

GENERAL ASSEMBLY FORUM
ON THE
BEVERAGE CONTAINER DEPOSIT AND REFUND ACT
AND RELATED ISSUES

A--(1753/78/182/316/482/533/1180/1237/1671) ACS (PATERNITI)

Held:
December 1, 1983
General Assembly Chamber
State House
Trenton, New Jersey

OPENING REMARKS:

Assemblyman Alan J. Karcher
Speaker, New Jersey General Assembly

MODERATOR:

Assemblyman Robert P. Hollenbeck
Chairman, Assembly Energy and Natural
Resources Committee

ALSO PRESENT:

Algis P. Matioska, Research Associate and Aide
Office of Legislative Services

New Jersey State Library

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ALAN J. KARCHER (Assembly Speaker): Will everyone find a seat, please. Good morning, it's nice to have you all. I am glad to see participation like this. I want to welcome all of you to the New Jersey General Assembly's Forum on the Bottle Bill, and all the issues related to it. The bottle bill, as you know, is one of the most important matters now under consideration in New Jersey. Versions of it are being discussed throughout the country. The bill before us could have a profound economic environmental implication, and deserves the fullest and most complete discussion. That, of course, is why we have convened this forum, so that we might have open and broad dialogue with regard to this bill and the alternatives to the so-called bottle bill, and a full discussion of not only the implementation of it, or the potential implementation, but what the consequences of that implementation might be.

Assemblyman Robert Hollenbeck, and the Assembly Energy and Natural Resources Committee which he chaired, held a series of public hearings on the subject. Chairman Hollenbeck and his Committee members have had the opportunity to hear expert testimony and a thorough give and take on this issue. Because of its importance, we thought the entire Assembly should have a similar opportunity and we have, of course, invited the entire membership from both sides of the aisle to be with us today, or to send representatives from their staffs, so they might have the benefit of the same kind of expert testimony and the same type of dialogue that the Committee on Energy and Natural Resources has previously had.

For that reason, we have also invited a group of distinguished citizens from the environmental organizations, from public interest groups, from the private sector and from government, to address us today and answer our questions.

This is the first time in New Jersey that such a forum had been put together for the Legislature, and I am confident it will help all of us make an informed, enlightened decision on this particular matter.

Let me make an observation to you with regard to the seriousness of this issue, and the importance of this issue. I'm sure no one in this State could be found who is satisfied with the present

condition of our highways, streets and byways litterwise. There is nothing that gives us a sorer image than the condition of our streets and public thoroughfares. I am reminded every time I talk about this subject that, imagewise, New Jersey must do something. We are confronted with the absolute imperative that something must be done. My father, who after his eighty years of life on this earth has come to some wisdom, always tells me a story from his particular background with regard to a company he was involved with which was being taken over. It merged into a much larger company, and the executives from that large company called my father after the acquisition and asked him to find a whole crew of workmen to clean up the properties, to patrol the properties and gather all the litter on them, and then to sweep out the buildings, paint the facades and clean the windows. My father said, "Why is all of this being done?" Then, this very wise and apparently shrewd businessman, a financier from Wall Street, imparted this to my father. He said, "When you take over a company, whether it be a neighborhood grocery store, or whether it be the largest company in the world, the first thing you do is sweep the floors and wash the windows." My father has told me that for a long time, and there is a great deal to be said for it, the wisdom of your initial impact and the initial impression you make. Of course, New Jersey, sadly, does not make that good impression. That is why this is of such importance.

Before we begin today, a word on the procedure. No vote will be taken here today. I have conferred with my counsel, who is the counsel for the entire Assembly, not just the partisan counsel, who advises me that for procedural reasons, it would be unwise to convene a Committee of the Whole, so technically this is a forum, not a Committee of the Whole. If we had a Committee of the Whole, that would impede the dialogue and, in some ways, would interfere with the exchanges and questioning and answering. So, in order that that go freely, that the dialogue not be impeded, this will not be a Committee of the Whole, but only a forum. Instead, we have asked each participant who has notified us of his or her interest in testifying, to limit their prepared remarks to somewhere between five and six minutes. Anyone who has not notified us previously, but who would like to submit something, may do so in writing, and that will be included in the final transcript which

will be prepared. We have asked people, as I said in the beginning, from the entire spectrum of interest on this particular issue to be here today to testify. We will allow those Assembly persons who are here, not their aides, but those who are actually here, to ask questions. The amount of time given over to questions and answers will be totally within the discretion of the moderator, who for today, because of his wealth of experience in this matter, will be Robert Hollenbeck.

With everyone's cooperation, this will be an informal, yet informative process, and that is the key to today. We want this to be an informative process. Having laid down those ground rules, it is my pleasure to introduce to you to be today's moderator of this forum, the distinguished Robert Hollenbeck.

ASSEMBLYMAN ROBERT P. HOLLENBECK: Thank you, Mr. Speaker. Fellow members of the Assembly, what we are going to do here-- Of course, as a Committee Chairman, with four other Committee members, we had the opportunity to go all over the State to hear arguments both pro and con and to look into the matter, the impacts in other states, so the five of us really had a great advantage over what you are being asked to do. We had a great deal of information. In all fairness, because of the amount of material that will be sent to you dealing with pending bills -- whether or not the bills will even be called -- you should have information yourselves. You will hear a great deal, and most of the stuff you will hear will be rebutted from the other side.

We have prepared a list of speakers who can easily come up with information on the issue and can present their side very well, so you will be getting full information. A little caveat I should warn you about, watch the statistics when you are listening to the testimony, because statistics can become very confusing. We found that out with our Committee; they became very confusing, and you get misled. I'll give you an example. If someone gives you a statistic dealing with what percentage of beverage containers make up litter, you can get a percentage out of one group and it might be by piece count, piece count being one bottle and one paper match, and they would have the same weighted portion in that statistic. That is one type of statistic you have. You can then also go into a biodegradable life

statistic, based on biodegradable life. You can also go into one by volume count, weight count, etc. So, statistics themselves become very confusing to you. You have to be careful with them.

We plan to go through all of this. Most of the testimony you will hear will be from people who have testified before. There are two transcripts from previous hearings the Committee had. They are available to you from Legislative Services; you can get copies of those transcripts if you wish to look further into the original hearings. I'm sure we are going to find some changes in testimony from one hearing to another; you might be interested in that. This particular forum is also being recorded, so we will have a transcript of today's proceedings. If questions come up, I'm sure they will be answered by one of the other people involved. However, we are not here to debate. That is the one thing we are not here to do, debate the bill. We are here just for information.

We are going to start off. I have a list of speakers. The list you have is in alphabetical order; the one I have is in an order that has been fairly well agreed upon by most of the participants. Our first speaker who will come up to speak from the clerk's desk is Ellie Gruber, Co-chair of the Natural Resources Committee of the New Jersey League of Women Voters. Ellie Gruber, are you here? (affirmative response) Ellie, would you come up, please, and stand at the microphone? If you have typed copies of your testimony, would you please present it to us so we can give it to the court reporter when you are finished?

