which blocks out the light, thus helping to protect it. That aluminum foil is pretty much akin to the aluminum foil in a cigarette pack.

In reading A-3382 and its companion Senate bill, we were struck by the fact that this product and similar products are being produced almost as if the manufacturers were following the prescription contained in Section 1. You want to accomplish this, that, and the other thing, and we think these products do. That is the burden of my statement.

I am just going to briefly go through what you require and how I think the product fulfills that.

First, the bill calls for a decrease in waste flow to landfill sites. Both from the standpoint of weight and mass, this carton (witness refers to display on table) meets this specification. The empty carton is (again referring to display on table) -- this is 12 ounces -- 20% lighter than an empty aluminum can. It is much lighter than the tin cans you were talking about. The weight advantage, as I said, is much greater. Discarded, it takes up this much space -- about the size of a raisin box. I think this substantially decreases the waste flow to landfill sites, if it goes to landfill sites.

The bill's second objective is recovering valuable resources. We think this in itself is a valuable resource, and that resource is fuel. Two tons of this material, when burned in one of the incinerators -- these are in active use in Europe and elsewhere in the country; they are coming on line in New Jersey now -- is the equivalent of one ton of oil. This compares to a five-to-one ratio between

ordinary household garbage and oil. You need five tons of garbage to equal one ton of oil. So, we think this is not only advantageous, but we think it will stimulate the mass burning process. In fact, we know it will. Most importantly, it does not produce the adverse emissions that many people worry about.

The third objection that is spelled out in Section 1 of the bill is conserving energy in the manufacturing process. Of course, that is a major objective of the various bottle bills, which I don't have to tell this Committee. It is to encourage the use of refillable containers. A refillable glass bottle would have to be used 20 times in order to be as energy-efficient as one of these cartons. Experience and statistics show that a refillable bottle averages about 10 trips to and from the store before it is broken or thrown out. That speaks for itself.

One-way glass, which is generally used for juice and wine -- there are no deposits and returns on these -- and made of entirely recycled glass, will consume 2.6 times the energy of a TBA carton.

We recognize that glass has played, and will continue to play, a major role in the food and beverage distribution system. Yet, this product is assuming an economically and environmentally beneficial position in the market.

As far as cans are concerned, to make a virgin aluminum can like this (witness refers to display on table) it would take five times the energy to produce. When you recycle aluminum, it is very efficient. Recycling one of these cans uses the same amount of energy as one of these (referring to display on table).

Another objective of the bill is to increase the supply of reusable raw materials for the State's industries. This will help to produce electricity when burned, and it will increase the supply of usable materials. Electricity, of course, is vital.

Finally, the preamble refers to contributing to the overall combustion efficiency of waste-to-energy plants. I just spoke about that, and short of fossil fuel itself, there is hardly anything that is going to be burned in one of these plants that will do that kind of job.

New Jersey is in the forefront of the aseptic packaging revolution in the United States. There are a number of juice operations right here in New Jersey, and some of these are examples of their products. The Tetra Pak process alone is being used by Johanna Farms in Flemington, and they produce a variety of brands under their own name and under other well-known names. Coca-Cola has a major operation over in Hightstown. The Ocean Spray Company packages this, I think, in Massachusetts, but they are one of the biggest customers for New Jersey cranberries. I think Assemblyman Shinn knows that.

Furthermore, aseptic packaging is at the threshold of major expansion. We talked to Campbell Soup, which is very important to South Jersey, and they are seriously considering this type of packaging for their soups. Whether it is our system or another, I don't know, but they are looking at it.

A food technology center at Rutgers received \$6 million from last year's high tech bond issue. It is heavily engaged in the study of aseptic packaging, not only for beverages, but also for solid food products.

Having said all of this, if we fill the bill, and we are the answer to the bill's prayer, why are we here? Well, I don't know why we are here. (laughter) I was glad to hear that the sponsor of the bill apparently doesn't know why, and he would like it removed. I wanted to go through this to bolster that objective, and I hope it comes about.

We are not only here because we are alluded to, but we are singled out for a specific ban in Section 17. It says that on or after July 1, 1987, you can't use this or anything like it. Maybe you will be able to enlighten us.

There has been no other state, nor any other country, that has even hinted at imposing such a barrier on our product. We hope the fact that it is in the bill results from some easily corrected misunderstanding. If that is the case, I have the experts here whom I think can help to correct that.

If RBA and related packaging accomplish what we are certain they do, we would perhaps like even more than the elimination of

Section 17. Perhaps you could even include some language that would encourage products that are easily disposed of. (laughter)

ASSEMBLYMAN HOLLENBECK: You're pushing your luck, Joe. (laughter)

MR. KATZ: We have to keep trying, Mr. Chairman.

ASSEMBLYMAN SHINN: I think that comes under the heading, "The best defense is a good offense." (laughter)

MR. KATZ: That concludes my statement. I'm sorry I repeated so much of what was in my written testimony, but I--

ASSEMBLYMAN HOLLENBECK: (interrupting) I am completely amazed at the wealth of information that Joseph Katz frequently supplies to the Committee on so many subjects -- from kerosine heaters to Brik Paks. (laughter) The wealth of information you gave the Committee is absolutely amazing.

MR. KATZ: Thank you, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: You have enlightened us. For the love of me, I am trying to figure out the reason why they are in the bill, but, on the other hand, I can't think of a reason why we should encourage the use of them either. (laughter)

MR. KATZ: I thought I would try. I think they offer work to the incinerators. (laughter)

ASSEMBLYMAN HOLLENBECK: I'll tell you why. It is because, obviously-- We are going to find out why; we are going to have to find out why. I'm sure there is some reason why they were included very specifically in the bill. Maybe you know the reason. Possibly you just didn't want to bring it up. I wouldn't expect you to do that. If you want to volunteer it and possibly put it in better perspective as to the reason why, and why they were put in in error, we would accept that. However, you take the risk of me getting the information from other sources, which might slant it to their type of thinking. Of course, that would be to your detriment.

ASSEMBLYMAN SHINN: If I could play the devil's advocate, Mr. Chairman, it is probably because, although it is a high BTU content product, there are very few burning facilities in the State of New Jersey. Probably what we are looking at is the direct landfilling of

the product and it not being compatible with existing recycling programs. I think that is the basic reason why they singled out that particular product.

MR. KATZ: I would like to comment on that, if I may, Mr. Shinn. This product is essentially 80% paper, and it is degradable.

ASSEMBLYMAN HOLLENBECK: Can it be recycled?

MR. KATZ: No, not normally. It is degradable for the bulk of newsprint, as was mentioned. If it goes into the landfill, the plastic-type coating, which is the same as what is on the milk carton, will also degrade over a very short period of time. The only difference is the aluminum foil, which is a minute amount of the total weight. This, of course, will burn.

ASSEMBLYMAN HOLLENBECK: Is there a plastic wrapper around that?

MR. KATZ: No, just cellophane.

ASSEMBLYMAN HOLLENBECK: Is that cellophane or plastic?

MR. KATZ: It is cellophane sheet wrap. May I just leave some of it with you? (witness hands cellophane sheet wrap to Committee)

ASSEMBLYMAN HOLLENBECK: They also make a sort of plastic wrap out of them to hold them, don't they?

PHILIP WAUGH: No, we don't.

ASSEMBLYMAN HOLLENBECK: I would assume it is because it is biodegradable. However, as you pointed out, it is a container that will degrade somewhat, and it can also be incinerated. You pointed this out with a great deal of eloquence as to the BTUs in comparing it (laughter) to very many things, including a Pepsi Light can.

So, you are suggesting that all products should have that quality; all beverage containers should have that quality of being able to biodegrade or be incinerated.

MR. KATZ: Well, there is a big difference. We can put Pepsi in here because it is carbonated. I am correct about that, aren't I, Phil?

MR. WAUGH: With a carbonated beverage, you have to have a thicker wall because it has to withstand pressure for safety reasons. We normally do not pack carbonated beverages in our packages.

ASSEMBLYMAN HOLLENBECK: Mr. Shinn, do you have any other questions?

ASSEMBLYMAN SHINN: No, I don't.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Katz.

MR. KATZ: Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you for the whole explanation. I appreciate it, and it was very enlightening. (laughter) The only time I ever get that much knowledge is when I read the little articles on the edges of newspapers -- the fillers. (laughter)

MR. KATZ: Thank you, Mr. Chairman. You are most complimentary.

ASSEMBLYMAN HOLLENBECK: You amaze me with your wealth of knowledge.

Barry Lefkowitz and Charles Sapienza? (not present) Bud Fuller, American Can Company?

MR. PRICE: Barry Lefkowitz may be here.

ASSEMBLYMAN HOLLENBECK: Oh, I'm sorry. Barry Lefkowitz, are you here? (not present) Oh, he left already.

Okay, Bud Fuller?

EVERETT E. FULLER: The hour is late, and I have two brief statements regarding each of the bills you have before you today.

First, my name is Everett Fuller, and I am employed by American Can Company. I am also representing the can manufacturers in New Jersey.

Regarding Assembly Bill 3382, this bill contains a number of elements of recycling programs which we could support if revisions were made to some of the sections, but as long as it contains the potential for deposits on containers and packaging, we have to oppose it totally.

It is especially onerous because it gives far too much authority to a commissioner to impose deposits using only the criteria of recycling percentages. Any deposit scheme has complex ramifications, as we have discussed with such proposals before in New Jersey, and should be considered in the full view of the legislative process. Further, the packaging of any product requires the balancing

of a number of considerations beyond just the recyclability of the package. I am not trying to minimize the importance of that, but, we, as package manufacturers, have to take into account a number of other things. I have outlined them in my statement very briefly.

These requirements have to be carefully balanced, and sometimes they conflict with each other. They include the ability to hold a specific product for an adequate length of time, and to protect the product so that when it is used, the health of the consumer is taken into account.

Of course, someone at one time -- a jokester -- said that the ideal container is one that will hold the product forever, but the minute you use it, it decomposes instantly. Obviously, that is not a practical consideration at all. Other considerations are: the cost of the material and labor to make it; identification of the product for the consumer; shipping and handling costs; pilferage or product adulteration, as in the Tylenol case; openability and reclosure features; ability to withstand processing pressures and temperatures; recyclability or value of the scrap generated; and, the ability to portion the product from the container or prepare the product for serving. There are also a number of other considerations.

As I said, one of these is recycling. It is one of the things we have had to consider. It is certainly not one of the things we ignore, but it has to be balanced with all of these other factors that are so important to get a product from where it is made, or produced, or grown, to the consumer so he or she can use it. So, you just can't look at one thing. The Commissioner, in this bill, only looks at recyclability. As far as solid waste is concerned, that is certainly an important criterion, but not as far as getting the package to the consumer is concerned.

The other part of the bill involves sales tax incentives on containers if more than 50% of them are made from recyclable material. That is a very noble goal, but in reading through the language, it looks to me to be unworkable. If you know anything at all about how containers are made, filled, and then shipped to the consumer, it is very intertwined across state lines. We make the containers in New

York, they are filled in New Jersey, they are shipped to Pennsylvania or Maryland, and vice versa. There is absolutely no way to identify specific containers as to whether or not they are made from recycled material.

Aluminum containers nationally are made from more than 50% recycled material. To pinpoint a specific plant or lot of aluminum, and to be able to specify that it is made out of more than 50% recycled material, is almost impossible. To further identify the cans made from that material being shipped to a brewery or a soft-drink bottler, and then to have them be filled and shipped to many different states, would be very, very unworkable.

We suggest that the Committee defeat this bill, or at least consider revamping it drastically, and eliminating all the sections that I've indicated as far as deposits and recycling are concerned. I suggest that the Committee do something constructive.

We have worked with the Recycling Forum, and we will continue to do so to try to develop that which will really do something constructive about recycling in New Jersey.

I am sure there is a lot that can be done. Fortunately, aluminum is the one standout as far as recyclability is concerned. We are, of course, involved with other types of packaging, and we want to continue to work in a realistic manner toward the goals that are a part of all of our concern.

The other comment I have is on Assembly Bill 3398. I just want to reaffirm that the beverage container industry in New Jersey consists of four major manufacturing companies, including my own, and five plants that employ more than 1,200 people. My company recently closed a beverage can manufacturing facility in Edison, New Jersey because of reduced container sales caused by the bottle bills in Connecticut, Massachusetts, and New York. That made it an uneconomical and risky business decision to re-equip the plant with the latest can-making technology. So, New Jersey has already lost 160 jobs because of bottle bills or deposit laws.

In 1983, Reynold Metals Company closed its plant in Woodbridge, which resulted in 265 lost jobs because of similar

circumstances. The projected volume of container sales was just not there because of deposit laws in these other states. Of course, if New Jersey adopted any such type of legislation, it would further reduce sales, which would affect the five remaining plants I mentioned.

The other thing that concerns us about Assembly Bill 3398 is, it expands the definition of a beverage to include fruit juice which adds a broad range of products and containers, that consumers would have to save and return for refunds. Why are plastic containers under 12 ounces exempted, while cans that our industry makes are not? The rationale of that somehow escapes me. Obviously, we are opposed to deposits on any type of containers. We always have been, and we always will be.

Regarding the parts of the bill that mention regional redemption centers and the 10-cent deposit, with five cents of that being returned to the cities and towns, it strikes me as being a reverse incentive. If the objective is to reduce solid waste and get many containers back, and you give an incentive of a nickel a container to a town not to get them back, it would seem to me that it would work exactly the opposite of what you are trying to do to reduce solid waste.

The most cost-effective and productive way to recycle materials and reduce the amount going to a landfill is to separate them at the household and establish curb-side collection procedures using present waste collection facilities, equipment, and procedures.

Deposits and refund schemes are labor-intensive, costly to consumers, and damaging to our industry. In fact, the beverage can industry doesn't need deposits to generate a high rate of recycling. Our aluminum cans, as I already mentioned, are being recycled at a national rate of over 55%, and in nearby Delaware the rate is even higher. Deposit laws certainly don't have the potential to increase that rate very much.

Thank you for your attention.

ASSEMBLYMAN HOLLENBECK: What is your rate of return on bimetal cans?

MR. FULLER: Well, bimetal cans -- I heard the previous questions -- are a very small part of the market right now.

ASSEMBLYMAN HOLLENBECK: What is your rate of return on them?

MR. FULLER: I really can't tell you exactly what the rate of return is; it is very low.

ASSEMBLYMAN HOLLENBECK: What do we use them for?

MR. FULLER: They can be recycled in two ways: one, at the major steel mills with the proper shredding facilities--

ASSEMBLYMAN HOLLENBECK: (interrupting) We now know that the major steel mills don't want them. We don't want hypotheticals. Where can we send them right now? Where can we send a whole mess of bimetal cans right now if we want to get rid of them?

MR. FULLER: Well, they probably get back into the market.

ASSEMBLYMAN HOLLENBECK: The ones that they dump on us where we have no place to get rid of them. I mean, like the tire manufacturers too.

MR. FULLER: No, not really. There are two ways to recycle bimetal cans. You are talking about the ones with the aluminum tops and the steel bodies. One is to shred them, separate the steel from the aluminum -- magnetically -- charge the furnaces in the steel mills with the steel, and use the aluminum as an oxidizer. Again, it has to be measured separately. The other way is to use them to precipitate copper.

The problem in both of these areas is that the steel mills are not doing very well, and the copper mines have all shut down, so the market is not there. It is not that they can't be recycled; it is the same problem we have with all of the other materials that we talked about today. You have to have a viable market; you have to--

ASSEMBLYMAN HOLLENBECK: (interrupting) Who is going to do all of this separating and shredding? Who is going to do all of that?

MR. FULLER: Well, you have to have a viable industry to be able to do that. At the time when the--

ASSEMBLYMAN HOLLENBECK: (interrupting) But, who is supposed to do it? That is the whole question. You see, we all come up with these wonderful ideas about who is going to do it and who is going to take it-- Recycle what to whom?

MR. FULLER: Well, you are trying to solve--

ASSEMBLYMAN HOLLENBECK: (interrupting) You give us the can; you don't want it back in deposits. Give us the can, sell it once, and dump it on us -- the government -- and then tell us, "We don't care what you do with it."

MR. FULLER: Your problem--

ASSEMBLYMAN HOLLENBECK: (interrupting) You don't really care.

MR. FULLER: Yes, we do.

ASSEMBLYMAN HOLLENBECK: You just don't want it back.

MR. FULLER: We want it back if there is an economical market for it. I agree; you are looking at the problem at the end of the pipeline, and it is a problem. I am not trying to minimize that at all. But, you have to take into consideration the utility that that package has created in getting the product to the consumer. You can go back to the times of the Indians when they threw away pottery that was damaged, broken, or hadn't been used. We will have this problem forever if we are going to continue, but we need to make an effort to minimize the problem. I agree with that. We haven't been idle in this either in our industry.

ASSEMBLYMAN HOLLENBECK: What have you done to minimize this effort so that there is a reduction of that flow?

MR. FULLER: Well, we have certainly done everything we could to--

ASSEMBLYMAN HOLLENBECK: (interrupting) Besides closing the plant.

MR. FULLER: As I said, deposit legislation will close some more.

ASSEMBLYMAN HOLLENBECK: That is interesting because deposit legislation causes the glass industry to lose jobs. They lose business, and now the can business is also losing as far as jobs are concerned.

MR. FULLER: That is correct.

ASSEMBLYMAN HOLLENBECK: Who is getting all of this business? It is the plastics industry, isn't it?

MR. FULLER: No. The point is, business has shrunk with the deposit law.

ASSEMBLYMAN HOLLENBECK: Because people have to pay a deposit, they automatically stop drinking?

MR. FULLER: The price goes up, and they buy less.

ASSEMBLYMAN HOLLENBECK: It is so hard--

MR. FULLER: (interrupting) No, it is a very straightforward economical analysis.

ASSEMBLYMAN HOLLENBECK: At the time, most of the prices-- Most of the time, it shows that the distributors took a little profiteering, the price came back down, and the consumption was the same.

MR. FULLER: You and I probably--

ASSEMBLYMAN HOLLENBECK: (interrupting) The difference, of course -- you know it, and I know it -- is going to the larger plastic containers. That is where most of the stuff has gone. I think there were some other things wrong with the modernization of the plant, its operation, and some other reasons; that is why the plant closed down.

MR. FULLER: Well, as I said--

ASSEMBLYMAN HOLLENBECK: (interrupting) Wasn't that involved also? It wasn't because of the bottles; it was because of other reasons. Come on; don't--

MR. FULLER: (interrupting) Well, you're not letting me-- In my testimony, I was very careful to say that we made the decision not to re-equip that plant with modern technology because the business was not going to be there to make that plant economically viable. The bottle bills have reduced the volume.

ASSEMBLYMAN HOLLENBECK: It was an old plant with no modern equipment in it. It wasn't that it had to be beautiful. "Oh, they put in a bottle bill up in Connecticut, and that knocked me out of business here." That is not true. Don't give us that impression.

MR. FULLER: I told you exactly why we closed the plant. It was largely due to deposit legislation and the decision not to re-equip it. The volume of containers being sold in this region was being reduced.

ASSEMBLYMAN HOLLENBECK: Metal containers, but what about plastic containers?

MR. FULLER: Well, the total volume in the market--

ASSEMBLYMAN HOLLENBECK: (interrupting) Let's talk about the quantity -- the gallons of soda that were sold as soft beverages.

MR. FULLER: They have gone down in all the bottle bill states.

ASSEMBLYMAN HOLLENBECK: It isn't because of the fact that 60% of all the soft beverages are sold in plastic containers, and 20% of the containers sold are plastic?

MR. FULLER: Yes, but the total--

ASSEMBLYMAN HOLLENBECK: Twenty percent of the containers sold are plastic. That would make a difference, wouldn't it?

MR. FULLER: I agree, but you are talking about market share. But, the total volume of gallons--

ASSEMBLYMAN HOLLENBECK: (interrupting) Has the market share changed?

MR. FULLER: Towards plastic, but the total volume has also shrunk. That is my point. The number of gallons sold in deposit law states is less a year later than it was before the law was put into effect; that is for both beer and soda.

ASSEMBLYMAN HOLLENBECK: So, if the theory falls true, the deposits are no good. We can make the cans; we can get rid of them; we dump them on you; and, you can't recycle them because no one wants them. You've got a problem.

MR. FULLER: Not in the case of aluminum cans.

ASSEMBLYMAN HOLLENBECK: No? That is great. Unfortunately, we have other problems with some other cans.

MR. FULLER: Of course, that is the industry I am representing here today.

ASSEMBLYMAN HOLLENBECK: But, I'm talking about cans in general. I have no problem with aluminum.

MR. FULLER: Well, steel cans are certainly recyclable, but you have to have a viable steel industry to be able to absorb the quantities. You also have to have an economical way to make them available to the industry to process them.

ASSEMBLYMAN HOLLENBECK: Mr. Shinn?

ASSEMBLYMAN SHINN: I want to talk about three types of cans: aluminum cans, bimetal cans, and tin cans.

MR. FULLER: All right.

ASSEMBLYMAN SHINN: First of all, what would be the cost to manufacture the same size can? Start with aluminum.

MR. FULLER: Are you talking about beverage cans?

ASSEMBLYMAN SHINN: Yes.

MR. FULLER: Aluminum and steel beverage cans are sold for the same price generally, although the material in a steel can is less costly than aluminum by a small amount. Generally, as far as market conditions are concerned, they are sold for the same price.

ASSEMBLYMAN SHINN: The same price?

MR. FULLER: Right.

ASSEMBLYMAN SHINN: Okay. How about the bimetal can?

MR. FULLER: That is what I meant by the steel can. All beverage cans that are made out of steel have to be bimetal.

ASSEMBLYMAN SHINN: Okay, they are all bimetal.

MR. FULLER: You have to have aluminum on the top so you can use the lever-opening device.

ASSEMBLYMAN SHINN: So, in a sense, the shredding and the separating is practically not cost-effective under any conditions? From our point of view, if we said, "Let's use aluminum cans," that solves the problem because there is a market for them. Fifty-five percent of them are going to the waste stream, and we don't have the bimetal tin foundry shredding and separating problem.

MR. FULLER: Only if you look at it strictly from the recycling standpoint. As I said, steel, as a material, tends to be less expensive or less costly per 1,000 cans than aluminum, so there is a little bit of a price differential that could come into play. It is not enough, though, to offset the recycling value of the scrap material.

ASSEMBLYMAN SHINN: But, if it was tin versus aluminum, or bimetal versus aluminum, versus deposit, what would you opt for?

MR. FULLER: Well, I think the market should make that choice. Of course, deposits would affect both containers equally.

ASSEMBLYMAN SHINN: The market pays the same price for bimetal and aluminum.

MR. FULLER: The original can, yes; that is, the empty can, the new can.

ASSEMBLYMAN SHINN: The new cans?

MR. FULLER: Yes. Were you talking scrap value?

ASSEMBLYMAN SHINN: No. When I asked you the cost to manufacture the aluminum can and the bimetal can, you said they are essentially the same.

MR. FULLER: They are very close.

ASSEMBLYMAN SHINN: Okay. So, if--

MR. FULLER: (interrupting) There is a slight advantage to the steel can with an aluminum top as far as the cost of material is concerned. The cost to produce the cans is the same to make them.

ASSEMBLYMAN SHINN: Okay, but if just producing aluminum cans solves the problem on the end of the cycle, which I don't think is ultimately going to be totally borne by government or the taxpayers, isn't it a better approach not to have a can deposit and use aluminum cans, rather than have-- It could solve our--

MR. FULLER: (interrupting) Yes, and that is what has happened in the marketplace.

ASSEMBLYMAN SHINN: That is happening?

MR. FULLER: There are very few--

ASSEMBLYMAN SHINN: (interrupting) So, there is a shift from bimetal cans to aluminum cans?

MR. FULLER: There are hardly any bimetal cans sold in the United States for beverages today. The market has decided that, and the scrap value of the aluminum is one of the factors that decided that. That would tend to offset the slight advantage of the raw material to begin with in using steel over aluminum.

ASSEMBLYMAN SHINN: If somewhere down the line, bimetal cans were phased out of New Jersey, that wouldn't be the worst thing in the world?

MR. FULLER: Well, again, it might be because no one likes to be married to one specific material.

ASSEMBLYMAN SHINN: Okay. On the flip side of that, if some charge were to be put on bimetal cans to cover disposal costs, that would sway the balance.

MR. FULLER: It would further drive it the other way, sure.

ASSEMBLYMAN SHINN: That would drive it to aluminum.

MR. FULLER: But, not to have a free market and competition between materials could have some disadvantages too.

ASSEMBLYMAN SHINN: Yes. If "free" goes all the way down to disposal costs, then that is not free. Then you back up and try to look at the free-market concept towards resource recovery, and the aluminum can essentially has no problems. The bimetal is--

MR. FULLER: You're right, but I was very careful to stress all the other factors that we have to take into consideration.

ASSEMBLYMAN SHINN: Yes. I wanted a good discussion of that because I need education. There is no question about that. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Ladies and gentlemen, that is all the time we have; the hearing is concluded.

There are a lot of people who wanted to testify today, so another hearing will be scheduled. Those people who were supposed to testify today will be placed on the top of the witness list for our next hearing. As I said earlier, there was no way we were going to be able to get through this whole list today. The next hearing date will be set within two or three weeks.

(HEARING CONCLUDED)

APPENDIX

Ladies and gentlemen and members of the Committee. My name is Lori Scozzafava, Recycling Coordinator in Morris County. I am here today on behalf of Morris County's 39 municipalities and in the interest of Solid Waste Management in the State of New Jersey.

Currently, 37 of Morris County's 39 municipalities have some type of recycling program. These programs operate on a variety of levels, from small volunteer drives to mandatory multi-material curbside collections. Overall, there are 13 mandatory curbside programs and 39 depot operations. These numbers continue to increase.

According to 1984 tonnage grant applications, Morris County municipalities, volunteer groups and businesses recycled 82,991 tons of material. This is an increase of over 13,000 tons of recycled material reported in 1983.

When approved, Morris County's updated Solid Waste Management Plan will require all municipalities to implement mandatory recycling programs. This will occur independent of a state-level mandate.

The Morris County Board of Chosen Freeholders, The Solid Waste Advisory Council and the Solid Waste staff have reviewed the proposed Statewide mandatory recycling bill in depth. While the concept of mandatory recycling is unanimously supported, we have recommendations for changes in the legislation proposed. Our municipalities have also been apprised of the impending legislation, and have provided us with comments which we have incorporated into our recommendations.

I will now briefly address five major issues which have been raised, and attempt to provide suggestions for workable alternate actions.

1. The establishment of mandatory 15% and 25% recycling goals will create a number of problems.

Fifteen or 25% of an unknown number cannot be calculated. Counties project municipal waste generation rates using a variety of formulas. Only when scales are in operation at all waste disposal facilities will a uniform accounting system be possible.

In addition, achievement of these rates in municipalities without high population densities will, in effect, mandate curbside collection. New Jersey has rural municipalities of almost 100 square miles. A "convenient means" for these residents to recycle will only mean curbside service, which is economically forbidding to many municipalities. It is these same municipalities which will become ineligible for Tonnage Grant monies when they don't achieve the 15% and 25% goals.

We recommend that recycling goals and programs be established by each county, in consultation with its municipalities, and pending DEP approval.

2. The proposed Bill defines MSW to include residential, commercial and institutional. Inclusion of commercial recycling in the definition will allow commercially active municipalities to meet established goals and requirements while expending little energy on residential waste stream reduction efforts.

Tonnage figures from 1984 show that when using Morris County solid waste projections for each municipality, the commercial recycling tonnage is so high that some commercially active municipalities are reporting waste stream reduction rates of up to 70%. In one of these municipalities, residential waste stream reduction efforts accounted for only .4% of a reported 56% reduction in MSW. (see appendix A).

It is our recommendation that commercial recycling be eliminated from the definition of MSW in order to direct energy toward residential waste stream reduction efforts instead of toward "finding" more existing commercial recycling. Commercial recycling should be defined and addressed independently.

3. The market development strategies incorporated into this Bill and proposed as amendments to a number of other existing bills are fundamentally essential to increasing recycling in New Jersey.

However, in order to cushion the impact of the increased volume of materials on the markets, it is recommended that these strategies be implemented and allowed to become effective before the mandatory recycling requirements for municipalities are enforced.

4. It is apparent that although the Bill is a mandatory recycling bill, it lacks comprehensive enforcement strategies. If commercial and institutional recycling are included in the mandate, who will be responsible for enforcement on those levels? Certainly, municipalities can not monitor commercial and institutional waste streams.

5. Our final recommendation re-emphasizes a position that the County of Morris has taken for a number of years. A comprehensive Statewide recycling program must include the implementation of container deposit legislation not just for certain plastic containers as proposed in this Bill but for all beverage containers.

Simultaneous implementation of Statewide mandatory recycling legislation and container deposit legislation will deliver the highest recycling rates while significantly reducing the economic burden placed on every municipality in the State.

In regard to Assembly Bill 3398, however, we feel that by combining Mandatory Recycling and Bottle Bill legislation in this way eliminates the effectiveness they otherwise could achieve independently.

The County of Morris commends the recycling initiatives taken by the State of New Jersey. We are now and will continue to work toward achievement of our highest possible recycling goals. I thank you for your time, and hope that our recommendations will be utilized toward development of an effective and comprehensive recycling plan for the State of New Jersey.

MORRIS COUNTY

APPENDIX A

SOLID WASTE REDUCTION *

MUNICIPALITY	RESIDENTIAL %	IND. & COMM. %	TOTAL %
BOONTON	5.4	7.8	9.7
BOONTON TWP.	6.45	0.0	3.12
BUTLER	3.8	3.4	3.7
CHATHAM	8.0	10.7	9.1
CHATHAM TWP.	8.4	42.4	14.5
CHESTER	NA	NA	NA
CHESTER TWP.	NA	NA	NA
DENVILLE	NA	NA	2.6
DOVER	3.3	8.0	5.7
EAST HANOVER	2.9	15.0	9.9
FLORHAM PARK	3.0	.46	1.0
HANOVER	5.4	9.9	8.5
HARDING	9.0	6.6	8.2
JEFFERSON	2.4	84.6	9.3
KINNELON	10.4	49.3	17.7
LINCOLN PARK	6.1	23.0	11.7
MADISON	1.2	11.3	4.7
MENDHAM	3.0	20.36	6.9
MENDHAM TWP.	NA	NA	NA
MINE HILL	NA	NA	NA
MONTVILLE	2.7	158.6	65.2
MORRIS PLAINS	7.2	63.2	50.4
MORRISTOWN	1.14	2.43	2.08
MORRIS TWP.	.02	1.8	.6
MOUNTAIN LAKES	5.9	19.5	9.9
MT. ARLINGTON	NA	NA	NA
MT. OLIVE	3.5	68.1	13.8
NETCONG	NA	NA	NA
PAR-TROY	.0009	12.9	6.1
PASSAIC	6.62	NA	4.67
PEQUANNOCK	1.7	6.5	3.3
RANDOLPH	.38	209.0	56.1
RIVERDALE	NA	NA	NA
ROCKAWAY	NA	NA	NA
ROCKAWAY TWP.	3.1	21.5	10.8
ROXBURY	9.4	179.1	69.0
VICTORY GARDENS	NA	NA	NA
WASHINGTON	0.4	209.0	26.5
WHARTON	8.3	18.2	17.1

*Information compiled from 1984 Tonnage Grant
Reports and 1984 Morris County solid waste projections.

Statement of

Thomas E. Cole

Vice President, Rubber Manufacturers Association

Before the

Committee on Agriculture and Environment

New Jersey Assembly

May 2, 1985

RMA Testimony - New Jersey Recycling Legislation

I am Thomas E. Cole, Vice President, Tire Division of the Rubber Manufacturers Association. RMA is the national trade association which represents the interests of the domestic manufacturers of finished rubber products. I am here today to express the views of the U.S. tire manufacturing industry.

At the outset, let me state that the RMA agrees that New Jersey must find a way to manage the disposal of its solid waste, and that scrap tires are an element in the solid waste stream. It should be pointed out that, although scrap tires are a distinct type of solid waste, they constitute 1% or less of all solid waste. We do not believe, however, that the provisions included in Section 17 of the legislation you currently have under consideration will produce a method for dealing with the scrap tire portion of the solid waste stream.

As the members of this Committee may already know, the RMA and its member tire companies have been working with the New Jersey Office of Recycling in an effort to develop a statewide plan for dealing with the disposal and recycling of this State's scrap tires. We have brought together a team of experts which, in a series of meetings with the Office of Recycling, has shared extensive experience and technical information. That dialogue continues, and agreement on developing a state-wide plan has recently been achieved. Parties to this agreement includes agencies of the State, the tire manufacturers, and the tire dealers and retreaders. We have attached a copy of the latest

Outline Agenda for that joint effort so that you may be aware of the range and scope of our involvement in trying to help you solve the problem. This document served as an agenda for the agreeing parties to define the tasks involved and the work product of this group should be completed in six months.

Without question, the disposal of tires presents some special problems which must be addressed. In their "normal" or "whole" state they are generally unsuitable for disposal in landfills, even if adequate landfill capacity were to exist. However, the (relatively) simple act of shredding a tire into smaller pieces, greatly enhances the ability to deal with its disposal. Shredded tires present no problem to landfill operators. Similarly, shredded tires can be used as supplemental fuel. They can be used as a fuel supplement with coal in stoker-fired boilers, as an additional fuel in waste-to-energy systems, or as a stand-alone fuel. Shredded tires can also be used in the composting of sludge. To cite two specific examples:

- Louisiana Pacific Corp. in California uses shredded tires, wood wastes and other leftovers, at a savings of \$35,000 per day.
- Waste Recovery, Inc. has an active production operation in Portland, Oregon for shredded tires. They also have other installations in the State of Washington. Currently WRI is building a tire shredding facility in Houston, Texas, at a cost of \$1-1/2 million. It will have a capacity for handling

4 million scrap tires per month. Production costs are in the area of \$15 per ton, and the final shredded tire product is sold for \$35-40.

Several other technologies are available for disposing of either shredded or whole tires. We feel strongly that scrap tires are a valuable source of energy, not just a disposal problem. They cannot, however, be "recycled" in the same way that a beverage container (glass or metal) or paper product is recycled. Whereas the recycled glass, paper, or metal can be re-used in the process of manufacturing another glass or metal container or paper product, there is minimal or virtually no potential to re-use the scrapped tire as a material in the tire manufacturing process.

Turning now to the specific language of Section 17 of the bill before you, we would offer the following comments:

Subsection (a). As pointed out earlier, tires cannot be "recycled" to the same degree as glass, aluminum, paper, etc. Thus the terms "recycling" and "marketing" in this subsection need clarification.

It is also unclear how and by whom the number of tires sold in New Jersey and the number of tires recycled will be determined. How is the baseline to be established against which the "55%" will be measured? We would also suggest that the 24 month time period should begin with the issuance of any regulations pursuant to Section 17(d), not with the date of enactment. Would it not also be wise to provide for periodic

review of the situation so that the provisions of Sections (b) and (c) could be rescinded?

Further, we see no rationale for assigning the burden of proof to only the tire manufacturers to determine whether "a convenient and economically feasible" method is available to each county and municipality in the State. Surely such burden of proof should include tire dealers, recyclers, and State agencies.

Subsection (b). The deposit and labelling system envisioned in this subsection creates an administrative nightmare nearly beyond description. Tires are not like bottles or cans. They are not merely one-use throwaways. We do not have manufacturing facilities in each and every state or major metropolitan area or even every geographic region. In fact there are a total of 45 tire plants divided among 20 states. Tires manufactured in any given plant are likely to be shipped anywhere in the world. Similarly, tire manufacturers supplying tires to vehicle manufacturers have no way of telling beforehand where any given automobile may be shipped. The question of tire and vehicle imports simply compounds the problem.

Thus the affixation of the markings would have to be done at the retail level. We are not aware of a feasible means to mark tires that would not damage the tire physically or cosmetically. The potential for fraud and counterfeiting is nearly unlimited. The problem is further exacerbated by tires which may be sold in New Jersey but delivered into New York or Pennsylvania or Delaware. Similarly, New Jersey tire dealers

would be put at a great financial disadvantage as New Jersey consumers might very likely be inclined to purchase their tires from out of state.

Subsection (c). As written, this subsection establishes the "Automobile Tire Recycling Fund" automatically with the date of enactment of the legislation and is not contingent upon the "trigger" which brings into effect the provisions of Subsection (b). Presumably the \$1.50 referred to as the source of revenue is the surplus of deposit over refund established in Subsection (b), but this is not stated.

Subsection (d). Similarly, this subsection contains no contingency "trigger" and represents the granting of unlimited regulatory authority.

In summary - we feel the enactment of this proposal is inappropriate and unnecessary.

We believe that a scrapped tire can pay for its own disposal and produce energy in the process. There are companies in existence today which specialize in dealing with these kinds of concerns.

We therefore recommend that action of Section 17 of this bill be deferred at least until the current joint efforts of your Department of Energy and this Association can be finalized and evaluated.



Thomas H. Kean
Governor

NEW JERSEY DEPARTMENT OF ENERGY
101 Commerce Street
Newark, New Jersey 07102

Leonard S. Coleman, Jr.
Commissioner

March 12, 1985

Mr. Frank Ryan, Vice President
Government Relations
Rubber Manufacturers Association
1400 K Street, N.W.
Washington, D.C. 20005

Dear Frank:

Attached is the final draft of the proposed Plan of Action based on the revisions discussed between you and Roger M. Guttentag by telephone on March 8, 1985. If this final draft is acceptable to your Association, then I would like to begin working out with you the specific details for each of the five major tasks described in the Plan of Action. This could be accomplished through an initial series of meetings to discuss:

1. Tasks I and II.
2. Task III, A - C.
3. Task IV.

I am recommending that discussions on Tasks III.D and V be held later since their development seems contingent on the completion of the above tasks. The agenda for each meeting could be as follows:

- A. Task Scope.
- B. Identification of Required Information.
- C. Estimate of Time Needed.
- D. Determination of Lead Responsibility for Joint DOE/RMA Subtasks.

Please contact me or Roger, at your earliest convenience to discuss the above proposal.

Sincerely,

Mary E. Sheil

Administrator

Office of Recycling

// X



Thomas H. Kean
Governor

NEW JERSEY DEPARTMENT OF ENERGY
101 Commerce Street
Newark, New Jersey 07102

Leonard S. Coleman, Jr.
Commissioner

OUTLINE OF AGENDA FOR DEVELOPING PLAN OF ACTION
BETWEEN RMA AND NJDOE
March 8, 1985

<u>TASK</u>	<u>AGENCY</u>
<u>I. Definition of Problems</u>	
A. Estimate of quantity of tires disposed in New Jersey (including existing stockpiles).	DOE/DEP/RMA
B. Describe existing collection and disposal system for whole tires.	DOE/DEP
C. Diminishing NJ landfill capacity.	DOE/DEP
D. Estimate of cost to landfill all scrap tires annually. DOE/DEP	
<u>II. Preliminary Assessment of Market Demand for Scrap Rubber</u>	
A. Using Whole Tires:	
1. Retreading	RMA/ARA
2. Tire Reefing	DOE/DEP
3. Incineration	RMA
B. Using Shredded or Crumb Rubber:	
1. Rubberized Asphalt	DOE/RMA
2. Sludge Composting	DOE/DEP
3. Energy Products	RMA
4. Other Uses	RMA
C. Description of State Role in Market Development.	DOE

III. Development of Tire Shredding Capacity
Within New Jersey

A. Facility Siting

1. Technical Requirements: RMA
 - a. Acreage needed for receiving, processing and storage.
 - b. Utilities.
 - c. Transportation access.
 - d. Site Preparation.
 - e. Physical facilities.
 - f. Permitting Requirements.