E L E A N O R G R U B E R: I want to thank Speaker Karcher for convening this unusual meeting, and I appreciate the time all of you have taken to come here. I know it will be worth your while. I thank you, also, for giving me the opportunity to represent the League of Women Voters, to give you our position on this, which we feel is very important legislation.

Most people sitting here today would agree that litter and solid waste disposal are real problems in our State. The first is litter on our streets, highways, parks, beaches, and your front lawn. The second is more serious, because we have a real crisis in New Jersey. Landfills are bulging at the seams; many have already closed.

Trucks by the hundreds per hour dump potentially reusable products. We are a wasteful society, encouraged to use throwaway products by companies vying for market share.

The bottle bill has been successful in nine states in solving a portion of both litter and landfill problems. It accomplishes this by placing a minimum five-cent deposit on all glass, plastics, metal or cardboard containers of carbonated beverages and beer.

This is how the bill works. A distributor delivers the beverage to the store, charging the store the deposit. The store then charges the customer the deposit when he or she purchases it. When the customer returns the cleaned container, he or she gets the deposit back, and the store gets its deposit back when the distributor picks up the empties during its regular delivery trip. In addition to the five-cent minimum which the distributor returns to the store, a handling fee is paid to the store for its time and trouble. The container does not end up as litter or in the landfill -- it becomes a recycled product.

There are many benefits of the bottle bill, and our speakers will address these benefits later on in the meeting.

There are four main issues which need to be addressed, and by the end of the day, we feel we will have covered these to your satisfaction. These are: (1) the impact on stores; (2) the impact on jobs; (3) the impact on recycling programs; and, (4) the impact on consumers.

I would like to thank the many people and groups who have supported this effort to enact deposit legislation in New Jersey. Our thanks go to the members of the Can and Bottle Bill Coalition, including the League, the Sierra Club, the New Jersey Environmental Lobby, the Public Interest Research Group, the New York/New Jersey Trail Conference, the Appalachian Mountain Club, the Roadside Council, Trout Unlimited and the Recreation and Park Association.

In addition, we have formal resolutions of support from 232 municipal councils and ten county Boards of Freeholders, as well as seventy-two separate formal mayors' petitions. Added to this, we have the support of the Palisades Interstate Park Commission, the Delaware and Raritan Canal Commission, the Camden County Solid Waste Advisory

Council, the Morris County Solid Waste Advisory Council, the Middlesex County Federation of Hunting and Fishing Clubs, and the Hunterdon County Federation of Sportsmen's Clubs. Also, the expressed support of the Association of New Jersey Environmental Commissions, the League of Conservation Voters, the New Jersey Association of Towns and Townships. We add to these the support from the American Lung Association, the Public Works Association of New Jersey, the Cumberland County Board of Agriculture, the Hunterdon, Mercer, Middlesex, Warren, Essex and Passic County Boards of Agriculture, and the New Jersey Farm Bureau.

We appreciate the support of everyone, but particularly from those people who, because of their positions in municipal government and recycling, have been able to supply us with the expertise which helped us see how important the can and bottle bill will be for the State of New Jersey. These are the people who can truly assess the costs and the benefits of the bill, and they have agreed that New Jersey needs this bill.

You have heard arguments for and against the bottle bill many times before, as Mr. Hollenbeck has said, and you will hear these arguments reiterated today. Many of you have received more mail and phone calls about this bill than on any other subject during this two-year Assembly period. Your constituents are asking you for a vote. We ask you to vote on the bottle bill before you go on your holiday recess.

A decision must be made on this legislation. There is no good reason to delay this decision any longer.

We are all waiting to hear from you. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Ellie. Is there any member who would like to ask a question -- it will come through the chair -- specifically on the piece of testimony presented by Ms. Gruber? (no response) Thank you very much, Ellie. Our next speaker will be Barbara McConnell, President, New Jersey Food Council. (applause) Excuse me, we are not having any race here where there are going to be winners. This is not a popularity contest. Just listen, please. No participation. All right, Barbara, please continue.

B A R B A R A M c C O N N E L L: Thank you very much. Assemblyman Hollenbeck and members of the Assembly, the huge price tag of forced deposit laws is becoming more evident to State and national officials across the country who are looking for real solutions and not just emotionally appealing propositions to solid waste management and litter control.

The Legislature recognized this fact two years ago when it rejected a bottle bill and passed the New Jersey Recycling Plan and Act which was and is one of the most comprehensive and effective solid waste management programs in the nation.

It is my hope that you will again recognize that forced deposit legislation is not the solution to our State's problem of shrinking landfills and litter, that it is offensive to business, costly to the consumer, wasteful of energy, threatening to jobs, that it will reduce sales and State tax revenues, and be counterproductive to existing recycling efforts in our State.

I appreciate having the opportunity to appear before you today to present testimony as to how this legislation would affect the New Jersey retail industry and the consumers of New Jersey.

The Food Council is a trade association that represents the retail grocery business, one of the largest industries in New Jersey, generating tax dollars into the hundreds of millions and employs over 100,000 people.

Ask any food retailer in any state that has a bottle bill, and he or she will tell you that it is an absolute nightmare and that it is one of the most costly, inefficient, and unsanitary systems one can imagine.

Last year in New Jersey, over 3.5 billion beverage containers were sold. It is estimated that over 60% were purchased in our grocery stores. Forced to shuttle these empty containers back through our stores will result in increased labor costs, the need for additional storage space, which is estimated at 800 to 1,000 additional square feet, the loss of sales space, and the need to purchase new container handling equipment, such as registers, racks, shelving, pallets, and storage bins.

A bottle bill will also increase our sanitation costs and, certainly, our sanitation concerns. It was not long ago that public health and government officials were calling for an end to the returnable container system because of the potential health hazards they generated.

In addition, supermarkets in deposit states suffer cash flow problems. A store manager with 1,000 cases of inventory at any one time has effectively put \$1,200 of working money out of commission. Also, the retailer is required to redeem the containers of any product they carry, which means in some states that supermarkets are redeeming 200% to 300% over what they sell, again causing them to put money up front that they never collected. This is one of the reasons retailers stock fewer brands in deposit states, thus limiting their customers' selection. We are now witnessing this in New York State.

The elimination of certain brands and the loss of private labels not only hurts the retailer, the small bottler, and the State of New Jersey in lost revenues, but it is particularly burdensome to the consumer who purchases these lesser-known brands exclusively in order to save money.

Bottle bills don't come cheap. It is evident that the costs associated with the process of forced deposits are substantial and these costs will be passed along to the consumer. It is estimated that New Jersey consumers would pay a "hidden tax" of well over \$100 million annually in increased beverage prices. This fact is substantiated when we look at the latest "Market Basket" report published by the New York Division of Consumer Affairs, which shows that the cost of beer has increased by \$2.36 a case plus deposit, and soft drinks by sixty cents a case plus deposit. If these same price increases took place in New Jersey, the consumer would be paying an increase of over \$200 million plus deposit.