B. Recommended Technology RMA

C. Economic Issues RMA

1. Costs:
 - a. Estimated capital costs at different Tires Per Day (TPD) capacities.
 - b. Estimated operating costs at different TPD processing rates.
 - c. Estimated revenues from product sales at different TPD's.
 - d. Estimated net value of Tire Shredding Facility given a, b, c.

D. Preliminary Recommendations of Potential Sites with respect to: DOE/DEP

1. Proximity to tire sources
 - a. existing.
 - b. potential.
2. Proximity to markets for shredded product.
3. Availability of publicly-owned property which is suitable for industrial uses.

4. Evidence of local support.
5. Need for economic development.

IV. Development of Reliable and Economical
Tire Collection System

- | | |
|---|-------------------|
| A. Sources of scrap tires | DOE/DEP/NJTDA |
| B. Appropriate intermediate collection and transfer sites. | RMA/NJTDA |
| C. Methods for storing and transferring collected scrap tires to central processing facilities (for retreading or shredding). | RMA/NJTDA |
| D. Estimated collection and transfer costs. | RMA/NJTDA |
| E. Voluntary or mandatory designation of intermediate collection sites. | DOE/DEP/RMA/NJTDA |
| F. Regulatory issues affecting scrap tire collection and transfer. | DOE/DEP |

V. Financing, Regulatory and Political
Issues.

- | | |
|---|-------------|
| A. Financing Options: | |
| 1. Private financing options. | RMA |
| 2. Joint public/private financing options. | DOE/RMA |
| 3. Other options | DOE/RMA |
| B. Regulatory Issues | DOE/DEP |
| 1. DEP: | |
| a. Division of Waste Management | |
| b. Air Resources | |
| c. Water Resources | |
| 2. Board of Public Utilities. | |
| C. Discussion of Tire Recycling Plan Within the Context of Past and Present State Solid Waste Policies. | DOE/DEP/RMA |

NATIONAL ASSOCIATION OF RECYCLING INDUSTRIES, INC.

330 MADISON AVENUE / NEW YORK, N.Y. 10017 / (AREA CODE 212) 867-7330

FIELD SERVICES OFFICE: Suite 1100, 1511 K Street, N.W., Washington, D.C. 20005 / 202-737-8494

Comments On

MANDATORY RECYCLING LEGISLATION

May 2, 1985, Trenton



This paper is made from Recycled Material

Paul A. Parker
Vice President-Government
and Technical Programs

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On behalf of the National Association of Recycling Industries and our many members in New Jersey, I appreciate this opportunity to comment on the several proposals for so-called "mandatory recycling" now before the Legislature.

First, it must be clearly understood that there is no such thing as "mandatory recycling." There can be mandatory collection of waste, but there cannot be mandatory recycling. All these proposals suffer from the serious misconception that recycling is a "service." The collection of waste is a service. Recycling, however, is not a service function. Recycling is a market function.

Recycling is the return of materials that have served their original purpose back to productive economic use in the form of new products. The level of recycling that can be achieved and maintained is determined by the amount of potentially recyclable material that manufacturers are willing and able to use as inputs in the manufacture of new products. The mere collection of wastes, as mandated by these proposals, is not recycling. Again, collected wastes must be manufactured into new products before recycling is achieved.

Unfortunately, despite years of awareness of the environmental benefits of recycling, this manufacturing demand for recyclable material remains limited and subject to serious fluctuations. The level of materials that can be recycled is limited first by the physical plant capacity of manufacturers to absorb this material. Second, it is limited by the economic conditions that determine at what level these plants will operate. Third, it is limited by the manufacturers' willingness to use recyclable materials.

Experience in recycling clearly proves that manufacturers do not buy recyclable materials primarily for their price but rather because they have a need for the physical volume of material. Price is only secondary. This is clearly shown in the last, great recession we went through in 1983. The prices of recyclable materials reached historic low levels and in some cases dropped to zero. At the same time, the volume of these materials consumed also dropped to greatly reduced levels. In fact, the dropping of the price for some materials to a virtually zero level caused no increase in the use of these materials.

This leads to another vitally important economic factor governing the volume and viability of material recycling. Small excesses in the supply of material available cause drastic drops in the price of that material. Further, the market for recyclables is indivisible. You cannot offer additional volumes of material on the market at negligible prices without drastically reducing the prices paid to all materials consumed in the market.

What do these economic laws of recycling mean for these proposals?

First, the flooding of markets with mandated collections of materials without regard for the markets' ability to absorb these materials would be environmentally and economically disastrous for the State. Excess supply will not expand the volume of materials recovered, but will only lower the price paid for these materials. The State would be, in effect, destroying the economic value of a raw material. Recyclable materials' value currently support numerous tax-paying businesses in the state and provide income to a host of citizen recyclers. It would be economically tragic to destroy the value of these materials for the citizens of the State.

Moreover, if commercially viable recycling is destroyed, the State will not only have to support the marginal increases in recycling that might occur, but it will also have to support the vast base of recycling that is already being conducted. You simply cannot offer excess material on the market without causing serious economic harm.

The proposals require municipalities to begin collecting materials once "recycling services" have begun. But contracting with and paying for a firm to collect and process materials does not assure that one pound of material will be recycled. Municipalities must not be forced to collect materials until they have obtained a contract for the sale of materials, that is, they have obtained a market contract not a service contract. We strongly urge that all references in the bills mandating collections after contracts for recycling services be changed to mandating collections only after contracts for the disposition of material.

The State of New Jersey is already well served by an extensive and highly productive infrastructure of private recycling firms. Indeed, the cutting edge in the growth and development of recycling in this nation has always been the private recycling industry. Only a private enterprise approach can provide the dynamic flexibility and innovation necessary to meet the rapidly changing nature of recycling markets. The desired goal of expanded recycling provides an excellent opportunity for dynamic economic growth in the State's tax-paying, private enterprise sector.

It is most unfortunate then that these proposals contain a decided statist tilt and monopolistic bias. The proposals seem bent on forcing municipalities into recycling, indeed the goal seems to be the welfarization of recycling without a care for the cost to the citizen.

The proposals provide that municipal planning for recycling only give "due considerations to persons engaging in the business of recycling... on behalf of the municipality on January 1, 1985"! And what of those persons engaged in recycling on their own economic behalf? Is the State totally biased against private economic initiative? And what about after January 1, 1985? Is there to be no growth considered in the productive, tax-paying private sector? Is there to be no consideration given to the start-up of new businesses with private sector employment and an enhanced tax base?

The entire thrust of these proposals should be redirected towards promoting growth in the private sector and removing the burdens of solid waste management from municipal budgets. These counterproductive sections should be deleted and a clear and vigorous statement of legislative intent should be included requiring local governments and solid waste districts to plan for and work with private, taxpaying companies as the preferred option in expanded recycling activities. Monopolistic contracts for recycling operations should be barred (except perhaps in the case of curbside collection activities). Municipally owned or run recycling operations should be barred from competition with existing recycling companies.

Municipalities wishing to establish their own recycling operations should be required to demonstrate to the State that a good faith effort to have recycling activities conducted by private firms was unsuccessful. Only then should municipal recycling services proceed.

For example, AB 3398 provides for municipally run beverage container redemption centers. Any company able to meet minimum operating standards set by the State must be permitted to operate a redemption center as a tax-paying enterprise. To force this into a municipally run system is economically shortsighted.

In this light, the investment tax credit contained in the Administrator's proposals should be strengthened to a more meaningful level that is more likely to induce private investment in the State's recycling infrastructure. We strongly suggest that the 20% credit be raised to 50%. To collect, process and manufacture the huge volumes of materials these proposals seek to achieve will require an extensive investment in new plant and equipment. In the long run, private tax credits are more productive, indeed are self-compensating, than is using municipal subsidies to fund this growing infrastructure. Given the high cost of much of this equipment and the low level of the state tax, a 20% credit is not sufficient to induce new investment.

Finally, we most strongly oppose the price differential between recyclable and refillable containers in AB 3398. Call it what you will, the deposit differential represents a 5¢ per container tax on aluminum cans. State taxation of the most successful recycling commodity in the post-consumer waste stream is totally unjustified. Currently, the citizen can recycle his aluminum cans for 28-32¢ per pound; but the bill would force the citizen to return his containers and pay a tax of \$1.30 per pound (at 26 cans per pound). The net cost to the public from this action is about \$1.60 per pound for aluminum. Aluminum has the highest recovery rate of any post consumer waste material, over 50% of the aluminum cans generated are recycled.

We most strongly urge that aluminum cans be exempted from deposit requirements as has been done in Delaware. Certainly no punitive tax should be imposed on the highly recyclable aluminum can.

In summary, recycling can be a vital factor in solving the state's land disposal crisis when employed as part of an overall solid waste management strategy. Certainly, recycling alone cannot solve the State's landfill crisis and attempts to use it to do so will prove highly counterproductive. A comprehensive solid waste strategy must include: reductions in the volume of waste generated; recycling; landfill life extension; resource recovery facilities; and finally, unavoidably, new landfill capacity.

The recycling proposals should be modified to meet several vitally important criteria. First, markets first, collections second: no municipality should be forced to collect materials for which there is no market (not a service) contract. Second, industry first: expanded recycling presents an excellent opportunity for economic development in the State. Strong preferential options for private industry implementation must be included in the proposals; and monopolies and municipal "welfarization" of recycling prevented. In this light, tax incentives for productive economic growth should be strengthened. Finally, punitive taxes levied on highly successful aluminum can recycling should be abolished.



EUGENE J. WINGERTER
EXECUTIVE DIRECTOR

National Solid Wastes Management Association

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TESTIMONY BEFORE THE
AGRICULTURE AND ENVIRONMENT COMMITTEE
NEW JERSEY GENERAL ASSEMBLY

ON

MANDATORY RECYCLING LEGISLATION
A-3382/S-2820

SUBMITTED BY

Charles A. Johnson
Technical Director
National Solid Wastes Management Association

MAY 2, 1985

My name is Charles A. Johnson. I am the Technical Director of the National Solid Wastes Management Association, the trade association representing the private sector of the solid waste management industry. Our members include companies that collect, transport and dispose of solid wastes of all types all across the United States and Canada. I'm here this morning testifying on behalf of our New Jersey Chapter whose members provide those services to the residents of your state.

Our members are not unacquainted with recycling activities. Many of them provide recycling services as a vital part of their business activities. They achieve the very benefits that you are proposing to achieve namely a reduction of the waste to be disposed of by conventional solid waste disposal techniques and profitable recovery and reuse of materials recycled from the solid waste.

In my testimony this morning, I will concentrate on two areas of concern regarding the draft bills. The first is the possibility that enactment might actually interfere with on-going or future recycling activities of our members and second that certain provisions of the bill might inadvertently interfere with the ability of our industry to provide the efficient and economical solid waste collection and disposal service that the public has come to expect.

First, the instruction "give consideration" is not sufficient protection against the possibility that a municipality may want to recycle the same materials that are already being recycled by another party and may propose as part of its plan to preempt other recycling activities.

The provision of this section would in effect "grandfather" on-going recycling activities providing they continue to provide the services after January 1, 1985. It would not protect anyone who begins a recycling activity today nor would it protect anyone who was forced for some reason to discontinue a recycling activity for a period of time as for example can occur if the market for recycled materials of a particular type were to disappear temporarily.

This section would not protect someone who desire to recycle new materials that had not previously been recycled. For example, there is the possibility that recycling of plastics of different types may become very practical in the future. As written, it would appear possible for the county to reserve for itself all new activities of recycling that may become possible in the future.

In short, the bill is a real threat to on-going or future recycling activities by private parties.

We would recommend that the language of Section 3.c. be eliminated and replaced with a simple statement to the effect that

Certain materials have ready markets, notably aluminum, while others such as most paper products, have markets that fluctuate wildly. Still others have virtually no market at all.

Consider the situation regarding ferrous materials. The Institute of Scrap Iron and Steel tells us that there are 800 million tons of high quality ferrous scrap piled up in scrap yards around the country awaiting some sort of disposition. Even though this material has been collected, it has yet to be recycled. It might be conceivable for New Jersey to recover a few hundred thousand tons per year of ferrous scrap from residential and commercial waste materials. Ferrous metals recovered from post-consumer sources are of low quality as compared with most other ferrous scrap. Were such recycled material merely to be added to the existing inventory of ferrous scrap, this would not constitute recycling inasmuch as disposition of the material would not have been provided. In other words, we endorse the implied requirement that for a material to be considered recycled, it must be marketed for reuse. It would be tragic if, after extensive efforts to separate and collect potentially recyclable materials, that they would have to be disposed of in a landfill for lack of a market.

Turning now to some of the requirements of the bill that would affect the haulers, Section 8 would require haulers who have bid on contracts for the provision of solid waste collection and transportation services pursuant to the Local Public Contracts Law to bid also on contracts for collection or disposition of recyclable

Notwithstanding the need for the DEP to make a determination before this provision can be invoked, this authority could cause a great deal of difficulty for the state. It may be presumed that all solid waste will contain some materials which might have been recycled. There will always be the page from a newspaper, a glass bottle, a stray aluminum can, etc. which might have been recycled. The proposed section provides a means whereby a county can attempt to interrupt the flow of solid waste into its jurisdiction from counties in other districts. With New Jersey's critical shortage of solid waste disposal facilities, it is fair to presume that counties will jump at the chance to interdict the flow of solid waste from outside their boundaries given any opportunity to do so. Enactment of a bill containing language such as that of Section 9.a. would provide just such an opportunity. We suggest this be much more carefully structured and restricted.

Section 16 deals with the disposition of leaves at sanitary landfills. No sanitary landfills will be allowed to accept for final disposal any leaves generated from residential premises which are suitable for composting between the months of September and December.

This begs several questions. First, what is magic about the period between September and December? Would this not encourage people merely to store their leaves until the prohibited period has passed and then place them at the curb for disposal in the usual manner? More importantly, how is the solid waste collector to know if

recycling services in this state. The revenues generated by persons engaged in the business of recycling or otherwise providing recycling services shall not be included within the computation or current or just tariffs established pursuant to law for solid waste collection.

Clearly these sections are contradictory. Are recycling services to be regulated by the Public Utility Commission or are they not? Certainly the intent is not to differentiate as to who provides those services to determine whether or not they are regulated. How is it possible to regulate rates and at the same time expect haulers to bid on municipal contracts to provide recycling services?

There are two sides to this question. Certainly a hauler is entitled to be reimbursed for extra expenses that he incurs in providing recycling services. On the other hand, we feel that he should be entitled to engage in recycling activities for profit when he finds this is possible. Perhaps the solution to this dilemma is to regulate the rates only when the hauler provides recycling services under county mandate.

T E S T I M O N Y

Presented Before the

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

ASSEMBLY OF THE STATE OF NEW JERSEY

May 2, 1985

Presented by

BASIL SNIDER, JR., PRESIDENT

GARDEN STATE PAPER COMPANY, INC.

Accompanied by

ROBERT L. MARCALUS, PRESIDENT

MARCAL PAPER MILLS COMPANY, INC.

and

J. RODNEY EDWARDS, VICE PRESIDENT

AMERICAN PAPER INSTITUTE

Let me introduce myself. I am Basil Snider, Jr., President, Garden State Paper Company, Inc. Garden State Paper Company is the largest paper company in the world manufacturing new newsprint from old newspapers. In 1984, companies, of which we are part or sole owner, consumed over 750,000 tons of old newspapers to make new newsprint. Our largest mill, which is wholly owned, is located in Garfield, New Jersey and, in 1984, this mill alone consumed over 250,000 tons of old newspapers. Most of the tonnage that was consumed at the Garfield Mill was collected in the State of New Jersey.

I am speaking today on behalf of my company, the paper recycling mills that operate in New Jersey, and for the American Paper Institute (API), the paper industry's national trade association. I am the current chairman of API's Paper Recycling Committee. The API is vitally interested in New Jersey because 22 of its member companies operate 30 manufacturing facilities in the state, including primary mills and converting plants. There are 19 recycling mills operating in New Jersey, of which eight are operated by API member companies.

With me today is Mr. Robert L. Marcalus, President of Marcal Paper Mills, Inc., a company which produces napkins, facial and toilet tissue and paper towels, predominately from waste paper. In 1984, their mill, which is located in Elmwood Park, New Jersey, utilized over 80,000 tons of waste paper as a raw material.

Also with me is Mr. J. Rodney Edwards, Vice President, Paperboard Group, the American Paper Institute. The Paper Recycling Committee of the API conducts an extensive public relations program, costing over \$500,000 annually, to encourage additional collections of recyclable paper and encourages buyers of paper products and paperboard packaging to purchase paper products and packaging with a recycled waste paper content. These public relations programs have been ongoing for many years,

New Jersey has a success story - a highly efficient paper recycling system operating through the cooperation of enlightened local governments, voluntary efforts of New Jersey residents and private enterprise. This network of paper recycling services consists of 75 dealers and 19 paper mills that are already recycling more than 50% of New Jersey's recoverable waste paper. We believe the collection rate in New Jersey to be close to, if not the highest in the nation. Continuation and expansion of this existing, successful cooperative effort should be encouraged.

New Jersey also has a problem. We recognize that the disposal of municipal solid waste is becoming increasingly difficult for many local governments in New Jersey. It is more and more difficult to site new landfills, and recent Federal legislation will make land disposal of municipal solid waste even more difficult and costly.

The proposed legislation, which would establish mandatory statewide recycling, is an effort to ameliorate this problem. While we are sympathetic with the goal of achieving more effective solid waste management, the paper industry has the following grave concerns with these bills:

1. The existing successful paper recycling network is endangered by this bill.

Although this proposed bill requires each district recycling plan to "give due consideration" to existing recycling services, this language is next to meaningless. The existing networks of separation, collection, transportation and sales of recyclable waste paper must not be disrupted.

About 768,000 tons of paper were recovered in 1983 in New Jersey. The recovery rates of commercially viable grades of waste paper are well above the national averages (old corrugated containers - 53% as against 46%; old newspapers - 56% as against 29%; mixed office waste - 33% as against 20%; high grades - 97%, equal to the national rate). Keeping in mind that large amounts of the paper and paper products in municipal solid waste cannot

printing and writing papers and 1,300 tons of sanitary tissue products. The tissue products purchased have a high recycled fiber content. If the state were able to obtain all of its printing and writing papers as required by the new bill, the additional waste paper used would equal 500 tons a year, or less than one-tenth of one percent of what is now recycled in New Jersey. Inasmuch as there are no printing and writing paper mills in New Jersey with deinking capacity, all of the recycled printing and writing paper which New Jersey would purchase would come from out-of-state mills. Therefore, there would be no lessening of New Jersey's solid waste stream.

Another result of such a mandated purchasing preference program would be a substantial reduction in the number of bidders for government contracts on printing and writing papers. Out of the 174 paper mills in the United States which produce printing and writing papers, only 12 have the necessary equipment to deink waste paper and produce recycled printing and writing papers.

4. A ban on packaging could hurt New Jersey consumers. We note that the proposed legislation would ban the sale of aseptic packaging (commonly referred to as "brickpack") on the basis that this package, composed of laminated paper, aluminum and plastic, is nonrecyclable. This packaging meets an important need for preserving flavor without refrigeration, thereby offering energy savings. The proposed ban would deprive New Jersey consumers of the advantages of this packaging system.

We acknowledge that New Jersey faces a very real and imminent problem as to how to dispose of its solid wastes. The New Jersey mandatory recycling bill as presently drafted will not resolve the problem. We believe that the solution lies in a balanced



BOARD OF CHOSEN FREEHOLDERS
COUNTY OF GLOUCESTER
STATE OF NEW JERSEY

STEPHEN B. ATKINSON
FREEHOLDER

WOODBURY, N.J. 08096
(609) 853-3385

April 29, 1985

Honorable C. William Haines
Assemblyman District 8
Member, Assembly Agriculture and
Environment Committee
223 High Street
Mount Holly, New Jersey 08060

Dear Assemblyman Haines:

Gloucester County would like to express its concern over Assembly Bill 3382 which sets up a system mandating recycling on a statewide basis. Gloucester County is currently operating under a court order which mandates recycling in our County. We have, therefore, had some early firsthand exposure to some issues which may arise of this bill.