To impose that kind of cost on the consumer of this State through a system that will deal with less than 5% of the solid waste and less than 20% of the litter is irresponsible.

First, the proponents of a bottle bill claimed it would save enormous energy and natural resources. Then they supported an amendment of the bill to make it a returnable rather than a refillable

MS. McCONNELL: Basically it is the same, but there are some differences. The handling fee under the New York law is one cent, which is embodied also in the New Jersey law, A-1753, but it is a five-cent deposit. Basically it is the same law. Mr. Wonderly from the Pathmark Division, who has had more experience with New York, perhaps could help with that question, if that is permissible with the Chairman.

ASSEMBLYMAN HOLLENBECK: Except, I don't think you really answered the question. New York's law is a returnable/refillable law, and New Jersey's is not. That is the major difference, isn't it, in A-1753?

MS. McCONNELL: No, A-1753 in New Jersey is a returnable system, and it is my understanding that New York's is also a returnable system.

ASSEMBLYMAN HOLLENBECK: But, New York's is returnable/refillable, and New Jersey's is returnable/recyclable, isn't it?

MS. McCONNELL: It is a returnable system, the same as in New York.

ASSEMBLYMAN HOLLENBECK: Except that one is for recycling and one is for refilling. All right, I guess that-- (denials of this from audience interrupt Chairman). Dr. Paterniti, do you have a question?

ASSEMBLYMAN PATERNITI: Actually, I think the handling fee has been changed from one and a half cents in New York; the bottles are recycled. The New York bottle bill came to me for a lot of information, and if I recall -- actually it is quoted in my original bill -- the Committee Substitute -- in New York there is a certain amount of money put aside to retrain some of the people who may be out of work. I think that is one of the differences.

MS. McCONNELL: The Legislature did amend the handling fee to one and a half cents. It was originally passed at one cent. Other deposit states are now in the process of trying to increase the handling fee up to two cents or over, recognizing that certainly one cent is not sufficient to cover retailers' handling costs.

Assemblyman Flynn, the other part of your question was, "How is the bottle bill working in New York?" At this particular time,

although it has been in effect only a short period of time, it certainly is very chaotic from our standpoint, especially in the city areas for your smaller stores that are lacking space to receive these kinds of bottles. We also know through the "Market Basket" report I referred to in my testimony, that beverage prices, including soft drinks and beer, have gone up considerably in that area, and this is causing quite a disruption to the retail food system.

ASSEMBLYMAN FLYNN: I have a follow-up question. Would the objections of the retail merchants be changed if there were some way we could set up places to bring the bottles back to, as opposed to bringing them back to the store owners?

MS. McCONNELL: Assemblyman Flynn, that suggestion has been made to me, and what I have said is that such a proposal should be put in the form of legislation, put into committee, to give not only the food industry, but the bottling industry, environmental groups and all concerned, especially municipalities, an opportunity to view such a concept and such a proposal, as I think Dr. Paterniti has proposed in setting up redemption centers in municipalities.

I can tell you this very candidly, if setting up a deposit system whereby the redemption centers would exist in municipalities, if it were a good idea, a cost effective idea, I can assure you it would have been done in some state.

ASSEMBLYMAN HOLLENBECK: Assemblyman Haytaian, please.

ASSEMBLYMAN HAYTAIAN: Thank you. Through you, Mr. Chairman, could the witness indicate the kinds of problems that could come up with the retail merchants due to zoning and the cost involved for extra storage space? I would like to get some of that information. I think that is very important to all of us, because we all know that when you build on, you must alter your local zoning board, your local planning board, and are we going to get involved with the local municipalities' problems in turn?

ASSEMBLYMAN HOLLENBECK: That is a very legitimate question; it is one of the major concerns in the industry.

MS. McCONNELL: Yes, this is a very good question. Assemblyman Haytaian, yes, under New Jersey's Building Code, this could be an enormous problem. As you know, we are a State of small land size

and large population. Many of our stores are located in shopping centers, where there is not the opportunity for expansion, and where we would run afoul of existing building codes in various municipalities, as well as the State Building Code. It is estimated, as I pointed out, that we would need approximately 800 to 1,000 additional storage space requirements in our stores, and what would happen if a deposit bill was enacted in this State, additions would have to be built on where they could be, lean-tos, or what would happen more than likely, is that we would have to give up existing sales space, which is a very valuable commodity to any retailer, perhaps front-end space which, as you know, is very valuable to a retailer. So, what happens in more instances than not, is that we have to put other products aside in order to provide space to bring in these empty cans and bottles.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, again through you, there has been a lot of discussion, as you well know, in the area I come from. The discussion is in favor of the bottle bill, and yet I have had some problems associated with this particular bill. One of the suggestions that was brought up by many of the proponents of the bill, was that there are crushing machines now for the bottles and cans, and there are reverse vending machines in stores, which means you can put a bottle or a can in, and the machine will send out the deposit. How about giving us some information about these types of machines and the cost involved there also?

MS. McCONNELL: There are reverse vending machines existing in the country; in New Jersey, twelve of our stores are experimenting with these machines at various locations throughout the State. Most of them take in aluminum cans and reject steel cans. I don't know of any that take in glass bottles at this particular time. We are doing this, again, as part of our commitment to the State's recycling efforts. We're doing it to give consumers a choice. I can tell you that even reverse vending machines create problems for us, but it is a voluntary effort on our part. It is not something that is being shoved down our throats in a mandatory way. But, we are experimenting in this way to see how helpful it is and what percentage of cans are returned.

These reverse vending machines have been tried in some states. They are still, as far as I am concerned, in the experimental

stage, but they do exist on the market. They are very costly at this particular point, but there are twelve in New Jersey.

ASSEMBLYMAN HOLLENBECK: I'm sure you are going to be hearing a lot of this information. I'm letting you go with Barbara, because she is one of the main participants here, obviously. But, try to keep it short. I'm sure a lot of the questions you're going to be asking, are going to be answered by other people. We have a list of seventeen speakers we want to cover today, so please keep that in mind. All right? Joe?

ASSEMBLYMAN PALAIA: Barbara, I'm concerned about the sanitary aspects. You said -- we heard already that deliveries are made and that is when the pickup would be, okay? What is the average, two days, three days, four days, that deliveries are made to a store, obviously of course, according to the size of the store? What would it be, three or four days, that they would have delivery of soda and what have you?

MS. McCONNELL: Yes, I think that's right. Three or four days is the average.

ASSEMBLYMAN PALAIA: What I am concerned with is the sanitary condition of the bottles that are going to be laying in an area where possibly food would be nearby in some way. Are we asking the retail businesses to provide an area away from food completely? Is this what we're asking?

MS. McCONNELL: That is a very good question again. I alluded to the sanitation problem in my testimony and, although A-1753 specifies in the bill that a retailer does not have to take back any beverage container that has syrup in it or is dirty, you know, that is a ridiculous proposal to suggest in the legislation, because when we are getting hundreds of thousands of bottles back, you are then asking the retailer to examine every one to see if it has syrup in it or whether it has been cleaned, or so forth. We know from experience in the deposit states that although those deposit laws say, "Bring your bottles back clean," in fact they are not brought back clean, they do create a sanitation problem, and that there is a three or four-day delay between the time they are brought into the store and the time they are picked up.

We in the food business take our business very seriously. We are committed to providing safe, clean and sanitary conditions for the people of this State and of this nation, and we are highly regulated in the area of sanitation control, as well as all food matters. So, this just really runs afoul and is an anathema to the whole sanitation concept.

ASSEMBLYMAN HOLLENBECK: Thank you, Barbara. Assemblyman Gill, did you have a question?

ASSEMBLYMAN GILL: My question was on sanitation, and Barbara has answered it.

ASSEMBLYMAN HOLLENBECK: Does anyone else have another question? Dr. Paterniti, do you have a question, not just a statement in rebuttal, but a question?

ASSEMBLYMAN PATERNITI: Partly both really.

ASSEMBLYMAN HOLLENBECK: No, I want just a question now.

ASSEMBLYMAN PATERNITI: I was just going to point out, as Barbara said, that in my legislation it does say that the cans should not be damaged or hazardous to health.

ASSEMBLYMAN HOLLENBECK: Yes, I think she mentioned that.

ASSEMBLYMAN PATERNITI: Yes, but you must also remember that they carry grains, cereals and so forth, and when you talk about insects or rodents, they are--

ASSEMBLYMAN HOLLENBECK: (interrupting) Obviously, they have other perishable items in their stores, yes.

ASSEMBLYMAN PATERNITI: They are supposed to have plastic bags you can actually seal. If they don't take the opportunity to seal them at night, they are added to the pile. But, if they follow the letter of the law, there should be no problem regarding sanitation.

ASSEMBLYMAN HOLLENBECK: All right. Thank you very much, Barbara. Oh, I'm sorry, did we have another question? Assemblyman Zangari?

ASSEMBLYMAN ZANGARI: I have a question I would like to direct to you, you know, just from listening to some of the comments. Ms. McConnell made the statement that the retailer pays the tax on the bottles, and then passes the cost on to the consumers who pay the tax on the bottles, and then they get reimbursed for the tax when they

bring the bottle back. The retailer will then get reimbursed from the company when the company takes the bottles back. You made one other statement there that some of the companies are receiving bottles for reimbursement maybe 200% or 300% above what they are selling. What happens to the bottles when a company sends out a driver to make a delivery, he is going to drop off twenty cases, and when he goes into a particular stop, there are sixty cases he has to take back and he has no room on the truck? How are provisions going to be made for that?

ASSEMBLYMAN HOLLENBECK: The question, of course, to Barbara. Would you like to answer his question?

MS. McCONNELL: Yes, it dealt with the 200% or 300% that we redeem over and above what we sell. Eventually, the retailer would--

ASSEMBLYMAN ZANGARI: No, I'm talking about the company that has the bottles. We'll just say Shop-Rite, okay? If they sell an average of twenty cases a day, at the end of the week the driver is going to come there to pick up a hundred and twenty cases. There now could be four hundred and forty cases. The driver doesn't have the facilities to take in four hundred and forty cases; besides that, he has to make more stops. Is he just going to take the hundred and twenty cases he originally contemplated taking? What would happen to the remaining cases that would be left there further creating a health hazard?

MS. McCONNELL: Assemblyman Zangari, I think that is a very good question, but perhaps one more appropriately directed to one of the speakers in the bottling industry. I can certainly address the question of the percentage we redeem over and above that which we sell, and in my testimony what I was trying to impress upon each of you, is that it creates a cash flow problem for our industry. As all of you know, we are an industry that works on a very low profit margin, and for us to be putting out money up front that we have not collected in the first place, is money lost to us, and this creates a financial burden for us.

I know your question, and I am not answering your question, but it is more appropriate to direct it to someone else.

ASSEMBLYMAN HOLLENBECK: The question itself, of course, is debatable. She spoke about it within her testimony. I'm not here to debate the bill with you.

ASSEMBLYMAN ZANGARI: It is not a debate; I was just asking for my own information.

ASSEMBLYMAN HOLLENBECK: I didn't question your use of the word "tax" either, and it is a deposit, not a tax. All right, thank you very much.

ASSEMBLYMAN CHINNICI: Mr. Chairman?

ASSEMBLYMAN HOLLENBECK: Do you have a question, Assemblyman Chinnici? (affirmative response) Hold it, Barbara.

ASSEMBLYMAN CHINNICI: Barbara, I didn't hear the answer to Assemblyman Zangari's question. That was a very good question.

ASSEMBLYMAN HOLLENBECK: I think that Barbara's answer was--

ASSEMBLYMAN CHINNICI: That was a very unacceptable answer. What did we do, let the things pile up for weeks?

ASSEMBLYMAN HOLLENBECK: I said, and I think Barbara agreed, that she brought up the question within her original testimony. She said she did, and I thought she did also. It is a question she says she cannot answer, about how it is done. That becomes then a question of debate on how it is handled. I think Barbara answered the question correctly. Did I state your position correctly on this, Barbara?

MS. McCONNELL: Well, what I suggested was that the question be directed to some of the bottling industry. It is my assumption that when a truck comes to collect deposits and there is no space in the truck, if there are more cases at the retail food store than there is available space on the truck, they are going to sit in the store.

ASSEMBLYMAN HOLLENBECK: Again, remember, Assemblyman Chinnici, that the next speaker-- (At this point, Ms. McConnell leaves the podium and applause is heard.) Excuse me, Barbara. Again, I will ask you not to break into applause. There is no contest here or anything. Please stop it. Did you have a question, Assemblyman Pankok, dealing with Barbara's testimony?

ASSEMBLYMAN PANKOK: Yes. Could someone explain to me whose responsibility it would be to sort all of these bottles, if Seven-Up has to go back to Seven-Up, Pepsi Cola back to Pepsi Cola, Schmidt's beer back to Schmidt's beer? Who is going to do the sorting before the returning to the distributor?

ASSEMBLYMAN HOLLENBECK: Would you answer that question for him please, Barbara?

MS. McCONNELL: The retailer is responsible for sorting these according to size and brand.

ASSEMBLYMAN PANKOK: At an additional cost?

MS. McCONNELL: At an additional cost, absolutely.

ASSEMBLYMAN HOLLENBECK: The question is answered. Yes, Assemblyman Jackman.

ASSEMBLYMAN JACKMAN: Assemblyman Hollenbeck, I just want to ask one question. The deposit, under the recommendation I hear around the State, would be approximately five cents for a bottle being returned. Is that right?

ASSEMBLYMAN HOLLENBECK: You're asking a question with reference to whether the deposit is five cents?