Our primary and most serious concern is with our belief that this bill fails to address existing and future marketing problems in the State. There have been many negative marketing developments in New Jersey over the past several years. These have been summarized in Section I of a recent letter from Newark Mayor Kenneth Gibson to Assemblyman Albohn dated March 29, 1985 and attached for your information.

South Jersey markets are often regionally different than North Jersey although major trends are similarly experienced. South Jersey has had difficulty in marketing municipal glass since December, 1983 when Owens-Illinois, Bridgeton and Recycling Enterprises, Inc. of Berlin both closed their doors. Anchor-Glass, Salem and Foster-Forbes, Bridgeton are our other existing South Jersey glass markets. They also have not accepted glass on a continuous basis since December, 1983. It is difficult to market materials on an intermittent basis when materials are generated on a constant basis. It is difficult to imagine, as some have proposed, that the resulting increase of materials available for marketing will relieve rather than antagonize this situation.

Paper marketing is also a far from stable situation in South Jersey. As recently as March and April of this year, Gloucester County municipalities were being told that markets might not be accepting materials in the near future even if the municipalities were willing to give materials away.

The target rate of twenty-five percent reduction of the wastestream is going to be difficult to achieve if existing paper and glass marketing problems continue. With the removal of yard waste from its classification as solid waste, we are actually talking about a thirty percent reduction of what has traditionally been considered our solid wastestream.

We believe that, if the State moves forward in mandating collection and recycling of twenty-five percent of the wastestream, they, themselves, must be accountable to the degree that they serve as a guaranteed market of last resort.

We also feel strongly that the percentage of funds under the State Recycling Act provisions for county and municipal administration should be increased from ten to fifteen percent. These should also become entitled funds for counties, not competitive grants, because of the increased workload being placed on the counties.

Specific comments on other parts of the bill are attached. We appreciate your serious consideration of our questions and comments.

Sincerely,



STEPHEN B. ATKINSON
COUNTY OF GLOUCESTER
BOARD OF CHOSEN FREEHOLDERS

SBA:pr

cc: Assemblyman Stephen Adubato, Jr., Member, Agriculture & Environment Committee
Assemblyman Thomas A. Pankok, Member, Agriculture & Environment Committee
Assemblyman John O. Bennett, Member, Agriculture & Environment Committee
Assemblyman C. William Haines, Member, Agriculture & Environment Committee
Mark O. Smith, Aide, Agriculture & Environment Committee
Senator Raymond J. Zane
Senator Daniel J. Dalton
Senator Walter Rand
Assemblyman Martin A. Herman
Assemblyman Anthony S. Marsella
Assemblyman Dennis L. Riley
Assemblyman Wayne R. Bryant
Assemblyman Francis J. Gorman

COMMENTS ON MANDATORY STATEWIDE RECYCLING BILL (A-3382)

COUNTY OF GLOUCESTER

- Definitions - Why are leaves and asphalt excluded from the definition of "municipal
Page 3 solid waste stream"? This will make it very difficult to obtain a twenty-five percent recovery rate. Utilizing EPA's composition study of solid waste, leaves and yard debris account for eighteen percent of the waste stream. If these materials are not being considered part of the waste stream and we have a target rate of twenty-five percent reduction, we are actually talking about recycling greater than thirty percent of what has traditionally been considered the waste stream.
- Definitions - Plastic container is defined as "any container having a capacity of
Page 3 12 ounces or more..." This definition would appear to encourage smaller packaging with the potential of creating more waste generation.
- 3b.(2) - Aluminum beverage containers are mandated to be recycled. If one of
Page 3 the primary goals of recycling in New Jersey is to reduce our dependency on landfills, why is a material that is one of the smallest components of the waste stream by both weight and volume being singled out for mandatory recycling? What assurances exist that aluminum markets will remain viable? It was not very far back in this State's history that Owens-Illinois was assuring us that glass markets existed for whatever glass could be collected in New Jersey.
- 3b.(4d.) - A municipality must demonstrate that they have recycled at least 15% of its
Page 6 waste stream in order to be eligible for a recycling grant. It was our understanding that the original intent of the Recycling Act is to make monies available to assist municipalities in developing programs. A municipality that has already achieved a fifteen percent recovery rate, has their feet on the ground.
4. - County shall enter into contracts on behalf of municipalities for the
Page 6 collection, storage, processing and disposition of recyclable materials where these services are not otherwise provided (within a year after passage of bill). Gloucester has already experienced difficulties marketing glass and paper currently being generated out of the County. It is difficult to imagine that the expected increase of materials being generated as a result of this bill will relieve rather than antagonize this situation. We believe that, if the State moves forward in mandating collection and recycling of twenty-five percent of the waste stream, they must be accountable to the degree that they serve as a guaranteed market of last resort.
- 5c. Any development proposal for the construction of 50 or more units of
Page 8 residential housing and any commercial or industrial development proposal for the utilization of 1,000 square feet or more. We believe that these

limits are far too small to be the trigger point. We would suggest that the criteria be changed to reflect projected tons per year waste generation as the basis for compliance.

5e. - Each municipality shall submit a tonnage recycling report to the State.
Page We suggest that provisions be made to insure that the County also receives a copy of this in a timely fashion directly from the municipality or through the State.

9a. - We endorse the inclusion of this section which provides for the prohi-
Page 10 bition of recyclable materials from out-of-county in solid waste facilities.

9b. - DEP may determine that County has failed to fulfill its district
Page 10 recycling plan. Will it then become the responsibility of DEP to plan and implement? This should be more clearly delineated in the regulations.

10a. - We endorse the labeling of beverage containers in the State and
Page 11 prohibition of detachable and nonbio-degradable connecting pieces.

13. - No waste-to-energy facility shall accept PVC packaging. We are
Page 14 unable to envision how this could possibly be enforced short of sorting through each individual bag of trash.

30,31 - The Recycling Tax is increased from \$.12 per cubic yard to \$2.00
Page 29-32 per ton. There are also suggest changes for the way in which this money is to be distributed.

Municipal Share - It is suggested that this be decreased from 45% to 35%. We feel very strongly that this should remain at 45%.

Business Loan Program - Business Loan Program should remain at 20%, not be increased to 35%. This fund will already be increased five-fold due to the tax increase.

State Administration - Reduce from 10% to 5%. This actually represents a three-and-a-half fold increase due to the proposed tax raise.

County and Municipal Administration - Increase from 10% to 15%. Because of the additional workload being placed on the counties, these should become entitlement funds, not competitive grants.

Education Grants - Regulations should specifically state percentages of these funds which the State may utilize.



KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07102

March 29, 1985

Honorable Arthur Albohn
Assemblyman
District 25
264 South Street
Morristown, New Jersey 07601

RE: Comments on the Mandatory Recycling Bill - A-3382

Dear Assemblyman Albohn:

I fully recognize the need to increase recycling as part of overall solid waste management in New Jersey. Legislation to accomplish this goal is vitally necessary. Recycling is a labor intensive industry which saves landfill space, redeems items of value from our waste stream and provides a creative industrial niche for an important part of the State's workforce.

I have reviewed a draft of the so called "Mandatory Recycling Act" and find that it makes major strides in this direction. I applaud provisions of the bill which ban toxic-burning PVC plastic containers and the unrecyclable "Brick Pak." I am equally impressed with measures in the bill which challenge the producers of tires, bi-metal and plastic containers to induce the recycling of their products or contend with a returnable deposit which will allow government to finance the solutions to this growing problem.

Ultimately, the success of any mandatory recycling scheme will depend on the market place to purchase and use these materials in the manufacturing process. I fear that the market incentives in the current bill may not be sufficient, and may fail to address the basic needs of industries which are attempting to locate in our state.

Because of my concern with the establishment of markets to absorb the materials produced under a mandatory law, I would like to share with you some information and thoughts on situations, both positive and negative of which I believe you should be aware. Finally, I will make some comments on specific items in A-3382.

I. NEGATIVE DEVELOPMENTS ON MARKETING RECYCLABLE MATERIALS

I am very concerned with several items in the draft of the so called "Mandatory Recycling Act," which I have recently received. Specifically, I am concerned with the recent decision by certain New Jersey manufacturers, which utilize recycled materials to produce new products. New Jersey's largest market for newsprint, for example, has recently decided not to enter into any additional long term contracts for the purchase of old newsprint. I am told that other markets have instituted a similar policy. My concern is that the large quantities of materials that may be generated could cause a supply glut, which will drive the price down. As I point out later, this is already occurring. As you are aware, long-term supply contracts help to provide market stability. The need for market stability is a serious issue which needs to be further addressed in the proposed bill. There needs to be some mechanism to ensure that long term market contracts are part of the approach to lead us to achieve a higher rate of recycling.

The market demand in the area has suffered several major blows:

1. Proctor and Gamble (P&G) which is located on Staten Island, immediately on the other side of the Goethals Bridge from New Jersey will curtail paying for scrap wood (i.e used pallets and wood from demolition activity). This large market, which consumes approximately 650-700 tons per day (TPD) in the summer and 800-900 TPD in the winter, was paying in excess of \$17.00 per ton for wood. After March 13, 1985 P & G will continue to accept wood, but it will pay nothing for its delivery.
2. The price of newsprint dropped from \$1.25 per one hundred pounds in October 1984 to about \$1.00 just recently. I am told that newsprint prices will dramatically be reduced in April, 1985. Additionally, with the closing of the Whippany Paper Company, the market for low grade paper has significantly diminished.
3. Several glass container manufacturing plants have closed. Specifically:

		<u>Year Closed</u>
National Bottle Co.	Salem	1980

Ball Corp.	Jersey City	1981
Owens-Illinois	North Bergen	1982
Kerr Glass	Keyport	1983
Owens-Illinois	Bridgeton	1984

Additionally, Foster-Forbes reduced its capacity by ten percent by closing two of its furnaces in Millville in 1984, Thatcher Glass recently declared Chapter 11, which will probably effect its Wharton, New Jersey Plant; and Owens-Illinois (O-I) will soon lose its lease and may close its North Bergen operation. The O-I North Bergen facility is the only major glass cullet recycler in Northern New Jersey.

These glass plant closings are largely a result of a market shift from the production of glass to plastic containers.

4. Vulcan Materials Company (Elizabeth), which was New Jersey's only large market for bi-metal cans, closed in December of 1984. They reclaimed the tin from bi-metal cans.
5. Reynolds Aluminum Corporation closed its doors at its South Plainfield Recycling Center and decommissioned its six mobile recycling units after fifteen years of recycling in New Jersey. Reynolds Aluminum has relocated to New York State, which has a "Bottle Bill," and has a much higher recovery rate for aluminum cans than the State of New Jersey.

Despite the Recycling Act, recycling businesses continue to leave New Jersey. It is my belief that the incentive for new and expanded recycling markets are too little and too late. The economic incentives currently available in the City of Newark, though different, exceed the benefits proposed in the new "Mandatory Recycling Bill" (see attached correspondence to Mary Sheil dated February 27, 1985). The economic incentives to attract industries and specifically target urban revitalization are insufficient in this newly proposed bill.

II. POSITIVE DEVELOPMENTS AND OPPORTUNITIES IN MARKETING RECYCLABLE MATERIALS

The Recycling Act may have been successful in encouraging municipal recycling, but it was inadequate in providing incentives for industry to remain in New Jersey. While provisions in the Mandatory Recycling Bill begin to address this oversight it does not go far enough. There are a need and an opportunity to attract industries to New Jersey's cities. Not only will this aid in urban revitalization, but it will acknowledge the need of markets to locate here for reasons of access. Newark for instance, is a crossroads for recycling in North Jersey, because it contains the largest concentration of salvage industries in the state, access to all major forms of transport via the Port of Newark, railway access and the New Jersey Turnpike. (The incentives for locating in Newark are outlined in the attached correspondence to Mary Sheil dated February 27, 1985). The manufacturing and transportation opportunity is also true of cities such as Paterson, Trenton, Perth Amboy, Camden and others.

In New Jersey, the proposed legislation misses an opportunity to capitalize on these opportunities as presented in the recently adopted Enterprize Zone Legislation.

In New Jersey, we now have Enterprize Zone Legislation and new electrical rate tariffs to provide incentives for industries to locate in the urban areas of our state. I propose that we amend the Enterprize Zone Legislation and expand on the "Area Development Electric Rate" tariff concept to provide even greater benefits to recycling related industries. For example, the existing Enterprize Zone Legislation provides the following incentives:

1. A \$1,500 Corporation Business Tax credit for each new employee who either was out of work for 90 days before being hired or was mainly dependent on public assistance.
2. Exemption from sales tax on personal property and services sold to qualified businesses in the Zone.

4. A 50-percent reduction in the 6-percent state sales tax on retail items sold by certified vendors.
5. A 50-percent deduction on unemployment insurance tax for the first four years.
6. Exemption from certain municipal or state regulations, provided public health and safety would not be jeopardized.

For industries that assist in solving the State's solid waste management problem by utilizing recycled materials, we should amend the Enterprise Zone Legislation to provide:

1. A \$2,500 Corporate Business Tax credit for each new employee who either was out of work for 90 days before being hired or was mainly dependent on public assistance.
2. A 100-percent reduction in the 6-percent state sales tax on retail items sold by certified vendors.
3. A 100-percent deduction on unemployment insurance tax for the first four years.

Further, we should amend the "Area Development Electric Rate" tariff to provide a larger reduction of the tariff for those recycling related industries which locate in the existing designated tariff areas. Currently, the tariff provides to new businesses a credit of 7 to 15 percent on its monthly bill, depending upon its Rate Schedule or usage pattern. For example, for industries which utilize recycled materials, we may want to establish a tariff which provides to these new or expanded businesses a credit of approximately 15 to 25 percent on its monthly bill.

The above noted economic incentives for industry would add to those economic incentives in the newly proposed "Mandatory Recycling Bill." The major question surrounding the viability of the legislation is the availability of markets for secondary materials. The Port Authority of NY/NJ has a great deal of expertise in the export market business as demonstrated by the large quantity of commodities which are exported annually from Port Newark. In 1980 alone the export of recycled materials via the Port District exceeded 2 million tons:

Iron and Steel Scrap	1,690,211 tons
----------------------	----------------

Waste Paper	300,071	"
Tallow	113,213	"
Textile Waste	102,697	"
Non Ferrous Scrap & Slag	102,359	"

The Port Authority with its planning, financial, legal and engineering resources should be legislatively directed (through adoption of Bi-State legislation) to undertake a major initiative to further enhance the overseas marketing of recycled materials.

Because of the County & City focus on waste reduction, several industries are considering the advantages of locating in the Port area, as a move to expand or initiate recycling activities. They are as follows:

1. Haulaway, a private waste hauling firm, plans to construct a 600 ton per day transfer station on Blanchard Street in Newark. This transfer station will recover corrugated cardboard and other materials.
2. ALCORE, an aluminum beverage container recovery operation, will be obligated to vacate its Carlstadt facility in February, 1985. My staff has been approached for assistance in the relocation efforts of this company which is looking for up to 20,000 square feet of space.
3. Purtec, a firm which processes PET (polyethylene terephthalate) plastic beverage containers, is looking for a building of about 33,000 sq. feet to expand its operation.
4. CONVERT, a company now located in the Dominican Republic, has contacted the Greater Newark Chamber of Commerce and the Essex County Dept. of Planning & Economic Development with an interest in securing about 25,000 square feet to set up an operation to recycle and export plastic scrap to the Dominican Republic. It currently has a recycling facility in Santo Domingo that recycles about 35,000 lbs of scrap plastic per day.

5. The Owens-Illinois (O-I) lease will soon expire on the company's major glass recycling operation in North Bergen. O-I is currently looking for 1.5 acres of outdoor space with approximately 6,000 square feet of storage and office space.
6. Distributor's Recycling, which is a local company in Newark and which employs over 100 Newark residents in the recycling of cans and bottles generated from the New York State Deposit Law is seeking to expand its operation and would like to move its operation to more spacious facilities at Port Newark.

Each of the industries mentioned, and a number of others potentially interested in the area, would require loading docks and rail and/or ocean freight access. All of these features can now be found in Port Newark.

As part of its wider effort to enhance the economic condition of the Port, it seems entirely appropriate for the Port Authority to establish a recycling processing, handling and export facility at Port Newark. Such a facility could be readily established in any one of a number of under-utilized or vacant structures in Port Newark. Most of the large storage/handling structures in the Port contain in excess of 100,000 square feet. A review by my staff found several of these structures either empty or highly under-utilized. Examples include Buildings 139, 290, 291.

Although the space needs of each of the industries cited above is less than that available in the Port buildings, a comprehensive marketing and space utilization plan could be prepared to facilitate locating a combination of recycling and export industries under one roof. This, in conjunction with an overseas marketing plan, would greatly stimulate recycling and would relieve market pressures that threaten the effectiveness of the proposed State legislation.

The Port Authority's timely intervention to establish a study and implementation team of knowledgeable individuals from the Port Authority, in conjunction with Newark, Essex County, and the State of New Jersey, would prove valuable and effective in creating a well coordinated industrial park of unprecedented scale, focusing on secondary materials utilization.

III. COMMENTS ON A-3382

Now that I have completed my comments on both negative and positive developments and opportunities in marketing recyclable materials, I would like to comment on other specific items within the proposed bill. Specifically:

1. Page 3 - The definition of "Plastic Container" should preclude plastic containers which previously contained hazardous substances (i.e., pesticides and fertilizers).
2. Page 3 - The definition of "Post-consumer" should specifically preclude industrial waste material. It is not clear that the word "consumer" in the definition precludes industrial consumers.
3. Page 4 - The definition of "Recycling Center" precludes the use of existing transfer stations. Is this intentional? The word "solely" is impractical. Some of what comes into a "Recycling Center" may have to be disposed of. How then is a "Recycling Center" not a transfer station?
4. Page 6 - Item 3d - I am concerned about what happens if the market situation does not permit reaching the noted goal. There should be an escape clause if markets do not materialize.
5. Page 7 - Item 4b - I am concerned about what happens here if such contracts cannot be entered into because of a lack of interest by service companies, which I understand are few in number. There should be an escape clause if companies do not participate. The bill states that the noted exemption process "shall not exceed one year in duration." This may be unrealistic.
6. Page 7 - Item 5a - There should be a definition on page 2 for the term "collection system." My concern is that curb-side collection of recyclables may not be practical in urban areas and that other innovative approaches such as buy-back centers may be needed. Buy back centers should be specifically included in a definition for the phrase "collection system".

7. Page 7 - Item 5a - Again I am concerned about what happens if markets do not materialize. It would be foolish to require that municipalities establish a separate "collection system" for materials if there is no market for their sale.
8. Page 8 - Item 5b - The timetable for adopting an ordinance within "30 days" is not possible under New Jersey law. A more realistic timetable of say 60 days should be provided. I would like to also note that requiring and enforcing source separation in urban areas may not be realistic. An escape clause should be provided if such a plan fails.
9. Page 8 - Item 5c - Is it the intent of this bill to require the recycling of chemical waste from industrial developments? I think the phrasing of this section should be more carefully thought through. Additionally, the size of 1,000 square feet specified in the provision of the bill is far too small.
10. Page 10 - Item 7a - Is it the intent of this provision to require scavenger contractors in municipalities with existing long term contracts to be arbitrarily ordered to collect recyclables? Who would bear the cost?
11. Page 11 - Item 9c - The question raised immediately above is again a concern in this section of the bill. Is it the intent of this section for the legislature to direct the Board of Public Utilities to upwardly adjust the cost of existing contracts between municipalities and refuse collection contractors?
12. Page 12 - Item 11 - Deposit legislation on all beverage containers is compatible with mandatory recycling and should be included in this bill. We should better address the issue of litter in New Jersey, and adoption of deposit legislation would be a major step in that direction. A-2606 should be incorporated into this bill in its entirety.