ASSEMBLYMAN JACKMAN: Yes.

ASSEMBLYMAN HOLLENBECK: The deposit is five cents.

ASSEMBLYMAN JACKMAN: It is five cents?

ASSEMBLYMAN HOLLENBECK: In the bill.

ASSEMBLYMAN JACKMAN: I would like a unique question to be answered on the basis of New York. I happened to check this out because it involves my particular industry. They were selling Coca Cola before the bottle bill similarly to the price here in New Jersey. Shop-Rite, for example, was selling it -- I'll use a figure -- for sixty-nine cents a bottle, and when you brought the bottle back it was five cents, which would mean, sixty-nine and five in my country would be seventy-four cents, and yet I found out that the cost of that same bottle in New York as compared to sixty-nine cents in New Jersey, was eighty-nine cents in New York. How come the additional fifteen cents? Is that added on, with reference to what my colleague here asked, to sort the bottles, for the additional help in order to clean up? Are we asked to pay twenty cents more a bottle, as compared to five cents more a bottle? Have you found anything out of that nature, Barbara?

MS. McCONNELL: Through you, Mr. Chairman -- Assemblyman Jackman, what happens under the deposit system, the five-cent deposit which is embodied in A-1753 is a deposit that would be collected and returned to the customer when he returns the bottle. But, above and beyond that, the bill also allows for a one-cent handling charge to the retailer, which we know is absolutely not enough. New York has one and

a half cents; other states are pushing for two cents. So, that is over and above the deposit cost. That is one of the factors that goes into increasing beverage prices under a deposit system.

In addition, you are going to be tinkering with what is now a very efficient beverage distribution system in this country, and to make it now a two-way system -- you're talking about additional trucks, you're talking about additional fuel and gasoline costs, and costs that are incurred as a result of shuffling these bottles back and forth through the stores and, also, labor costs we incur.

ASSEMBLYMAN JACKMAN: Okay, but the sum total -- five cents is just a figure that is thrown out, that is returnable supposedly to the individual who brings the bottle or container back. But, you and I know that five cents is not the actual charge that the average person pays when he buys that product, because the merchants couldn't survive with five cents. If they are only going to get five cents, and they give back five cents, with one and a half cents extra, it will just be impossible for them to operate, or to operate efficiently.

MS. McCONNELL: That's right.

ASSEMBLYMAN PATERNITI: Mr. Chairman?

ASSEMBLYMAN HOLLENBECK: Doctor, I think we have asked enough questions. We're getting the information here that we really want. Thank you very much, Barbara. We want to move along, because we do have a great many speakers. A lot of information you would get here, you will get from other speakers you will be listening to. I am going to ask John J. Tarditi, Jr., Mayor of the Borough of Haddonfield, if he would like to come up.

MAYOR JOHN J. TARDITI, JR.: Good morning, my name is John J. Tarditi, Jr.. I am testifying on mandatory deposit legislation as Chairman of the Camden County Solid Waste Advisory Council and, also, as the Mayor of the Borough of Haddonfield in Camden County. On behalf of these two organizations in Camden County, I thank you for the opportunity to present our views for your consideration.

We in Camden County, much like New Jersey's twenty other counties, have been spending a lot of time, effort and money to solve the problems associated with the disposal of solid waste. The economic and environmental dilemma that we now find ourselves in is a direct

consequence of our dependency on landfilling as the primary method of disposal. These problems are fairly well documented, so I will not dwell on them here. Suffice it to say that the magnitude of the problem is such that Camden County has embarked on a long-range, multi-faceted program of waste disposal and management, which we consider more economically palatable and more environmentally acceptable than the current process of burying our solid waste.

These long-range plans include both the recovery of energy from our solid waste through high temperature incineration, as well as materials recovery through the source separation of the municipal waste stream. I should point out that in Camden County, although energy recovery is several years away, source separation is very much a reality. We are very proud of the fact that fourteen of the thirty-seven communities now have curbside recycling operations, and many others operate drop-off centers.

Just three short years ago, there were no such programs. Our experience, garnered over the years, puts us in a position where we believe we have some expertise in this area. We have seen firsthand the savings in landfill fees, landfill space and collection costs that recycling can effectuate. Conversely, we have also seen our limitations on what municipal recycling can or cannot accomplish. A limitation on the effectiveness of municipal recycling relates to citizen participation. Typical programs attain participation rates of 20% to 30%, whereas states with deposit legislation routinely achieve deposit redemption rates of 90%. The effect of this level of recycling will be to remove non-burnable materials from the eventual resource recovery waste stream.

Finally, there is the issue of litter, a problem that goes virtually untouched by recycling activities. A drive along New Jersey's highways, or a walk in our parks, recalls the increasing need for a solution to this problem, and it does not lie solely with encouraging recycling. The point here is, that despite tremendous strides in recycling in Camden County and throughout New Jersey, our landfill and litter problems not only persist, but are increasing. We must ask the question, "Is there something we can do?" Our answer is, "Yes, beverage container deposit legislation." This Legislature acted

very wisely when it passed the Recycling Act two years ago, with its series of surcharges, loans and grants. It recognized the need to establish financial incentives as a means of encouraging recycling.

The passage of mandatory deposit legislation would be equally as prudent, since it too attempts to alter bad habits through financial incentives, namely the redeemable deposits. In my view, the two pieces of legislation are very similar in approach, and should be viewed as complimentary. It is generally agreed that beverage containers constitute 5% of the municipal waste stream. The removal of these materials via deposit legislation could bring about significant savings in landfill capacity, tipping fees and collection costs. This is especially true if instituted in conjunction with the recycling of other materials, such as paper and metals.

Another practical effect of diverting beverage containers from the waste stream through deposit legislation would be to allow the substitution of other recyclables into the collection scheme in place of the beverage containers. What better way to encourage the recycling of materials with little or no market value, such as yard waste? The problem in the past has been that rarely is a community in a position to collect these materials, because of all the time and money being spent on recycling beverage containers.

Not to be forgotten, of course, is the impact of deposit legislation on litter. Again, these results are well documented by the states that currently have deposit legislation, so I will not elaborate on them here. The proven track record of these states should give us the confidence to know that instituting deposit legislation will, in fact, positively impact on our solid waste and litter problems. New Jersey should be proud of the tremendous accomplishments we have made in all areas of environmental protection. With an aware citizenry, aggressive State programs, and strong laws, we are turning the tide in favor of a cleaner environment. In the area of sound solid waste disposal, we are falling a little short. You must look at successful programs from other states, especially in beverage container legislation. We have a unique opportunity here in New Jersey to adequately address two of our biggest problems, solid waste disposal and litter. Through the Recycling Act, we are helping to solve the

former. The latter can only be properly addressed through mandatory deposit legislation.

Hopefully, I have helped to show that the two go hand in hand, and that a choice between them need not be made, as some would advocate. I do not pretend there are not significant costs associated with legislation of this sort. This is a proper and necessary consequence of properly solving a problem, and solid waste and litter are indeed problems in New Jersey. Has anyone dared to calculate the cost to New Jersey of establishing a recycling program for beverage containers in each of New Jersey's municipalities?

In conclusion, in Camden County the Solid Waste Advisory Council, and particularly the elected officials from the Borough of Haddonfield, support mandatory deposit legislation on beverage containers that would require the recycling of beverage containers rather than the reuse of the containers. We believe this form of legislation will: (1) help preserve existing jobs in the glass industry; (2) remove glass and metal containers from the waste stream, making the development resource recovery easier; (3) significantly reduce container litter on the highways, in the parklands and in our urban neighborhoods; and, (4) move our State one step further away from the solid waste crisis we are now experiencing due to our landfills throughout the Garden State. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mayor. Is there any member who would like to ask a question in reference to the testimony of Mayor Tarditi? (no response)

I see we have Assemblyman Elect LaRocca here, and I saw Assemblyman Elect Stephen Aduato here. I would like to extend any courtesies to them, if they have any questions with reference to this legislation.

All right, thank you very much, Mayor. I would like to ask Mr. Charles Marciante, President of the New Jersey State AFL-CIO, to give some testimony to you members. I'm sure you will find it interesting.

C H A R L E S M A R C I A N T E: Thank you, Mr. Chairman. With me, I have Mr. Joseph Mitchell, who is an International Vice President of the GPPAW, the Glass, Plastic, Pottery and Allied Workers Union. He is also a member of our Executive Board.

With regard to Assembly Bill 1753, I know the sponsor of the legislation, and I know he knows in his heart and mind that what he is doing he believes to be the right thing to do. However, we have to look at some other facts. I know the sponsor had this in mind, except that there are some realities that must also be realized. Going back to 1978, we had nearly 14,000 glass workers in our organization. In 1983, December, that membership has been reduced to 3,926. I won't try to fill you with a thousand words in the five or six minutes allotted, but we are talking here about people. I have known the people in the glass industry for forty-five years. That may sound like a long time, because I am only fifty-three, but when I was eight years old I used to go with my father all over the State to the many social functions and union meetings of the glass workers.

This piece of legislation will hurt a lot of fine people. I am not playing to any grandstands, I assure you, because I fight with the glass workers on many occasions, and I fight with Joe Mitchell right here beside me today. But, there are a lot of fine people who will be affected by this particular bill.

You'll hear the argument, that will state very clearly, that this legislation requires that all bottles and so forth be returned, will be ground up, and the workers will not be jeopardized because they will have to make additional bottles to compensate for the bottles which have been ground. The hard facts are as brought to light by Jimmy Zangari, Chris Jackman and Tom Pankok. The cost of the product goes up dramatically, to the point where a person instead of buying a six-pack, buys a single container. When you reduce that six bottles to one, you have a commensurate loss of production, and with the commensurate loss of production you have a commensurate loss of jobs. Those are the hard facts.

I am not going to bore you by going back any great period of time. Let's keep it rather current and begin in July, 1982, with the Ball Corporation in Jersey City, two local unions, Local 45 and Local 47, headed by Jim Bocchicchio and Jim Lewis, respectively. In March, 1983, in Keyport, Kerr Glass, Arty Vead; in March, 1983, Owens-Illinois in North Bergen, Local 269, Bette Smith; in November, 1983, Owens-Illinois in Bridgeton, with a phase-out to take place by December

31; Local 11, Elmer Thomas; Local 239, George Morgan; Local 240, Sam Materia -- these are the presidents of those organizations. They are real people. They are personal friends of mine, and they are friends of many members in the trade union movement. This particular bill, we maintain, will jeopardize additional jobs in future years.

The glass industry has been under attack for many years in this Legislature, and the Legislature has seen fit not to do the wrong thing. The Department of Environmental Protection wanted to impose standards several years ago that would have jeopardized the entire industry. We were successful, through some cool heads, in conducting studies and, in cooperation with the Department of Labor, found during a study that the New Jersey work force in the glass industry was the most productive work force in the nation. I'm not talking about dead end jobs or minimum wage jobs. I am talking about jobs that begin at \$17,000 and go up to \$30,000. You, as legislators, if you are to consider this particular piece of legislation, are going to be knocking out a lot of your neighbors, because, indeed, in every county in this State, there are many, many glass workers and many former glass workers.

We had hoped, and it was our understanding, that there would be a continuation of the recycling process, but more importantly with the advent of this particular piece of legislation being put on us today, we see very clearly there is a psychology that really has to be pushed in the Legislature, one of not throwing bottles around, or in some way making use of the recycling facilities we have. That is the kind of thing we should be pushing, not to close out an industry, not to jeopardize people who are paying their taxes and trying to do a good job, who think of themselves as part of a community, and who are being put out of business by a Legislature. I don't think that is the intent.

There is a proposal, as mentioned by Barbara McConnell, an anti-litter bill, A-3536, by Assemblyman Cowan. That kind of bill should get consideration, and we urge that you oppose A-1753. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Assemblyman Kosco?

ASSEMBLYMAN KOSCO: Thank you, Mr. Chairman. We have been listening to stories about increases in the cost of the product, and we have been hearing about the extra amounts it is going to cost to beat those, but we haven't heard anything about the percentage of bottles that may never be returned. That store in New York that increased the price twenty cents just because of the bottle bill, will never have to give that money back, will never have to expend that money for that bottle. Now, that is 20% pure profit; that money goes into the retailer's pocket. It is never used for any purpose. I don't know what the statistics may be, and I don't know the percentage of bottles which may or may not be returned. I think the state that has had the bottle bill the longest is New York, and I believe the number is somewhere around 40%.

ASSEMBLYMAN HOLLENBECK: I am trying to find the question you have for Mr. Marciante.

ASSEMBLYMAN KOSCO: My question is regarding the cost of instituting this bill, the cost to the retailer, wouldn't that be offset by the amount of dollars he collects, hundreds of thousands of dollars throughout the State, that he never expended because the bottles were never brought back?

ASSEMBLYMAN HOLLENBECK: I don't know whether Mr. Marciante would have the answer that we have, but the figure I remember was somewhere between 90% and 95% are returned. There is some slippage, obviously, of bottles that are never returned. We had this from testimony. Charlie, I don't think you have that statistic, do you?

MR. MARCIANTE: No, I do not.

ASSEMBLYMAN HOLLENBECK: Assemblyman Jackman?

ASSEMBLYMAN JACKMAN: Mr. Marciante, I was listening very attentively to what you mentioned before. You mentioned the bottling plant in Bridgeton being shut down. Is that right?

MR. MARCIANTE: That is correct.

ASSEMBLYMAN JACKMAN: It is my understanding, and I say this with some knowledge because selfishly the packaging end of it is the union I represent, and it has 17,000 members in this State. They put the same bottles you are talking about into boxes. It is my understanding, or am I wrong in saying that the majority of the bottles made are shipped to the metropolitan area in New York in most cases?