13. Page 14 - Item 13a - "How will the prohibition of all polyvinyl chloride or polyvinylidene chloride from resource recovery facilities be accomplished? Unless a mechanism, such as a ban of sale of these materials, is concurrently implemented enforcement is not possible. The provision of section 14b of this bill should be concurrently implemented to make enforcement a reality.
14. Page 16 - Item 16 - If mulching and/or composting of leaves is to be required, the use of mulch and compost as a component in cover material of the operation and closure of landfills should be required. This would provide a necessary market for the compost.

Additionally, how will the source separation and collection of leaves from residential premises be accomplished? If leaves are placed in plastic bags, the collector/hauler will not be able to distinguish what the bags contain--leaves, leaves and refuse, and/or refuse.
15. Page 18 - Item 18a - Pavement material should be added to the list of recycled materials.
16. Page 26 - Item 27b - Advertising for the purchase/sale of recycled material for amounts up to \$7,500 for the fiscal year should not require authorization by resolution of the governing body of the contracting unit. There should be specific provision in the Local Public Contracts Law in order to prevent the need to go twice to the governing body- once for authorization to advertise and once for contract award. This will expedite the process.
17. Page 28 - Item 28b - The maximum term of the contracts noted in this section should be specified.
18. Page 30 - Item 31b (1) - A reduction in the percentage, (from 45% to 35%) of the recycling for recycling grants to municipalities is not reasonable. The percentage of the fund to be rebated to municipalities should not be lowered. Such a reduction could jeopardize implementation of locally adopted recycling plans.

Assemblyman Arthur Albohn
March, 29, 1985
page 11

In conclusion, I hope that the above comments are of interest and value and that you will seriously consider the amendments which I have suggested. Please accept my thanks for your important efforts in developing a constructive and useful mandatory recycling law.

Sincerely,



Kenneth A. Gibson
Mayor

Attachments

CC: Honorable Robert Hughey, Commissioner, N.J.D.E.P.
Ms. Mary Sheil, Administrator, N.J. Office of Recycling



KENNETH A. GIBSON
MAYOR
NEWARK, NEW JERSEY
07102

February 27, 1985

Ms. Mary Sheil
Administrator
N. J. Department of Energy
Office of Recycling
101 Commerce Street
Newark, New Jersey 07102

Dear Ms. Sheil:

I would like to apprise you of our local initiatives to encourage industrial revitalization within Newark, I trust that you will pass this information on to various companies interested in expanding or constructing industrial facilities to process recycled materials or to produce items from recycled materials. I believe that our local efforts to attract new industries are directly compatible with the concept of new market development, which I understand is a key element in the soon-to-be-introduced mandatory recycling bill.

Newark has been designated as the first city in the State of New Jersey to host an "Enterprize Zone." Such designation provides the following incentives to industries willing to locate in such a zone.

1. A \$1,500 credit for each new employee who either was out of work for 90 days before being hired or was mainly dependent on public assistance.
2. Exemption from sales tax on personal property and services sold to qualified businesses in the zone.
3. Exemption from sales and use taxes on any building materials or contracting services used in construction or repair.

Ms. Mary Sheil
February 27, 1985
Page Two

4. A 50-percent reduction in the 6-percent state sales tax on retail items sold by certified vendors. Only four of the remaining eight zones to be designated under New Jersey's "Enterprize Zone" legislation will be offered this incentive.
5. A 50-percent deduction on unemployment insurance tax for the first four years.
6. Exemption from certain municipal or state regulations, provided public health and safety would not be jeopardized.

To date, over one hundred thirty firms (130) have made application to construct or expand facilities in Newark's "Enterprize Zone." The applications are being carefully reviewed and we are most optimistic about the potential for the creation of several new industries in Newark.

Secondly, a newly approved Board of Public Utilities tariff provides further incentives for industries to locate in Newark. Specifically, industries that locate in Newark are eligible under the "Area Development Electric Rate" program to receive the following benefits:

1. The new or expanded business receives a credit of 7 to 15 percent on its monthly bill, depending upon its Rate Schedule or usage pattern.
2. The other utility customers benefit by the re-utilization of stagnant local facilities thereby reducing an added cost burden.
3. The entire community benefits by increased economic activity and the creation of potential jobs and expanded services.

Qualifying customers on Rate Schedules GLP and LPL receive a demand credit of \$3.00 per kilowatt on monthly maximum demand and, similarly on Rate Schedules HTS, \$2.00 per Kilowatt. For new customers, the credits apply to the total load, while for existing customers, just to the expanded load.

Ms. Mary Sheil
February 27, 1985
Page Three

The financial incentives, which we have now in place in Newark, while different from those which will be proposed in the mandatory recycling bill, exceed the benefits in the proposed bill.

Further, Newark is blessed with excellent transportation and export facilities. I refer you to my letter of February 5, 1985, (copy attached) to Chairman Sagner of the Port Authority of New York/New Jersey and request your assistance to further pursue with the Port Authority the initiatives delineated therein.

Your assistance in these areas of mutual concern will be most appreciated and will prove mutually beneficial to both the City of Newark and State of New Jersey. Please have interested industries complete the attached application and forward the same to Alvin L. Zach, Director, Department of Engineering.

Sincerely,

Kenneth A. Gibson
Mayor

KAG:ba

Attachment

cc: Members of the N.J. Recycling Forum
Members of the Essex County Solid Waste Advisory Council

**APPLICATION FOR DESIGNATION AS A "QUALIFIED" BUSINESS UNDER
P.L. 1983, C. 303
THE NEW JERSEY URBAN ENTERPRISE ZONE ACT
FORM EZ6**

INSTRUCTIONS FOR COMPLETION

This form must be used to apply to the New Jersey Urban Enterprise Zone Authority for qualification as a Zone Business within the meaning of the New Jersey Enterprise Zone Act. Please complete all sections of the form accurately in order to avoid delays in qualification and expedite certification for benefits by the responsible agencies.

SECTION A

Lines 1 thru 5: Please define the business which is being operated within the limits of the Zone and which is expected to qualify under the Act.

Lines 5a and 5b: Nature of Business should be, for example, Manufacturing, Retailing, Warehouse, Wholesale, Research & Development, etc.

Lines 6 thru 8: Line 6 is your commonly used identifying number for federal and state tax purposes. Line 7 is, in most cases, the same as line 6. If your state taxpayer ID is not the same be sure to so indicate here. Line 8 is your registration number used for New Jersey Unemployment Compensation and Labor Department reporting.

Line 9: For an existing business in the Zone this is the date operations commenced at the Zone location. For a business being established or moving into the Zone this is the date that the business described in Line 5A commenced operations there.

Lines 10 and 11: Define the ownership of the Zone Business.

SECTION B

Some of the Benefits provided are based upon the hiring and retention of new employees after the Date of Zone Designation. It is especially important to note differing definitions of "new employee" in establishing your employee census at the Date of Zone designation. A few points to note are included under Section C, instructions below.

SECTION C

The Employee Census criteria used to qualify a Zone Business under this portion of the application derive from Section 3c of the Act and are utilized in preparing form EZ-7. It is important to note differing definitions of "new employee" in anticipation of your claiming various related benefits.

Section 3c new employee criteria include: full-time employees employed at a business location in the zone, meeting one or more of the following criteria:

1. Resident within the zone or within the municipality within which the zone is located; or
2. Unemployed for at least a year prior to being hired and residing in New Jersey, and recipients of New Jersey public assistance programs for at least one year prior to being hired, or either of the aforesaid; or
3. Determined to be economically disadvantaged pursuant to the Jobs Training Partnership Act.

Unemployment Insurance Based Awards use the Section 3c criteria for new employees as well.

Corporation Business Tax Zone Employee Tax Credit new employee criteria include: full-time employee in the preceding year and employed for at least 90 consecutive months during the tax year as follows:

(a) A credit of \$1,500 for each new employee employed at the location who is a resident of the qualified municipality in which the designated Enterprise Zone is located and who, immediately prior to employment as the taxpayer, was unemployed for at least 90 consecutive months and was dependent upon public assistance as the primary source of income.

(b) A credit of \$500 for each new employee employed at that location who is a resident of a qualified municipality in which a designated Enterprise Zone is located, who does not meet the requirements of (a) and who was not, immediately prior to employment as the taxpayer, employed at a location within the qualified municipality.

SECTION D

This section carries the explanations within itself.

SECTION E

Many businesses have operations both inside and outside of the designated zone in the Municipality as elsewhere in the State. This section should identify total business operations in New Jersey, of which the Zone business is a part.

Filing Instructions

Prepare four (4) copies of the application form. Retain a copy and send Original and 2 copies to the agency in the municipality.

Newark Enterprise Zone Corporation
c/o Newark Economic Development Corporation
744 Broad Street—Suite 2007
Newark, New Jersey 07102

Camden Urban Enterprise Zone Corporation
c/o Camden Economic Development Corporation
101 North Seventh Street—Suite 201
Camden, New Jersey 08102

After appropriate reviews, Original and 1 copy will be forwarded to the New Jersey Urban Enterprise Zone Authority for final consideration.

Notification of approval or denial will be sent to the Applicant at address Section A, and the local authority.

New Jersey Department of Commerce & Economic Development

APPLICATION FOR DESIGNATION AS A "QUALIFIED" BUSINESS

UNDER P.L. 1983, C. 303

THE NEW JERSEY URBAN ENTERPRISE ZONE ACT

A. ENTERPRISE ZONE BUSINESS INFORMATION

1. Trade Name of Zone Business: _____
2. Street Address in Zone: _____
- 3a. Mailing Address in Zone: _____
- 3b. City: _____ State: _____ Zip: _____
- 4a. Name of Responsible Officer at this address: _____
- 4b. Title: _____ Telephone: _____
5. Nature of Business at this address:
 - 5a. Primary: _____ SIC _____
 - 5b. Secondary: _____ SIC _____
6. Federal Taxpayer I.D. Number: _____
7. New Jersey Taxpayer I.D. Number: _____
8. New Jersey Employer Registration Number: _____
9. Date Business Started at This Location: _____
10. Zone Business is a Corporation _____, Partnership _____, Proprietorship _____, Other _____
11. If Zone Business NOT Incorporated, please identify owner(s) below:
Name _____
Address _____
Name _____
Address _____

continue on

ENTERPRISE ZONE BUSINESS EMPLOYMENT

NOTE: Complete only B. or C. below, but not both

B. IF BUSINESS OPERATING IN ZONE ON OR BEFORE DATE OF ZONE DESIGNATION

1. Total Full-Time Employees in Zone ON Date of Zone Designation: _____
2. Total Full-Time Employees in Zone NOW: _____
3. Complete Attached *Employee Data Sheet* (Form EZ-7) for all Full-Time Employees Hired Since Zone Designation.

C. IF BUSINESS BEGAN IN ZONE AFTER DATE OF ZONE DESIGNATION

1. Total Full-Time Employees in Zone NOW: _____
2. Complete Attached *Employee Data Sheet* (Form EZ-7) for all Full-Time Employees.
3. Does entry into the Zone constitute a full or partial move of the business from another location in New Jersey? Yes _____ No _____

D. EMPLOYMENT PROJECTION FOR BUSINESS LOCATED IN ZONE

NOTE: All applicants must fill in "D"

Section 27 of the Act states:

To be eligible for any of the incentives provided under this act a qualifying business must demonstrate to the satisfaction of the Authority that:

- a. The business will create new employment in the municipality; and
- b. The business will not create unemployment in other areas of the State, including the municipality in which the zone is located.

1. Indicate below the number of permanent people presently employed by the business occupant at the Zone Business and the number that will be employed at the location at the end of the first and second years.

Total Employment At Zone Location	Full-Time	Part Time/ Seasonal*
At Application Date	_____	_____
At End of First Year	_____	_____
At End of Second Year	_____	_____

*Part time employees work 30 hours per week or less.
Seasonal employees work less than 12 months per year.

2. In the space following please indicate briefly significant business plans which support your projections.

3. Will the employment projections provided above create unemployment in other areas of the state, including the municipality in which the Zone is located? Yes _____ No _____ If Yes, please explain:

E. OTHER BUSINESS AFFILIATIONS WITH "ENTERPRISE ZONE BUSINESS"

Is the business applicant (Section A) affiliated with, a subsidiary of, or controlled by another business entity doing business in New Jersey:

In the same Enterprise Zone?

Yes _____ No _____

In the same Municipality, outside the Zone?

Yes _____ No _____

elsewhere in New Jersey?

Yes _____ No _____

If there is a Yes answer please complete the following:

1a. Name of Business: _____

1b. Affiliation/Relationship: _____

2. Street Address: _____

3a. Mailing Address: _____

3b. City: _____ State: _____ Zip: _____

4a. Name of Responsible Officer at the Address: _____

4b. Title: _____ Telephone: _____

5. Nature of Business at this address:

5a. Primary: _____ SIC _____

5b. Secondary: _____ SIC _____

6. Federal Taxpayer I.D. Number: _____

7. New Jersey Taxpayer I.D. Number: _____

8. New Jersey Employer Registration Number: _____

9. Date Began This Operation in New Jersey: _____

10. Total Full-Time Employment in New Jersey Business Locations Other Than in Enterprise Zone: _____

I certify that above to be true, correct and complete.

SEAL

Applicant

Date

Responsible Officer of Applicant (Signature)

TO BE COMPLETED BY MUNICIPAL AUTHORITY:

Applicant is known to be actively engaged in the stated business (A.5.) at the stated address (A.2.).

Also, agreed upon primary/secondary Source(s) _____ confirm existence there at Date of Zone Designation, if applicable.

Local Authority

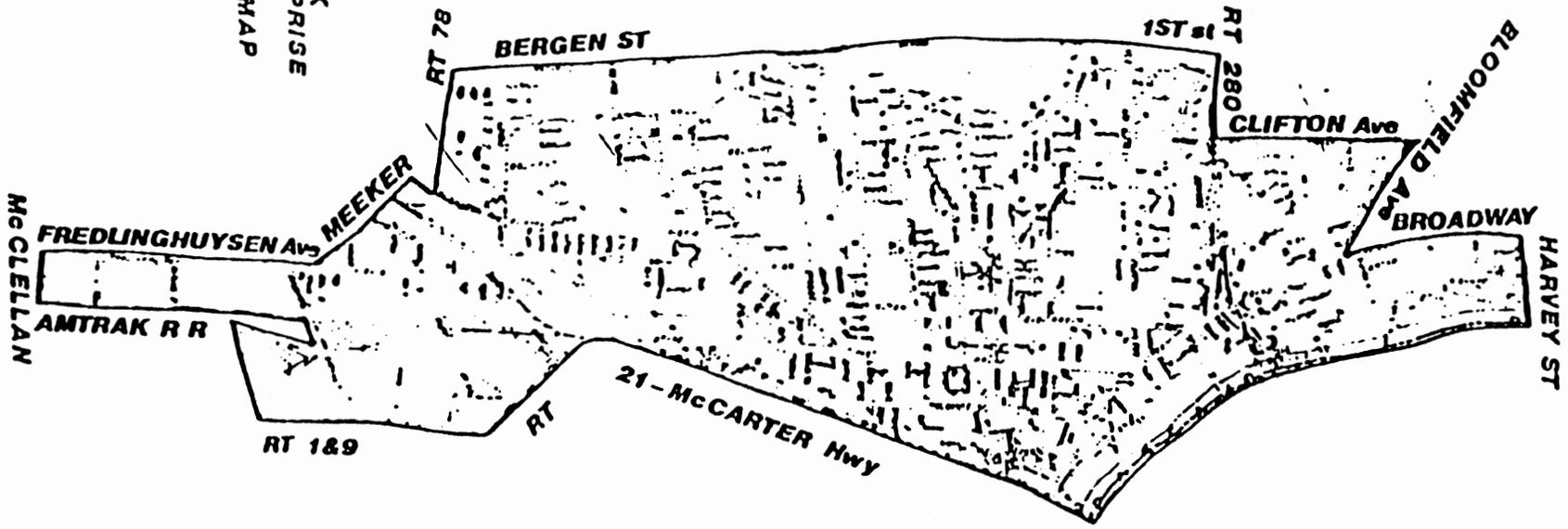
Date

By

Title

NEWARK
URBAN ENTERPRISE
ZONE
BOUNDARY MAP

621



McClellan

Who is Eligible for the Rate?

The Area Development Electric Rate is a Special Provision of Rate Schedules GLP, LPL and HTS and is available to any commercial or industrial customer who starts business within the designated cities prescribed in the rate. The minimum load must be 25 kilowatts.

Existing commercial and industrial customers presently doing business in the designated cities and who expand their service are also eligible. The minimum load is 50 kilowatts with a three month qualification period of 125% (HTS - 110%) of base period demands from comparable months in previous years. Customers with loads less than 50 kilowatts must add at least 50 kilowatts.

Where are the Designated Cities?

The Area Development Electric Rate is available in the cities of Newark, Jersey City, Paterson, Elizabeth, Camden, Trenton, East Orange, Hoboken and Union City.

How Long Will the Rates Be In Effect?

The rate became effective on March 23, 1984 so it is available now. The Term of service is seven years which for new customers will commence with the institution of service and qualification, and for existing customers beginning with the first month following the qualification period. Full rate credits will be available for the first five years, with 50% of those credits in years six and seven.

Are There Any Restrictions?

Just a few. Potential new or existing customers in the designated cities are required to sign an Application for Area Development Service which must be approved by PSE&G. Customers who have previously applied for new or expanded service which has been approved by PSE&G prior to 90 days before the effective date of March 23, 1984, of course, are ineligible. Applications in process may be eligible and those applicants should inquire at a PSE&G office.

PSE&G may reject Applications where there is excessive cost or where service supply to other customers is affected.

Does the Rate Have BPU Approval?

Yes. The Board of Public Utilities has approved the rate and the nine cities specified as a pilot program which the BPU will monitor by yearly reports to determine the cost benefit of the program. At the conclusion of two years, a review will be made. Therefore, at present, the rate may only be offered through March, 1986. In no case, however, will customers on the Area Development Rate not receive benefits during their Term.

How Does a Customer Apply?

New or existing customers can apply by contacting their Marketing Services Representative in the local PSE&G business office. Parties interested in a designated municipality from out of town or State should call Steve Kukan, Manager Area Development at (201) 430 5920 or write 80

What is the Area Development Rate?

Many utilities in the country have experienced declines in economic activity in their service territory during recent years. Especially hard hit have been large urban centers where, with redevelopment and industrial or commercial movement, utility facilities have become underutilized — thereby causing the utility's remaining customers to bear a larger burden of fixed costs. The Area Development Electric Rate offers discounts or credits on utility bills of customers who move into or expand service in these urban areas, thereby more fully using existing facilities.

What are its Benefits?

The benefits are many. The new or expanded business customer receives a credit of 7 to 15 percent on his monthly bill, depending upon his Rate Schedule or usage pattern. The other utility customers benefit by the reutilization of stagnant local facilities thereby reducing an added cost burden. And the entire community benefits by increased economic activity and the creation of potential jobs and expanded services.

How Does the Rate Work?

Qualifying customers on Rate Schedules GLP and LPL receive a demand credit of \$3.00 per kilowatt of monthly maximum demand and, similarly, on Rate Schedule HTS, \$2.00 per kilowatt. For new customers the credit applies to the total load, while for ex-



Feb 6 11 13 AM '85

KENNETH A. GIBSON
MAYOR
NEWARK, NEW JERSEY
07102

February 5, 1985

Mr. Alan Sagner, Chairman
Port Authority of NY/NJ
One World Trade Center
New York, New York 10048

Dear Mr. Sagner:

As you are probably aware, the Administration of the State of New Jersey is drafting a mandatory recycling bill. The major question surrounding the viability of the legislation is the availability of markets for secondary materials. The Port Authority has a great deal of expertise in the export market business as demonstrated by the large quantity of commodities which are exported annually from Port Newark. In 1980 alone the export of recycled materials via the Port District exceeded 2 million tons as follows:

Iron and Steel Scrap	1,690,211 tons
Waste Paper	300,071 "
Tallow	113,213 "
Textile Waste	102,697 "
Non Ferrous Scrap & Slag	102,359 "

The Port Authority, with its planning, financial, legal and engineering resources, should undertake a major initiative to further enhance the overseas marketing of recycled materials. The benefits of such an initiative are obvious. More jobs would be created, existing demand for recycled materials would be bolstered, the economic viability of the Port region would be enhanced, valuable landfill space would be saved, and the collective plans of the City, County, State and Port Authority for recycling and resource recovery would receive needed support. Additionally, air pollution emissions and residue quantities from any energy recovery facility would be reduced.

Because of the County & City focus on waste reduction, several industries are considering the advantages of locating in the Port area as a move to expand or initiate recycling activities. They are as follows:

1. Haulaway, a private waste hauling firm for the construction of 600 ton per day transfer station on Blanchard Street, Newark, NJ, has been granted final site plan approval. This transfer station will recover corrugated cardboard and other materials.

2. Alcore, an aluminum beverage container recovery operation, will be obligated to vacate their Carlstadt facility in February, 1985. They have approached my staff for assistance to relocate in Newark. They are looking for up to 20,000 square feet of space.
3. Purtec, a firm which processes PET (polyethylene terephthalate) plastic beverage containers, is looking for a building of about 33,000 sq. feet to expand their operation.
4. Convert, a company now located in the Dominican Republic, has contacted the Greater Newark Chamber of Commerce and the Essex County Dept. of Planning & Economic Development with an interest in securing approximately 25,000 square feet to set up an operation to recycle and export plastic scrap to the Dominican Republic. They currently have a recycling facility in Santo Domingo that recycles approximately 35,000 lbs of scrap plastic per day.
5. The Owens-Illinois (O-I) lease will soon expire on its major glass recycling operation in North Bergen. O-I is currently looking for 1.5 acres of outdoor space with approximately 6,000 square feet of storage and office space.

Each of the industries mentioned and a number of others potentially interested in the area would require loading docks and rail or/and ocean freight access. All of these features can now be found in Port Newark.

As part of a wider effort to enhance the economic condition of the Port, it seems entirely appropriate for the Port Authority to establish a recycling processing, handling and export facility at Port Newark. Such a facility could be readily established in any one of a number of under-utilized or vacant structures in Port Newark. Most of the large storage/handling structures in the Port contain in excess of 100,000 square feet. A review by my staff found several of these structures either empty or highly under-utilized. Examples include Buildings 139, 290, 291.

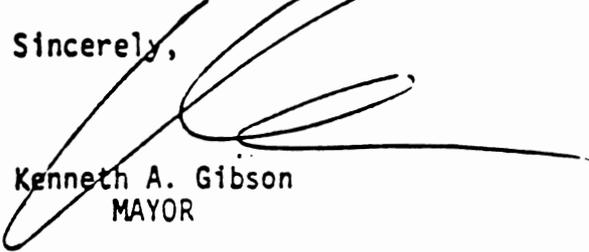
Although the space needs of each of the industries cited above are less than that available in the Port buildings, a comprehensive marketing and space utilization plan could be prepared to facilitate locating a combination of recycling and export industries under one roof. This in conjunction with an overseas marketing plan would greatly stimulate recycling and would relieve market pressures that threaten the effectiveness of the proposed State legislation.

The Port Authority's timely intervention to establish a study and implementation team of knowledgeable individuals from the Port Authority in conjunction with Newark, Essex County, and the State of New Jersey would prove valuable and effective in creating a well coordinated industrial park of unprecedented scale, focusing on secondary materials utilization.

Mr. Alan Sagner
February 4, 1985
Page 3

The appropriate individual or individuals within your organization should contact Mr. Alvin Zach, Director of Newark Department of Engineering, to further explore the merits of such an initiative. I greatly appreciate your cooperation and look forward to working with the Port towards our goal.

Sincerely,



Kenneth A. Gibson
MAYOR

KAG:civ

cc: Hon. Robert Hughey, Commissioner, N.J. DEP
Ms. Mary Sheil, N.J. Office of Recycling
Hon. Peter Shapiro, Essex County Executive
Mr. Alvin Zach, Director of Engineering



KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07102

February 27, 1985

Honorable James R. Hurley
Senator
P. O. Box 809
Millville, New Jersey 08332-809

Dear Senator Hurley:

I am writing to share with you my thoughts concerning A-2003. This bill, if approved, will in part provide about \$8 million in rebates to municipalities and counties through imposition of a tax on certain items sold in disposable packages. This fund would be disbursed for use by municipalities and counties to supplement the removal of litter from streets and other public areas.

The funds which this bill will raise are quite insufficient in relation to the task at hand. Newark's annual street cleaning cost is approximately \$3 million, and even this sum fails to produce satisfactory results. City park maintenance runs several hundred thousand dollars more as also does clean-up of county roads and parks within the City. This is quite apart from the whole burden of litter on private property. If 100% of this \$8 million fund were to be distributed only to municipalities based proportionately on population, Newark would receive only about 10% of its budgetary needs for street cleaning alone. Newark is only one of 567 municipalities.

I believe a sum of only \$8 million to assist litter-abatement programs for 567 municipalities, in addition to 21 counties, and various state and interstate roadways, is far too small to offer New Jersey an effective litter-abatement program. It should also be noted that the New Jersey Department of Energy has stated that the tax will bring only \$3 million a year, not the \$10 to \$15 million claimed by proponents!

This bill has no beneficial impact with respect to litter on private property and probably very little on watershed and other undeveloped public land. I am concerned that heavily littered areas like Newark's Watershed, for example, will receive no funds under the proposed litter legislation. Our Watershed is over 35,000 acres in size or approximately twice the geographic size of the City of Newark.

Further, the basic thrust of the program offered in this bill deals with the issue of removing litter after-the-fact. It does not adequately address the issue of litter prevention. The very concept of the bill is unfair because it economically penalizes those who do not litter while providing no disincentive for those who do litter. Why should everyone be charged a tax on purchased items to remove debris from those few who do litter?

Such a tax is regressive because it taxes packaging for such items as food and clothing. It is also inequitable because it taxes a wide array of items that typically do not appear in the litter stream and that focuses only slightly on those items which appear most commonly; such as, take-out food wrappers and beverage containers.

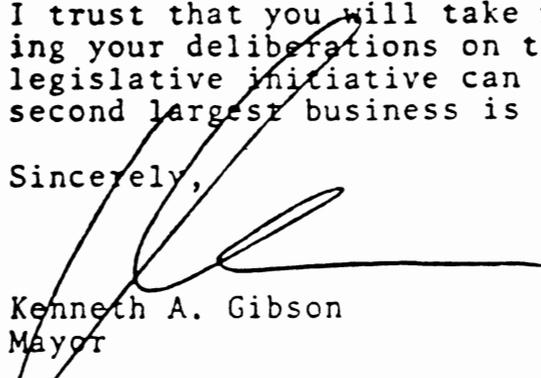
Similar litter taxes have been found to be inefficient and have been repealed or allowed to lapse in the States of Colorado, California, Kansas, Kentucky, Arkansas and Connecticut.

Litter taxes are inefficient because of duplicative administrative costs which are necessary for raising and allocating tax funds. Further, they aggravate retailers with the associated paperwork of another nuisance tax.

If a litter tax is deemed desirable, it should raise more funds than those proposed to be raised by this bill, and it should either be accomplished through increases in existing tax mechanisms in order to prevent duplicative bureaucracy, or else should be focused specifically on those items most common in the litter stream. Even more preferable would be to introduce, wherever possible, a bounty or deposit system on suitable items in order to inhibit littering in the first instance and to encourage cleanup by citizens where littering occurs.

I trust that you will take my thoughts into consideration during your deliberations on this bill. Surely, a more effective legislative initiative can be implemented in a state whose second largest business is tourism.

Sincerely,



Kenneth A. Gibson
Mayor

KAG:pa



KENNETH A. GIBSON

MAYOR
NEWARK, NEW JERSEY
07102

February 27, 1985

Honorable Anthony S. Marsella
Assemblyman
Gantown Prof. Plaza
Gantown Rd., Box 427, R. D. 3
Sewell, New Jersey 08080

Dear Assemblyman Marsella:

I am writing to share with you my thoughts concerning A-2003. This bill, if approved, will in part provide about \$8 million in rebates to municipalities and counties through imposition of a tax on certain items sold in disposable packages. This fund would be disbursed for use by municipalities and counties to supplement the removal of litter from streets and other public areas.

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Honorable Anthony S. Marsella
February 27, 1985
Page Two

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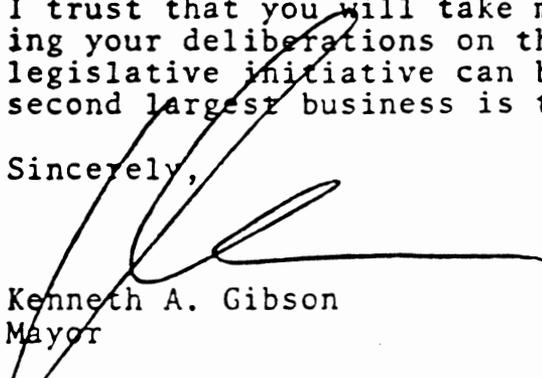
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I trust that you will take my thoughts into consideration during your deliberations on this bill. Surely, a more effective legislative initiative can be implemented in a state whose second largest business is tourism.

Sincerely,



Kenneth A. Gibson
Mayor

KAG:pa



Management and Government Resources, Inc.

• Economic Development • Grantsmanship • Legislative Affairs • Management

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM BARRY LEFKOWITZ,
PRESIDENT OF MGR, INC. OUR FIRM REPRESENTS THE WINE INSTITUTE.

TODAY, THERE ARE TWO MEASURES BEFORE YOU. CHAIRMAN HOLLENBECK'S
A3398, AN ACT CONCERNING BEVERAGE CONTAINERS AND RECYCLING, AND MR.
ALBOHN'S A3382, AN ACT CONCERNING MANDATORY STATEWIDE RECYCLING. OUR
INDUSTRY RECOGNIZES THAT NEW JERSEY IS FACED WITH A GARBAGE CRISIS AND
THAT THERE IS THE NEED TO ENTER A TOTALLY NEW ERA OF WASTE MANAGEMENT.
WE MUST BEGIN AN AWARENESS EFFORT AND RECOGNIZE THAT THE WHOLE
PROBLEM, NOT JUST A SMALL PART OF IT, NEEDS TO BE ADDRESSED.

WE DO NOT QUESTION THE INTENT OF THE SPONSOR TO ADDRESS THE SERIOUS
PROBLEM OF SOLID WASTE DISPOSAL. HOWEVER, WE ARE UNEQUIVOCALLY
OPPOSED TO DEPOSIT BOTTLE LEGISLATION IN GENERAL AND WINE BOTTLES IN
SPECIFIC.

STATISTICS SHOW THAT BOTTLES, CANS, AND PLASTIC CONTAINERS CONSTITUTE
ONLY A SMALL PERCENTAGE OF THE OVERALL LITTER PROBLEM WITHIN THE
STATE....ESTIMATES RANGE FROM APPROXIMATELY 10%-16% FOR NEW JERSEY.

BECAUSE OF THE NATURE OF OUR INDUSTRY, OUR CONCERNS ARE FOCUSED ON
WINE BOTTLES IN PARTICULAR. WINE, FOR THE MOST PART, IS CONSIDERED A
"TAKE HOME" PACKAGE SOLD AS AN ACCOMPANIMENT TO FOOD, ALTHOUGH WE
RECOGNIZE THAT IN SOME MAJOR URBAN DISTRICTS THE PATTERN MAY BE
DIFFERENT. OVER THE YEARS, OUR INDUSTRY HAS TURNED AWAY FROM SMALLER

1305 Mt. Holly Rd. • Burlington, NJ 08016 • 609-386-7460

76X

SIZES TO MAGNUM HALF GALLON AND GALLON CONTAINERS, WHICH ARE EVEN LESS OF A LITTER PROBLEM THAN TRADITIONAL SIZE BEVERAGE CONTAINERS. ACTUALLY, NEW JERSEY WAS ONE OF THE FIRST STATES THAT TURNED TO LARGER SIZE CONTAINERS.

IT SHOULD BE NOTED FOR THE RECORD, THAT NO OTHER STATE, EXCEPT IOWA, REQUIRES THAT WINE BOTTLES BE INCLUDED IN RETURNABLE BOTTLE TYPE PROGRAMS. IN IOWA, WINE IS SOLD THROUGH A STATE STORE SYSTEM, THUS YOU HAVE AN INTERGOVERNMENTAL SYSTEM PROGRAM. OUR UNDERSTANDING IS THAT THE RATE OF RETURN ON WINE BOTTLES IS APPROXIMATELY 55%. THIS FIGURE CERTAINLY DOES NOT REFLECT JUSTIFYING THIS TYPE PROGRAM.

WE WOULD LIKE TO BRING TO YOUR ATTENTION SOME POINTS INVOLVING OUR INDUSTRY AS A WHOLE AND ITS INTERRELATIONSHIP WITH ASPECTS OF A3398 AND THEN A3382:

FIRST THERE IS NO STANDARD WINE BOTTLE. THERE IS A WIDE ASSORTMENT OF SIZES AND SHAPES SINCE SOME WINE BOTTLES ARE EVEN USED AS DECORATIVE ITEMS. THIS ASPECT MAKES THEM MORE DIFFICULT TO RETURN THAN BEER OR SOFT DRINK BOTTLES.

SECOND, WINE BOTTLES CONTAIN WHAT IS KNOWN AS "GREEN GLASS" WHICH IS USED AS A FLAVOR GUARD. THIS PARTICULAR DIFFERENCE BETWEEN REGULAR GLASS AND WINE BOTTLE GLASS CREATES SPECIFIC RECYCLING PROBLEMS. IN

PAGE 3

ALL LIKELIHOOD, ACCORDING TO INDUSTRY EXPERTS, WINE BOTTLES WOULD HAVE TO BE SEPARATED OUT AND A SPECIAL MIXTURE ADDED FOR THEM TO BE REUSABLE. AN ADDITIONAL PROBLEM WITH WINE BOTTLES IS THAT THEY ARE NOT DESIGNED AS "RETURNABLE" AND THERE IS A BREAKAGE PROBLEM BECAUSE OF THIN GLASS. THIS BREAKAGE PROBLEM COULD BECOME A RISK FACTOR TO CITIZENS AND WORKERS.

THIRD, A SIGNIFICANT PROBLEM IN NEW JERSEY REGARDS THE REUSE OF WINE BOTTLES UNDER THE LAW. STATE LAW DOES NOT ALLOW FOR THE REUSE OF WINE BOTTLES, AND WINE BOTTLES CANNOT BE REFILLED UNLESS THEY ARE STERILIZED BY SPECIAL COSTLY EQUIPMENT WHICH WOULD CREATE AN ECONOMIC HARDSHIP TO MOST WINERIES AND PARTICULARLY TO NEW JERSEY WINERIES. WE BRING UP THIS PARTICULAR POINT SINCE THE LEGISLATION DOES NOT ADDRESS THIS UNIQUE SITUATION FOR THE WINE INDUSTRY; NOR DOES THE LEGISLATION SPECIFY WHO IS TO MAKE THE DECISION IN DETERMINING WHETHER A BOTTLE IS REUSABLE OR NOT. IS THE STATE GOING TO DETERMINE THAT WINERIES ARE TO STERILIZE WINE BOTTLES FOR REUSE? WILL SECTION 3A OR 3B OF THIS LEGISLATION APPLY TO OUR INDUSTRY?

FOURTH, APPROXIMATELY 30% OF WINE SOLD IN NEW JERSEY IS FROM FOREIGN COUNTRIES WHOSE GOVERNMENTS SUBSIDIZE THEIR PRODUCTS SO THAT THEY WILL BE CHEAPER THAN OUR DOMESTIC WINES. THE ENTIRE ISSUE OF GLASS AND RECYCLING TAKES ON ADDED SIGNIFICANCE, WHEN MEASURED IN CONJUNCTION WITH MY SECOND POINT. SINCE THERE IS NO QUESTION, IN THE MIND OF

INDUSTRY EXPERTS, THAT DEPOSIT BOTTLE TYPE PROGRAMS INCREASE THE COST TO THE CONSUMER, FOREIGN GOVERNMENTS (IN ALL LIKLIHOOD) WILL SUBSIDIZE THE ADDITIONAL DEPOSIT COST AND THIS "GOVERNMENTAL ASSISTANCE" WILL PLACE DOMESTIC WINES AT GREATER COMPETITIVE DISADVANTAGE.

SECTION 3C, WHICH REQUIRES THE LABELING OF BEVERAGE CONTAINERS IS AN UNTENABLE BURDEN AND AN UNNECESSARY WASTE OF MONEY AND EMPLOYEE TIME. OUR INDUSTRY WOULD FIND IT NEXT TO IMPOSSIBLE TO COMPLY WITH THE LABELING REQUIREMENTS. ALL THIS DOES IS TO ADD A SIGNIFICANT COST AND COULD CREATE A HARDSHIP FOR CONSUMERS AND DOMESTIC PRODUCERS AND RETAILERS.

FURTHER, WE WOULD LIKE TO EMPHASIZE THAT, BASED UPON A SURVEY TAKEN IN VIRGINIA, WINE BOTTLES WERE NOT AN OBJECT OF THE TOTAL LITTER PROBLEM. THIS SURVEY SHOWED THAT WINE ITEMS WERE LESS THAN 1/3 OF 1% OF GENERATED LITTER.

IN RESPONSE TO A REQUEST FROM "KEEP AMERICA BEAUTIFUL, INC., IN A LITTER STUDY CONDUCTED IN NORTH CAROLINA, THE HIGHWAY RESEARCH BOARD UNDERTOOK A PROJECT TO OBTAIN ADEQUATE, OBJECTIVE INFORMATION ON THE COMPOSITION AND NATURE OF LITTER SCATTERED ALONG PRIMARY AND RURAL HIGHWAYS IN THE UNITED STATES. TWENTY-NINE STATES PARTICIPATED IN THIS STUDY AND IT WAS DISCOVERED THAT CONTROL OF CANS AND BOTTLES ALONE WOULD NOT SOLVE THE OVERALL HIGHWAY LITTER PROBLEM. PAPER, AUTO

TIRES, CONSTRUCTION MATERIAL AND RANDOM ITEMS REPRESENTED A VERY HIGH PERCENTAGE OF LITTER GENERATED BY MOTORISTS. IT WAS ESTIMATED THAT ABOUT 6% OF THE TOTAL LITTER VOLUME INCLUDED BOTTLES WITH ABOUT HALF BEING BEER BOTTLES, BOTH RETURNABLE AND NON-RETURNABLE, AND ONE THIRD BEING SOFT DRINK BOTTLES.

ASPECTS OF THIS BILL DO NOT SERVE THE BEST INTEREST OF THE CONSUMER. NEW JERSEY CONSUMERS WOULD BE PAYING A "HIDDEN CONSUMER TAX" WHICH WOULD BE INESCAPABLE BECAUSE OF THE UNAVOIDABLE COSTS ASSOCIATED WITH TRANSPORTATION, HANDLING, LABOR, STORAGE, ETC., NOT TO MENTION LOST SALES TAX REVENUE FOR OUR STATE. AFTER NEW YORK'S FORCED DEPOSIT LAW TOOK EFFECT, THE ROCKEFELLER STUDY FOUND THAT BEER PRICES ROSE 16% TO 18% AND SODA PRICES ROSE 6% TO 10%. BEER SALES IN NEW YORK DROPPED 7% AND SODA SALES DROPPED 3.5%, COSTING THE STATE \$1.5 MILLION IN LOST SALES TAX REVENUE. CONSUMERS IN NEW YORK ARE PAYING IN EXCESS OF AN ADDITIONAL \$150 MILLION PER YEAR FOR BEER AND SOFT DRINKS. IS THIS WHAT WE WANT FOR CONSUMERS IN NEW JERSEY?