MR. MARCIANTE: That is correct.

ASSEMBLYMAN JACKMAN: It is my understanding, also, that the reason for the shutdown of this particular plant was because of the bottle bill in New York, with a deposit, which has cut back on the influx of the amount of bottles they heretofore accepted. Is that right?

MR. MARCIANTE: That is correct also.

ASSEMBLYMAN JACKMAN: So, in essence, what we are saying is, that with the bottle bill in New York, the industry here in the State of New Jersey is now being put into a position where we are losing our jobs because of that increase from the so-called "deposit bill." Now, if that is so, if we are going to introduce a deposit bill, it would mean, in essence, or there could very well be a possibility that whatever other jobs we might have, could be curtailed. Is that a possibility?

MR. MARCIANTE: Mr. Assemblyman, I think you will find that the figures I cited at the outset, where in 1978 we had 14,000 members in this particular union, and in December, 1983, we have 3,900 and some, are indeed indicative of the trend that has taken place upon the implementation of bottle legislation in our New England states, because New Jersey is, indeed, a major supplier for New England and other parts of the nation, but principally in the Northeast.

ASSEMBLYMAN JACKMAN: Okay, thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Dr. Paterniti?

ASSEMBLYMAN PATERNITI: I have a question for Mr. Marciante. First of all, isn't it true that the plastic industry is pushing the bottle and can industry out of business? Example, Owens-Illinois makes both containers, but they are opening plants and if you look at the shelves today they are full of plastic, not bottles. Another question is--

ASSEMBLYMAN HOLLENBECK: All right, let's take them one at a time. The question is whether or not plastic bottling is taking the place of glass.

MR. MARCIANTE: I am informed that they do indeed have a share of the marketplace.

ASSEMBLYMAN PATERNITI: Okay. Isn't it true that distributors are paying \$1.00 a case to restaurants and liquor stores to buy back a case of beer, which is twenty-four bottles plus the cardboard box, and if we had a bottle bill, there would be millions of bottles being crushed and remanufactured? What they are doing now is, they are paying roughly three and a half cents per bottle, plus the case, for a dollar a case, but if we had the bottle bill, we would have more bottles being introduced into the State, because those bottles would have to be crushed rather than being washed and reused. I know some people who are selling, in fact, the fellow one of my daughters is going to marry -- their place sells back the case and they get a dollar a case.

ASSEMBLYMAN HOLLENBECK: I think, Mr. Marciante, what he is asking, and he is asking a different question-- You said that the threat to the jobs was because of the decreased sales of the containers themselves in other areas. In other words, if we bring in deposit legislation, people will drink less beverages.

MR. MARCIANTE: No, no, no. They won't drink less beverage, they will drink the same amount of beverage, but they will be doing it from a single container rather than dealing with six containers. With that reduction of the amount of containers to manufacture, you have a commensurate lessening of the need for workers to undertake that work.

ASSEMBLYMAN PATERNITI: Another thing, you complained about the prices going up. I have clippings from newspapers where the prices in New York and New Jersey are identical to the states which have the bottle bill. In fact, in the automobile industry, we increased the sales tax from 5% to 6%, and yet we are selling more cars than we ever sold, which means that if a consumer wants a product, he is going to buy it. That little increase is not going to affect it. (dissension from audience)

ASSEMBLYMAN HOLLENBECK: Doctor, we are not going to debate the bill. We are just trying to get information.

MR. MARCIANTE: Tom, I think just as an evaluation, maybe they didn't have the money when it was 5%, but now they are beginning to get some money, and even though it is 6%, they still need a car.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

ASSEMBLYMAN PATERNITI: I have another question.

ASSEMBLYMAN HOLLENBECK: Only if we are going to have a question dealing with specific testimony. All right?

ASSEMBLYMAN PATERNITI: It is. Now, this reduction in the sales -- there are less and less bottles being made. Isn't it true that the change in the drinking age in New Jersey has had an effect on that? Also, we are getting tougher on drunk driving and, also, we had a recession for three years. That is enough to affect all industries. In fact, when we have reevaluations in towns, 90% of the business and industry tax has been pushed on to the homeowners because of the--

ASSEMBLYMAN HOLLENBECK: What is the question? You're debating a bill, and I don't want to debate a bill. I just want a question.

MR. MARCIANTE: Tom, I will try to answer that if you want me to.

ASSEMBLYMAN HOLLENBECK: No; thank you very much. Are there any other questions of Mr. Marciante? Yes, Assemblyman Albohn.

ASSEMBLYMAN ALBOHN: Mr. Marciante, you mentioned there were cutbacks at Owens-Illinois in Bridgeton, a major producer of glass bottles. Are you aware, also, that there were cutbacks at Kerr Glass, and then there is Wheaton Glass?

MR. MARCIANTE: Yes, we are. Kerr, and Wheaton also, are significant.

ASSEMBLYMAN ALBOHN: Do you know whether either of those companies make beverage containers?

MR. MARCIANTE: Kerr makes all beverage containers, and Wheaton, I am informed, makes cosmetic containers. Kerr, as I am informed, operated at one time just recently on five tanks, and they are now reduced in production to two tanks. They went from 1,200 to 400 workers.

ASSEMBLYMAN ALBOHN: The point is, that is not the announced reason for the shutdown of those plants.

MR. MARCIANTE: I didn't bring it up, you did. (laughter)

ASSEMBLYMAN ALBOHN: That is not true, Mr. Marciante; you did bring it up, because you discussed in your remarks the number of glass workers over the years in the State of New Jersey, and I think you meant all the glass plants in New Jersey, not just one.

MR. MARCIANTE: You are correct, sir.

ASSEMBLYMAN ALBOHN: So, the point is, that while you may be casting aspersions at the bottle bill legislation for the reductions at Owens-Illinois, the fact of the matter is, there are glass plants which do not have the major part of their production in beverage containers which are also closing down, or shutting down, and their announced reasons are -- correct me if I am wrong-- I'll phrase this in a formal question, Mr. Chairman. Aren't their valid reasons for the high cost of utilities in the State of New Jersey, as well as the high value of the labor and benefits contracts?

MR. MARCIANTE: That is indeed part of the problem but, also, this particular piece of legislation will merely compound that problem dramatically.

ASSEMBLYMAN ALBOHN: All right. Then, let's just suppose you were asked the question, "What do you feel then is the greatest threat to the glass industry in the State of New Jersey?"

MR. MARCIANTE: Assembly Bill 1753 right now. (applause)

ASSEMBLYMAN ALBOHN: More so than canned beverages?

MR. MARCIANTE: Absolutely. I am informed by a person from the industry from our union.

ASSEMBLYMAN ALBOHN: More so than plastic containers?

MR. MARCIANTE: Yes.

ASSEMBLYMAN ALBOHN: Is this why Owens-Illinois has not cut back on its plastic container production, but has cut back on his glass production?