IT IS OUR BELIEF THAT THERE ARE SOLUTIONS TO THE PROBLEM. LEGISLATIVE CONCEPTS LIKE MR. MARSELLA'S A2003, AN ACT CONCERNING LITTER CONTROL WHICH IMPOSES A TAX ON LITTER GENERATING PRODUCTS MAY ADDRESS THE OVERALL PROBLEM. A PLAN CALLING FOR CONSUMERS TO SEPARATE THEIR TRASH AT THE CURBSIDE, AS IS MOVING FORWARD IN MY HOME COUNTY OF BURLINGTON, DEALS WITH THE TOTAL PROBLEM. IT IS THE MOST COST EFFECTIVE AND HAS

THE LEAST HARMFUL IMPACT ON THE BUSINESS COMMUNITY.

IN ADDRESSING MR. ALBOHN'S A3382, MANDATORY RECYCLING, WE MUST ADMIT TO HAVING GREAT DIFFICULTY IN FULLY UNDERSTANDING THE VARIOUS ASPECTS OF HIS MEASURE. HOWEVER, WE BELIEVE MANY OF THE ARGUMENTS WE POSED IN RESPECT TO A3398 AND WINE BOTTLES HAVE MERIT IN THIS PARTICULAR CASE.

WILL WINE BOTTLES BE CONSIDERED RETURNABLE TO THE ECONOMIC MAINSTREAM FOR REUSE IN THE "USED" FORM OR RECYCLED AS A RAW MATERIAL. OUR INDUSTRY IS CONFUSED BY THE LEGISLATION'S EXEMPTION CLAUSES. WE ARE NOT CERTAIN WHETHER WINE BOTTLES WILL OR WILL NOT BE SUBJECTED TO THE 7.3% TAX.

IF THERE IS A 7.3% TAX IMPOSED ON WINE, WILL THIS TAX BE ON A BOTTLE REGARDLESS OF SIZE? IF APPLIED TO WINE THIS PROPOSED TAX INCREASE IS NEITHER FAIR NOR EQUITABLE, FROM THE STANDPOINT OF BOTH THE CONSUMER AND RETAILER. THIS TAX WILL INEVITABLY IMPACT NEGATIVELY ON THE ECONOMY OF OUR STATE, PARTICULARLY IN THOSE MUNICIPALITIES AND COUNTIES CLOSE TO NEW YORK AND PENNSYLVANIA. NEW JERSEY RETAILERS IN THOSE REGIONS WILL BE PLACED AT A SEVERE COMPETITIVE DISADVANTAGE. LOSS OF JOBS, INCOME, AND ULTIMATELY, TAX REVENUES WILL BE THE RESULT. WINERIES WOULD BE UNABLE TO COMPLY WITH THE LABELING REQUIREMENTS FOR EXEMPTION. THE COST TO SET UP SEPARATE LABELING LINES JUST FOR NEW JERSEY WILL BE ASTRONOMICAL.

PAGE 7

WE AGREE THAT MANDATORY RECYCLING IS NECESSARY TO REMOVE NEW JERSEY FROM ITS CRISIS SITUATION, BUT ONCE AGAIN WE BELIEVE THERE IS LEGISLATION THAT ADDRESSES THE FISCAL NEEDS OF HANDLING THE PROGRAM, AND NOT AS PROPOSED HERE TODAY.

THEREFORE, WE ASK THE COMMITTEE NOT TO RELEASE EITHER A3398 OR A3382. IF NECESSARY, STRENGTHEN ASPECTS OF MR. MARSELLA'S BILL. WE ARE BEING OVERWHELMED WITH SO MANY COMPLEX AND DISJOINTED BILLS WHICH HAVE GOOD INTENTIONS IN SOME CASES, BUT WHICH ARE CREATING MORE PROBLEMS THAN THEY SOLVE.

ON BEHALF OF OUR INDUSTRY, WE THANK YOU FOR THE OPPORTUNITY TO ADDRESS YOU ABOUT OUR SERIOUS CONCERNS.

Statement of

Donald Thomas Wilson

Director, Government Relations

National Tire Dealers and Retreaders Association

Submitted to the

Committee on Agriculture and Environment

New Jersey Assembly

May 2, 1985

NTDRA Testimony -- New Jersey Recycling Legislation

My name is Donald Wilson, Director of Government Relations for the National Tire Dealers and Retreaders Association (NTDRA), a national non-profit trade association representing approximately 5,000 independent tire dealers and retreaders located in 50 states who are engaged in the wholesale and retail distribution of automobile and truck tires, the retreading of tires and the sale of related products and services.

Mr. Chairman, I appreciate this opportunity to convey to you and the members of this committee the views of NTDRA's membership regarding Assembly Bill 3382. NTDRA applauds the efforts of the New Jersey Assembly to encourage solid waste recycling. NTDRA has long encouraged recycling of tires. NTDRA believes used tires are too valuable a resource to simply bury in the ground. Indeed, retreaders are the major recyclers of used tires in the country today, recycling roughly 20% of all used tires generated annually.

Because of our belief that retreading is the most viable of tire recycling options, NTDRA would hope that Section 18 of this legislation would encourage the state of New Jersey and local units of government within New Jersey to increase procurement of retreaded tires for use on state and local government vehicles.

Furthermore we would hope that retreaders of tires would be eligible for low interest loans or loan guarantees as provided for in Section 31, subsection b (2). In addition we would urge that part of the 15% of the state Recycling Fund designated for "public information and education" programs, Section 31 subsection b (5), be used to encourage the public to use retreaded tires.

As indicated earlier, NTDRA applauds the overall objectives of this legislation to encourage recycling of solid waste. NTDRA recognizes that high population density within New Jersey has created a monumental solid waste disposal problem. NTDRA also recognizes that scrap tires contribute to that problem. We would stress however, that although roughly 2 million scrap tires are discarded annually in New Jersey, this seemingly significant number of tires represents no more than one percent of the solid waste generated annually in the state. Even so, the New Jersey Tire Dealers Association and particularly Mr. Bill Babek, a member of both the New Jersey Tire Dealers Association and NTDRA has worked diligently with the New Jersey Office of Recycling to try and develop a Plan of Action to deal with scrap tires. We are cautiously optimistic that this plan will contribute in a meaningful way toward alleviation of New Jersey's scrap tire

problem.

NTDRA is deeply concerned however, that section 17 of this proposed legislation will not effectively address the problem of scrap tire disposal in New Jersey. In fact Section 17 may well create more problems than it is intended to resolve.

First and foremost, the deposit program outlined in Section 17 if adopted would place an unbearable financial and paperwork burden on tire dealers in New Jersey. The cost of compliance with the paperwork, which would surely accompany the deposit program, would have serious profitability implications for tire dealers. Additional government mandated paperwork would mean added payroll costs and lost productivity. This means increased costs of doing business for New Jersey Tire Dealers.

The impact on cash flow and additional financing costs, inherent in a system whereby dealers pay consumers \$1.50 for each scrap tire returned and then await reimbursement from the state, would have an even more devastating impact on the costs of doing business.

These increases in the costs of doing business would have to be passed along to consumers or absorbed. Absorption of these costs could financially devastate a marginal dealership while imposing terrific hardship on more prosperous dealerships. If these added costs of doing business are passed along to consumers and in addition the \$3.00 per tire deposit fee, tire dealers in New Jersey would find themselves at a distinct competitive disadvantage with tire dealers in neighboring states. Dealerships near state boundaries would be especially impacted. If the additional costs of doing business imposed by the deposit program were reflected in increased consumer prices, and they surely would be, fleet purchasers of tires would have real economic incentives to purchase their tires out of state. This loss of fleet sales would do further economic damage to New Jersey tire dealers. Out of state tire sales would also adversely impact the Recycling Fund.

Loss of business to lower costs out-of-state dealers would surely harm the level of sales tax revenues in New Jersey. The most important economic impact on New Jersey would occur when some New Jersey tire dealers, faced with increased costs of doing business and loss of sales, might be forced to close their doors of operation. The result would be increased unemployment and the state having to pay increased unemployment benefits. The state would also face the loss of income tax revenues.

So far I have only discussed the impact on consumers in terms of product costs. But increased product cost is surely not the only adverse impact on New Jersey consumers. Under the deposit concept, if consumers were dissatisfied with the brand of

tires on their car, they would likely be faced with the prospect of buying their replacement tires at one dealership and then having to take their used tires to another dealership to get their deposit refund. The opportunity costs to New Jersey consumers would be astronomical. Moreover, to avoid the inconvenience and lost opportunity costs, consumers would likely be forced to purchase their replacement tires at a dealership that sells the brand already on their car. This has the potential of drastically impacting consumer freedom of choice and disrupting market forces within the retail tire industry in New Jersey.

Another major problem inherent in the present deposit program proposal is the proposed labeling or marking of tires. NTDRA is not presently aware of a workable methodology for molding markings on tires at the manufacturing level for distribution to a single state. The result therefore would probably be that the retailer would be expected to label tires as they entered his inventory. Once again we are talking about sharply increased operating costs with all the ramifications discussed earlier.

A labeling system would open up the deposit program to widespread counterfeiting and fraud. Tires purchased out of state would be fraudulently labeled and returned to New Jersey tire dealers who would then have to pay out an unwarranted deposit refund. No doubt counterfeiting and fraud in labeling would result in trailer loads of scrap tires being brought in from out of state for purposes of collecting a fraudulent deposit refund. Such a situation would only exacerbate the scrap tire problem in New Jersey.

Finally Mr. Chairman, section 17, subsection (d) gives the Department of Environmental Protection a virtually unlimited authority to regulate the wholesale and retail distribution of tires. This near blank check authority to a governmental unit to regulate the wholesale and retail tire industry in New Jersey is a totally unjustified invasion of the management prerogatives of the state's tire dealers. All small business men and women in New Jersey should be concerned that their industry would be the next to fall under such a broad regulatory edict.

NTDRA and its members in New Jersey would urge this committee to postpone any action on Section 17. We believe that the Assembly should allow the Department of Energy to finalize and implement its Plan of Action for scrap tires in cooperation with tire retailers, wholesalers, rereaders and manufacturers. The results of that program should be carefully evaluated after a reasonable period of time before any further legislative action.

Mr. Chairman, NTDRA believes that Section 17 is so inherently flawed that regardless of the results of the Plan of

Action that Section 17 would have to be drastically revised if it were to ever have hopes of being workable.

In conclusion Mr. Chairman and members of the committee, I want to assure you that NTDRA is ready and willing to work with officials of New Jersey to try and resolve the scrap tire problem and pledge to you our full cooperation.

PAPER RECYCLING IN NEW JERSEY

Prepared by
American Paper Institute

May 1985

PAPER RECYCLING IN NEW JERSEY

The paper recycling industry is a highly efficient, successful industry, made up of 19 paper and paperboard mills that use waste paper as their raw material. In addition, there are over 75 waste paper dealers and brokers. The collection system for recyclable paper involves millions of New Jersey residents whose voluntary efforts see to it that 50% of New Jersey's recoverable paper is collected for recycling. Over 50% of New Jersey's residents who have old newspapers to be discarded, place the newspapers into the collection system for recycling rather than disposing of them in the state's landfills.

In addition, there are thousands of workers in New Jersey who include paper recycling as a part of their jobs. They separate old corrugated containers from other waste to be collected by private haulers, and in some cases, individuals collect used cardboard boxes and sell them to dealers to make an income. Office workers also separate computer printout papers, tabulating cards and assorted white papers for recycling where they work.

The New Jersey collection rate for recyclable paper is close to if not the highest in the United States, according to a survey conducted by the American Paper Institute.

New Jersey's 19 recycling mills consumed about 850,000 tons in 1983, and in that year, 768,000 tons were collected in New Jersey. Waste paper for recycling moves back and forth across state borders. About 375,000 of the 850,000 consumed in New Jersey comes to New Jersey from neighboring states. Also, of the 768,000 tons collected in New Jersey, about 293,000 were shipped to neighboring states and some of the tonnage collected in New Jersey was exported to paper recyclers overseas.

In New Jersey, the collection rate of all paper consumed in the state is about 33% compared to a national average of 27%. Discounting paper that is not available for collection, such as panelboard in permanent construction, gypsum wallboard, toilet tissue, permanent records and paper burned in fireplaces, New Jersey's collection rate is 50% compared to a national average of 36%.

New Jersey's rate of collection for old newspapers is 56%. Probably no other state has a collection rate this high. The national average for collecting old newspapers is 29%.

Collection of old corrugated containers is 53%, which is very high compared to the national average of 46%. The collection rate for mixed office papers is 33% compared to the national average of 20%.

The actual data collected in the survey are shown in Tables I and II.

TABLE I**NEW JERSEY WASTE PAPER SURVEY - 1983**

	<u>Corrugated</u>	<u>News</u>	<u>Mixed</u>	<u>High Grades</u>	<u>Totals</u>
Mill Capacity to Consume Waste Papers	199,054	347,876	142,170	160,931	850,031
Purchased by Mills from New Jersey Sources	131,765	186,584	115,767	41,473	475,589
Purchased from Out of State	67,289	161,292	26,403	19,458	374,442
Shipped Out of New Jersey by Dealers	180,469	20,550	31,673	59,820	292,512
Total Recovered from New Jersey	312,234	207,134	147,440	101,293	768,101

Paper Recycling Committee
American Paper Institute

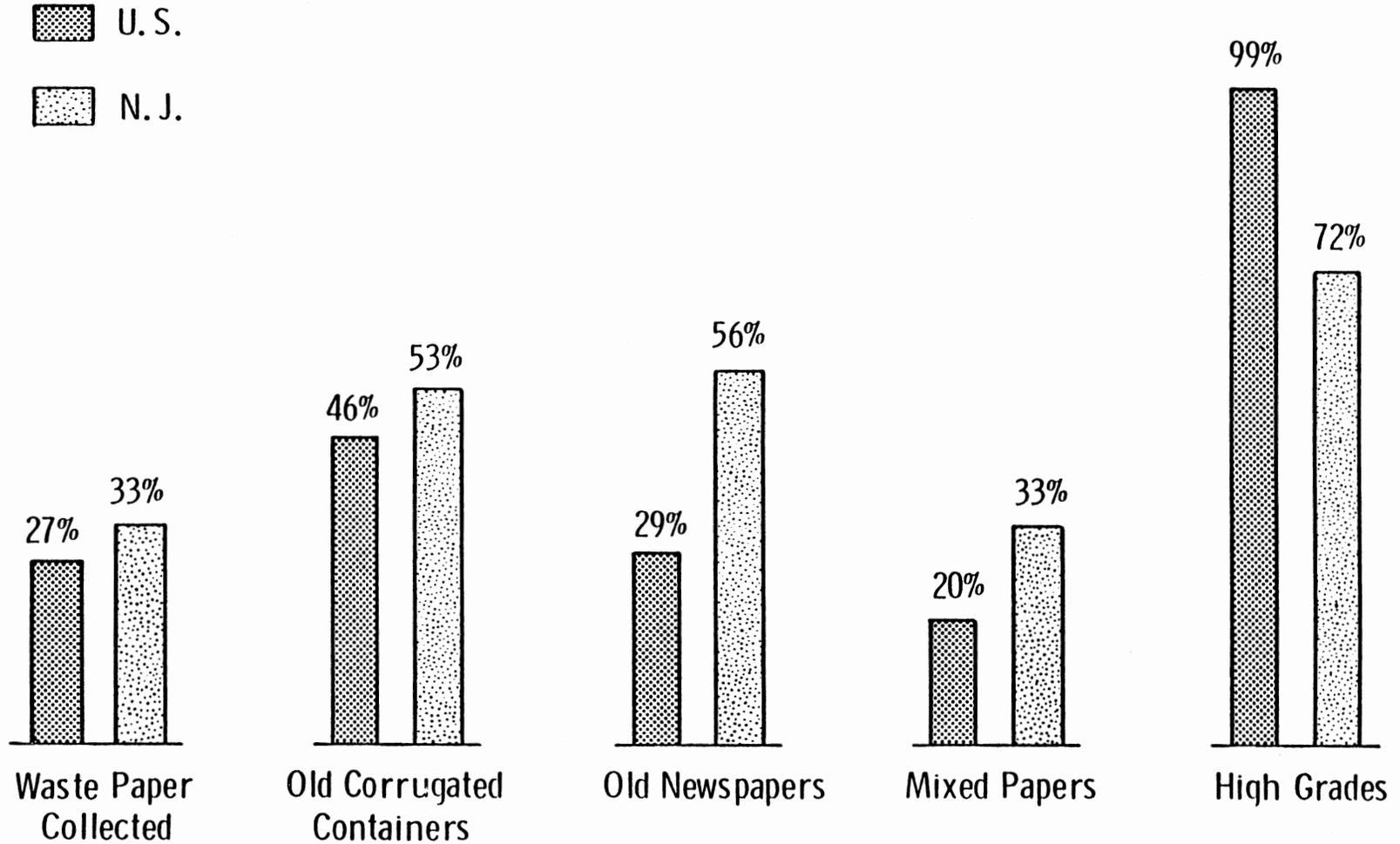
U.S. AND NEW JERSEY WASTE PAPER RECOVERY RATES - 1983
(Short Tons)

	Total U.S.			New Jersey		
	<u>Consumption (1)</u>	<u>Waste Paper Collected (2)</u>	<u>Collection Rate</u>	<u>Consumption (3)</u>	<u>Waste Paper Collected (4)</u>	<u>Collection Rate</u>
Total Paper and Paperboard	71,100,000	19,100,000	27%	2,300,000	767,000	33%
Old Corrugated Containers	18,400,000	8,400,000	46	583,000	312,000	53
Old Newspapers	11,700,000	3,500,000	29	370,000	207,000	56
Mixed Papers	14,300,000	2,800,000	20	451,000	147,000	33
High Grades	4,400,000	4,400,000	99	141,000	101,000	72

- (1) Consumption for total U.S. represents new supply; production plus imports minus exports.
 - Corrugated - consumption represents production of containerboard (linerboard, corrugating medium and filler chip board) minus box plant clippings.
 - Old newspapers - production at U.S. newsprint mills plus imports minus exports.
 - Mixed papers - consumption is an estimate of office papers used in offices in the U.S.
- (2) Waste paper collected in total U.S. is based on actual data of waste paper consumed at U.S. paper mills based upon API 1983 capacity survey plus 1983 U.S. exports compiled by U.S. Bureau of Census.
- (3) Consumption in New Jersey for total paper and paperboard, old newspapers, old corrugated containers and mixed papers is estimated by per capita consumption.
- (4) Waste paper collected in New Jersey is based upon API survey of waste paper dealers and consuming mills operating in New Jersey.

NOTE: Consumption of old corrugated containers, old newspaper, mixed papers and high grades does not equal total U.S. consumption due to the exclusion of many paper products which do not become discarded after use such as books, permanent records, building products, and papers that are discarded after use but are not collectible such as toilet tissue, papers burned in fireplaces, etc.

U.S. AND NEW JERSEY WASTE PAPER RECOVERY RATES 1983



Note: While the chart shows only 72% high grades collected in N.J. actual rate in N.J. is probably 99%. The 72% was reported by N.J. waste paper dealers, however, a considerable tonnage of high grade waste paper moves directly from paper converting plants to recycling mills thus by passing dealers.

434

April 24, 1985

API'S POSITION ON NEW JERSEY'S MANDATORY RECYCLING BILL

The American Paper Institute (API), which represents companies producing over 90% of the nation's paper and paperboard, wishes to take this opportunity to comment on proposed bills A-3382 and S-2820 which would mandate statewide source separation and collection of recyclable materials in New Jersey. The API is vitally interested in New Jersey because 22 of its members operate 30 manufacturing facilities in the state.

* * *

New Jersey has a success story - a highly efficient paper recycling system, operating through the cooperation of enlightened local governments, voluntary efforts of New Jersey residents and private enterprise. This network of paper recycling services consists of 75 dealers and 19 paper mills that are already recycling more than 50% of New Jersey's recoverable waste paper, believed to be close to, if not the highest collection rate in the nation. Continuation and expansion of this existing, successful cooperative effort should be encouraged.

New Jersey also has a problem. The American Paper Institute recognizes that the disposal of municipal solid waste is becoming increasingly difficult for many local governments in New Jersey. It is more and more difficult to site new landfills, and recent Federal legislation will make land disposal of municipal solid waste even more difficult and costly.

We recognize that the proposed legislation, which would establish mandatory statewide recycling, is an effort to ameliorate this problem. While we are sympathetic with the goal of achieving more effective solid waste management, the paper industry has the following grave concerns with this bill:

1. The existing successful paper recycling network is endangered by this bill. Although this proposed bill requires each district recycling plan to "give due consideration" to existing recycling services, this language is next to meaningless. The existing networks of separation, collection, transportation and sale of recyclable waste paper must not be disrupted.

About 768,000 tons of paper were recovered in 1983. New Jersey's recovery rates of commercially viable grades of waste paper are well above the national average (old corrugated containers - 53% as against 46%; old newspapers - 56% as against 29%; mixed office waste - 33% as against 20%; high grades - 97% - equal to the national rate). Keeping in mind that large amounts of the paper and paper products in municipal solid waste cannot be recovered for recycling because of today's technology and fundamental economics, the above figures truly reflect a success story.

2. Markets should be secured. Any effort, whether by public or private entities, to further increase the source separation and collection of recyclable paper should be accompanied by purchase agreements. A sensible balance between added supply and demand must be maintained over time in order to preserve a healthy collection system.

Paper recycling in New Jersey is already a success story as we have noted above. While we are concerned that a government-imposed, government-run paper separation and collection program would prove disruptive to the present well-working recycling system in New Jersey, there are steps that the State could take, working with representatives of the New Jersey recycling industry, to encourage increased paper recycling. To be sure that the costs do not outweigh the benefits, however, two points should be kept in mind:

1. Existing networks of separation, collection, transportation and sale of recyclable materials should be preserved.
2. Market studies should be conducted of the availability of clean homogeneous waste paper and the markets for same - present and future - both within and outside New Jersey. Prior to the collection of significant additional quantities of recyclable waste paper, markets for that paper should be secured by contract.

The American Paper Institute appreciates this opportunity to express its concerns with the proposed mandatory recycling legislation. We recognize the seriousness of the solid waste disposal problem facing many municipalities within New Jersey and we would be pleased to work with designated officials in New Jersey in developing a feasible solution.

STATEMENT OF
MAY 2, 1985

TO THE
ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE
RELATIVE TO
A-3382/S-2820
AND
A-3398

ON BEHALF OF

THE GLASS PACKAGING INSTITUTE
6845 ELM STREET
SUITE 209
MCLEAN, VIRGINIA 22101

by

ROBERT C. DONOVAN
1500 PALISADE AVENUE
FORT LEE, NEW JERSEY 07024

THE NEW JERSEY GLASS CONTAINER INDUSTRY AND THE GLASS PACKAGING INSTITUTE SUPPORT THE BASIC CONCEPT OF COUNTY AND MUNICIPAL PROGRAMS OF MANDATED SOURCE SEPARATION AND COLLECTION OF RECYCLABLE MATERIALS AS A MEANS TO ACHIEVE THE STATE'S INITIAL OBJECTIVE - THE RECYCLING OF 25% OF MUNICIPAL SOLID WASTE. THE USE OF TAX CREDITS AND EXEMPTIONS AS PROPOSED IN THE BILL TO STIMULATE RECYCLING MARKETS WOULD PROBABLY BE OF SIGNIFICANT BENEFIT TO OUR INDUSTRY.

AS A MEMBER OF THE BOARD OF TRUSTEES OF THE NEW JERSEY RECYCLING FORUM, INC. WE SHARE SOME CONCERNS ABOUT A-3382/S-2820 AS PRESENTLY WRITTEN. THE TRUSTEES AND OTHER MEMBERS OF THE ADVISORY COMMITTEE ON RECYCLING, ORGANIZED AT THE REQUEST OF COMM. HUGHEY, WORKED DILIGENTLY DURING THE LATTER PART OF 1984 TO DEVELOP A LIST OF RECOMMENDATIONS WHICH WE THINK WOULD MAKE FOR A MORE VIABLE AND REALISTIC BILL AND PROGRAM. I BELIEVE THIS ASPECT OF THE FORUM VIEWPOINT WILL BE COVERED BY A SPOKESPERSON, AND WE DEFER TO THE FORUM TO ADDRESS THESE SPECIFIC CONCERNS.

HOWEVER, I WILL DWELL A MOMENT ON THE ROLE OF THE N.J. GLASS INDUSTRY IN THE PRESENT SUCCESSFUL RECYCLING PROGRAM ADMINISTERED BY THE N.J. OFFICE OF RECYCLING AND THE ROLE WE SEE FOR OURSELVES IN THE FUTURE.

DESPITE THE ATTRITION IN THE N.J. GLASS INDUSTRY BECAUSE OF THREE PLANT SHUTDOWNS IN RECENT YEARS, DUE PRIMARILY TO BEVERAGE CONTAINER DEPOSIT LAWS OR THE SO CALLED "BOTTLE BILL" IN FOUR NEW ENGLAND STATES AND NEW YORK, THE INDUSTRY RECYCLED MORE THAN TWO HUNDRED THOUSAND TONS OF GLASS IN 1983 BASED UPON A GLASS PACKAGING INSTITUTE SURVEY OF THE INDUSTRY TAKEN IN OCTOBER 1984.

I WOULD ESTIMATE THAT THE MAJOR PORTION OF THIS SCRAP GLASS CAME FROM SOURCES IN NEW JERSEY.

THE TOTAL POTENTIAL OF RECYCLED GLASS CONTAINERS FROM N.J. SOURCES HAS BEEN ESTIMATED TO BE ABOUT 380,000 TONS PER YEAR. THAT'S A LONG WAY FROM THE PREDICTIONS FOR 1986 CONTAINED IN THE ORIGINAL "RECYCLING IN THE '80'S" REPORT PUBLISHED IN 1980, BUT THOSE EARLIER PROJECTIONS WERE BASED UPON 1975 PRODUCTION FIGURES AND AN ANTICIPATED CONTINUED RAPID GROWTH RATE WHICH DID NOT OCCUR.

IN FACT - GLASS CONTAINER PRODUCTION NATIONALLY, ACCORDING TO THE U.S. DEPARTMENT OF COMMERCE, HAS DECLINED FOR THE LAST FIVE YEARS BY 15%; HOWEVER, THE DECLINE IN THE EASTERN STATES IS ESTIMATED TO HAVE GREATLY EXCEEDED THIS PERCENTAGE DUE PRIMARILY TO DEPOSIT LEGISLATION.

THE INDUSTRY IN ITS REPORT TO COMM. HUGHEY, WHICH WAS ATTACHED TO THE RECYCLING FORUM RECOMMENDATIONS RELATIVE TO THE PROPOSED MANDATORY RECYCLING LAW, STATED IT SHOULD BE ABLE TO ABSORB AN ADDITIONAL 350,000 TONS PER YEAR. THIS WOULD BALANCE OUT WITH THE POTENTIAL SUPPLY IF THE INDUSTRY STABILIZES AND DOES NOT DETERIORATE FURTHER.

ONE PROBLEM FOR THE INDUSTRY IN ABSORBING ADDITIONAL SCRAP IS THE AMOUNT OF GREEN GLASS. VERY LITTLE GREEN GLASS IS PRODUCED IN NEW JERSEY AND THAT SCRAP FROM LOCALLY PRODUCED GLASS CAN BE ABSORBED. HOWEVER, FOREIGN IMPORTS APPEAR TO PROVIDE A DISPROPORTIONATE AMOUNT OF SCRAP. AN INCENTIVE PROGRAM TO HELP US SHIP THIS GREEN SCRAP TO OTHER PARTS OF THE COUNTRY MIGHT HELP.

ONE OF THE MAJOR OBSTACLES TO COMPLETE GLASS RECYCLING IN N.J. IS THE NECESSITY THAT RECYCLED GLASS BE "FURNACE READY." THE INDUSTRY IS ADDRESSING THIS PROBLEM RAPIDLY. ON APRIL 19, BROCKWAY GLASS IN FREEHOLD DEDICATED ITS GLASS RECYCLING PROCESSING CENTER, A \$600,000 INVESTMENT WHICH WILL COMPLEMENT THE RECYCLING CONCEPT. IT CAN TAKE GLASS FROM MUNICIPAL AND OTHER SOURCES, AND PRODUCE FURNACE READY CULLET. THE SYSTEM IS CAPABLE OF PROCESSING MORE THAN 100,000 TONS A YEAR.

ITS FUNCTION IS SIMILAR TO THE OWENS-ILLINOIS PROCESSING CENTER WHICH OPERATED IN NORTH BERGEN FROM LATE 1981 TO APRIL 19 OF THIS YEAR WHEN THE COMPANY WAS FORCED TO DISCONTINUE THIS OPERATION BY ITS LANDLORD.

THERE ARE A NUMBER OF POTENTIAL BUYERS FOR THE EQUIPMENT AND THE INTENT AT THIS TIME, IF AT ALL POSSIBLE, IS TO REOPEN THE FACILITY SOMEWHERE IN THE NORTHERN PART OF THE STATE. THE OFFICE OF RECYCLING AND OTHERS ARE ASSISTING IN THE EFFORT TO FIND A NEW LOCATION.

THE INDUSTRY IS ALSO LOOKING AT VARIOUS OPTIONS TO PROVIDE SIMILAR CAPABILITY FOR THE SOUTHERN PART OF THE STATE

WE WILL CONTINUE TO WORK WITH THE SPONSORS OF A-3382/S-2280 TO EFFECT THE CHANGES NECESSARY TO MAKE IT A VIABLE MEASURE.

OUR COMMENTS WILL BE BRIEF ON ASSEMBLYMAN HOLLENBECK'S PROPOSED MANDATORY RECYCLING/MANDATORY DEPOSIT BILL A-3398. IT CONTAINS MUCH OF THE LANGUAGE FOUND IN A-3382 AND WOULD REQUIRE THE SAME CAREFUL REVIEW AND AMENDING LANGUAGE AS A-3382.

HOWEVER, IT ALSO CONTAINS A UNIQUE BEVERAGE CONTAINER DEPOSIT PROVISION SIMILAR TO PROPOSALS CONSIDERED IN OTHER STATES. IT WOULD REQUIRE A 10¢ DEPOSIT AT THE RETAIL LEVEL ON ALL METAL, GLASS AND PLASTIC CONTAINERS OR COMBINATIONS THEREOF CONTAINING FRUIT JUICES, SOFT DRINKS, WINE, BEER AND OTHER ALCOHOLIC BEVERAGES.

THE CONSUMER WOULD BE REFUNDED THE FULL 10¢ DEPOSIT ON ALL REFILLABLE SOFT DRINK AND BEER GLASS CONTAINERS. HOWEVER, ALL BEVERAGES PACKAGED IN NON-REFILLABLE CONTAINERS WOULD BE SUBJECT TO ANOTHER PROVISION. THE CONSUMER WOULD NOT BE ABLE TO REDEEM THE DEPOSIT AT THE RETAIL LEVEL. RATHER, EACH MONTH EACH RETAILER WOULD BE REQUIRED TO REMIT THE ACCUMULATED 10¢ DEPOSITS TO A "MUNICIPAL RECYCLING COORDINATOR" LOCATED IN THE SAME MUNICIPALITY AS THE RETAILER.

THE "MUNICIPAL RECYCLING COORDINATOR" WOULD DEPOSIT THESE FUNDS INTO A "MUNICIPAL RECYCLING AND BEVERAGE CONTAINER ACCOUNT."

THESE FUNDS WOULD BE USED TO PROVIDE REFUNDS OF 5¢ ON EACH 10¢ DEPOSIT PAID BY THE CONSUMER AT THE RETAIL LEVEL. MUNICIPALITIES WOULD BE AUTHORIZED TO ESTABLISH A REDEMPTION CENTER WITHIN THE COMMUNITY OR A GROUP OF MUNI'S WOULD BE AUTHORIZED TO ESTABLISH A REGIONAL REDEMPTION CENTER.

MONIES FROM THE "MUNICIPAL RECYCLING AND BEVERAGE CONTAINER ACCOUNT" WOULD BE GIVEN TO THE REDEMPTION CENTERS TO COVER DEPOSIT REFUNDS OF 5¢ FOR EACH 10¢ DEPOSIT PAID BY THE CONSUMER AT THE RETAIL LEVEL, AND OTHER "COSTS."

UNFORTUNATELY, THE COST TO THE CONSUMER OF THIS 5¢ PER CONTAINER TAX DIFFERS LITTLE FROM THAT OF A TRADITIONAL BOTTLE BILL.

NEW JERSEY CONSUMERS PURCHASE MORE THAN 35 MILLION GALLONS OF FRUIT JUICE, 161 MILLION GALLONS OF BEER AND OTHER MALT BEVERAGES, 26 MILLION GALLONS OF WINE, 16 MILLION GALLONS OF SPIRITS, AND 295 MILLION GALLONS OF SOFT DRINKS ANNUALLY. THE BEER, WINE AND SPIRITS FIGURES ARE THOSE OF 1983 AND 1984; HOWEVER, THE SOFT DRINK FIGURES ARE BASED UPON 1982 CONSUMPTION. WHILE WE HAVE A FAIRLY RELIABLE ESTIMATE OF THE PACKAGE MIX FOR BEER AND SOFT DRINKS, WE HAVE NONE FOR THE OTHER THREE PRODUCT CATEGORIES.

EVEN IF THE RETURN RATE FOR BEER AND SOFT DRINKS WAS AS HIGH AS 70%, I WOULD ESTIMATE AN ADDED CONSUMER COST OF ABOUT \$180,000,000 PER YEAR TO WHICH MUST BE ADDED THE COST OF THE PACKAGES OF FRUIT JUICE, WINE, AND ALCOHOLIC BEVERAGES.

WHILE THE PROPOSAL IS UNIQUE, WE ARE INCLINED TO OPPOSE THE BILL BECAUSE OF THE HIGH CONSUMER TAX IT WOULD IMPOSE, ITS COMPLEXITY AND ITS POTENTIAL LOOPHOLES.

WE BELIEVE THAT THE APPROACH OF A-3382/S-2280 WILL BE MORE PRODUCTIVE AT LESSER COST.

WWS8/n



ATLANTIC COUNTY

DEPARTMENT OF REGIONAL PLANNING AND DEVELOPMENT

1333 ATLANTIC AVENUE
ATLANTIC CITY, N.J. 08401
(609) 345-6700
(TTY: 348-5551)

RICHARD S. DOVEY
DEPARTMENT HEAD

May 2, 1985

Assemblyman Hollenbeck:

Regarding the proposed mandatory recycling bill before you now (A-3382, S-2820) we wish to submit the following comments as part of this Public Hearing.

Recognizing the need to establish a strong network of communication among all the principals involved in recycling activity, Atlantic County organized a group which includes representatives from each of its municipalities, from the local recycling markets and from the solid waste hauling industry. The group, the Atlantic County Municipal Recycling Coordinators (MRC's) meets on a regular basis to discuss all aspects of recycling and other solid waste issues. Our last meeting addressed the impact the proposed mandatory recycling bill will have on municipalities and recycling markets. Lengthy and somewhat animated conversation passed between mayors, MRC's, market representatives, environmentalists and Mr. Steve Esser, Deputy Administrator of the State Office of Recycling (attendance sheet attached). Some of the concerns expressed at this meeting are listed below.

.Most in attendance applauded the idea of statewide mandatory recycling. Some towns are strongly committed to recycling as a means of conserving limited landfill space, and resent that space being used by towns who show no interest in recycling.

.Some towns are concerned about the additional cost of mandating and enforcing recycling ordinances. There are towns in Atlantic County which do not provide curbside collection of residential refuse. Purchasing vehicles and hiring workers for recycling collection would place a difficult financial burden on these towns, should they be required to "provide a convenient means for all residents to recycle," within the six months enactment of this bill.

.Towns which have hired workers for their recycling programs funded under State Grants wish to retain these workers upon termination of the grant. To facilitate the rehiring process it is suggested that this expense be exempt from the Local Budget Law, N.J.S.A. 40A:4-1 et. seq.

- .An incentive for towns to recycle the greatest amount possible might be to reward those towns which divert a certain percentage of refuse by recycling, by allowing them to pull out an equal percentage of solid waste disposal costs (escalating tipping fees) from the Local Budget Law.
- .As an incentive for the private sector to construct and operate recycling intermediary processing facilities (IPF) to assist towns in marketing their materials, it is suggested that the State match dollar for dollar the cost of construction. It is felt that the present low interest loan program offered by the State Office of Recycling does not sufficiently solve the need to build more local IPF's.
- .It was suggested that the County operate a landfill for demolition debris only.
- .It was suggested that the County provide a storage area for recyclables that are temporarily unable to be absorbed by markets, until the market situation improves. It is the County's opinion that this type of operation is handled more efficiently by the existing private sector recycling markets, therefore, the County does not intend to enter into this activity.
- .The consensus was the proposed \$1 per capita given by the State to towns to offset the cost of initiating mandatory recycling would be almost entirely "eaten up" by the additional taxes to be paid under the Resource Recovery Bill, P.L. 1985, c. 38.

We sincerely hope that you receive these comments and suggestions in the spirit that they were given. That is, that we all look to recycling as one of the key elements in solid waste management, and we wish to express our desire to become involved in the process of implementing the proposed legislation and are committed to its principles.

Sincerely,

JULIE E. POWELL
Atlantic County
Recycling Coordinator

JEP/wpck

c Richard S. Dovey, Department Head, Reg. Plan. & Dev.
Mayors of Atlantic County municipalities
Attendees of MRC meeting

MKS MEETING - Feb. 13th 82

NAME	MUNICIPALITY
James Hutchins	Linwood
Serge W. Jones	Linwood
William M. Felts J.	NORTHFIELD
George Rogers	NORTHFIELD
Harold Dill	Somers Point.
Chris A. Burke	E. H. TOWNSHIP
Bill Hurd	ABSECON, N.J.
Pat Andalow	Buena Boro
Ally J. Siskina	Buena Boro
George A. Chasen	Buena Boro
Ken Toft	BUENA VISTA TOWNSHIP
Pat De Rosa	Egg Harbor City
Steve Waszen	Egg Harbor Township
Pare Wessel	Galloway Township
Jim Ciucio	Margate City
Harrell Honey	Margate City
Serge W. O'Neil	Pleasantville
Burnett Yorkson	Pleasantville
LeRoy Stephens	Pleasantville
John Madden	Pleasantville
E. Maria Conatner	St. Palsom
Joan Dickerson	Mullica Twp.
Wm. Tocher	Weymouth Twp.
Andrea Curtis	Stockton State College Recycling Center
Bruce S. Kessler	Dalloway

ALSO:

DONALD VASE

Mayor, Linwood

Resolution

No. 53 19 85

WHEREAS, the City of Linwood has been involved in a voluntary recycling program over the past several years; and

WHEREAS, the State of New Jersey shortly plans to implement a mandatory recycling program for municipalities; and

WHEREAS, the Common Council of the City of Linwood is in agreement with such a plan and expresses its encouragement to the State to come with a mandatory recycling program; and

WHEREAS, the Common Council of the City of Linwood further wishes to encourage the State and/or County to recognize the need for an assured market and/or holding area for recyclables;

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the City of Linwood that it hereby encourages the State of New Jersey to come up with a mandatory recycling program;

BE IT FURTHER RESOLVED, by the Common Council of the City of Linwood that it also encourages and requests the State of New Jersey and/or the County of Atlantic to recognize the need for an assured market and/or holding area for such recyclables;

BE IT FURTHER RESOLVED, that a copy of this Resolution be forthwith forwarded to Julie E. Powell, Recycling Coordinator for Atlantic County; the Honorable William Gormley, New Jersey Senator from Atlantic County and Richard S. Dovey, Department Head, Regional Planning and Development.

I, MARY E. BOILEAU, Clerk of the City of Linwood, do hereby certify that the foregoing resolution was duly adopted at a regular meeting of the City Council of Linwood, held this 24th day of April 19 85.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal
this 24th day of April, Nineteen Hundred and 85

Mary E. Boileau
City Clerk (MARY E. BOILEAU)

Donald B. Vass
Mayor DONALD B. VASS

APPROVED:

4/24/85

AUG 9 1985