MR. MARCIANTE: I am informed-- I'm sorry I didn't have this kind of input when we met up in Morris County, the day you hit me with a couple of broadsides that I couldn't answer, but I'm glad I have an expert with me today.

ASSEMBLYMAN HOLLENBECK: Listen, we are going to have testimony later on from someone from Owens-Illinois, so we will be able to get that. Is there any other question for Mr. Marciante dealing with something that was not covered? Yes, Assemblyman Otlowski.

ASSEMBLYMAN OTLOWSKI: Mr. Chairman, may I ask Mr. Marciante a couple of questions?

ASSEMBLYMAN HOLLENBECK: Surely, but just dealing with his testimony, please.

ASSEMBLYMAN OTLOWSKI: Mr. Marciante, you testified that you have been observing the reaction that has been taking place in New York. Am I correct about that?

MR. MARCIANTE: Yes, you are.

ASSEMBLYMAN OTLOWSKI: Let me ask you this -- as the president of a very large union in New Jersey, I hope you have the benefit of an economic staff -- is your staff monitoring that whole situation in New York City?

MR. MARCIANTE: My staff, sir, consists of myself, our secretary/treasurer and an assistant.

ASSEMBLYMAN OTLOWSKI: So, you do not have at the moment--

MR. MARCIANTE: What we do rely on is the input we get from our friends in the glass industry unions, who give us input, as well as from the glass industry itself.

ASSEMBLYMAN OTLOWSKI: Look, the reason for my question, of course, is that it seems to me that the New York situation has to be watched and watched closely. As a matter of fact, it appears to me that it would be in your interest, as a part of the labor force in this State, to be watching that and monitoring that very closely, so we would have the benefit later on, again, of your reaction.

MR. MARCIANTE: George, I'm sure there will be very close monitoring, working with our unions and the glass industry, and we will try to give you as much information as we can about what is coming from New York.

ASSEMBLYMAN OTLOWSKI: Now, based upon that, you testified that the one bill, of course, would toll the death knell to many, many industries and, as a matter of fact, put many people out of work. Then you testified that the Cowan bill, on the contrary, would preserve those jobs. What makes the difference -- what makes the difference in the two bills, where one is death and the other is life?

MR. MARCIANTE: George, the difference between the two is the emphasis placed on recycling, a program that the Legislature had agreed to a couple of years ago, that we would let run for a few years to test it out, to see what the impact would be on the State. I know that a number of municipalities at the present time are beginning to receive sums of money from their recycling efforts, and the Cowan bill is a continuation of the recycling effort.

ASSEMBLYMAN HOLLENBECK: All right. Assemblyman Zimmer?

ASSEMBLYMAN ZIMMER: I would like to focus on the prohibition on refills. You do not seem to be very impressed by that clause. It was my impression that that clause was put in to permit, or at least mitigate, the obligation of organized labor. Do you feel the prohibition on refills makes any substantive difference in the legislation?

MR. MARCIANTE: No, as I said at the outset, the sponsor of the legislation truly believes in his heart and mind that this is a way of not affecting the worker, and the intent is good. The net effect is not good, because it still has an affect on the work force in its number.

ASSEMBLYMAN ZIMMER: Do you believe the number would be substantially greater if the prohibition was not in effect?

MR. MARCIANTE: Sure, I do; sure. The number would be much more if there were not that kind of protection on grinding the bottles. If we just had a collection, a wash and a return, the impact would be greater. But, what you're saying is, "Look, we're not going to stab you in the heart, we are just going to cut off your leg."

ASSEMBLYMAN ZIMMER: Have you quantified the difference between the two types of Assembly bills, how many jobs would be lost?

MR. MARCIANTE: I cannot make that projection, Assemblyman Zimmer. I am just not prepared at this time. I will sure try to have some kind of projection made for you.

ASSEMBLYMAN ZIMMER: Thank you.

MR. MARCIANTE: Okay.

ASSEMBLYMAN HOLLENBECK: Thank you. Assemblyman Chinnici, do you have a question?

ASSEMBLYMAN CHINNICI: Yes, I do, Mr. Chairman. As you know, Cumberland County is a large glass producing area, and I am very concerned with what we are dealing with. I would like to ask Mr. Marciante a question. Charlie, do you know in states where glass bottle bills have been passed, what impact they have had on the phase of the glass manufacturing plants leaving? For example, what happened in Michigan?

MR. MARCIANTE: Well, let me give you one that I really know about, okay? In Rhode Island, there was a great concern for the worker, and they said, "Look, we are going to set up a fund, and the worker who is displaced because of this legislation -- and we know there will be worker displacement -- we are going to set up a fund to compensate you. We are going to see that you get training and so forth, and you are not going to take any severe beating. You are going to at least be financially cared for until you can gain the knowledge you need to fill another job." The fund was established; it was used for one year. The second year, it became costly to the state because the training was extensive. It became so costly that the state just could not bear the burden because every state in the nation is being squeezed on taxes. And, after you have been suffering for awhile, and you don't cry anymore because there is nothing left to cry out, they cut the money off. I do know that.

I really do not want a repeat of that here, and I don't think you do either.

ASSEMBLYMAN HOLLENBECK: Do you have another question, Joe?

ASSEMBLYMAN CHINNICI: My question is, if we enact A-1753, which I disagree with wholeheartedly, as you well know, what do you think is going to happen to the remaining glass manufacturing plants in this State, and especially in Cumberland County, where this is the main industry? What do you think is going to happen?

MR. MARCIANTE: There is no doubt in my mind that if this particular piece of legislation is enacted, that the entire glass industry in this State will be out of business. We have a tough enough time as it is competing, and to add this burden to the industry and reduce the work force to the dimensions that it would be reduced under A-1753, would indeed be the death knell.

ASSEMBLYMAN HOLLENBECK: Competing with whom?

MR. MARCIANTE: The surrounding states are indeed in a position to compete.

ASSEMBLYMAN HOLLENBECK: The Japanese bottle manufacturers?

MR. MARCIANTE: To a degree, yes. That is also a competition, but we have been able to meet that.

ASSEMBLYMAN HOLLENBECK: And, the plastic bottle manufacturers?

MR. MARCIANTE: Yes.

ASSEMBLYMAN CHINNICI: Mr. Marciante, I have a lot of questions, but I am only going to ask one or two more.

ASSEMBLYMAN HOLLENBECK: We have a lot more speakers, who are going to answer some of your points here.

ASSEMBLYMAN CHINNICI: We are very concerned with the glass industry.

ASSEMBLYMAN HOLLENBECK: I would agree that you should be.

ASSEMBLYMAN CHINNICI: We are concerned with the glass industry in New Jersey, but what effect do you think the New York bottle bill had on Owens-Illinois closing their Bridgeton plant? Not just cutting it back, Mr. Albohn, closing it.

MR. MARCIANTE: I am informed the reason for the cutback by Owens-Illinois is a direct result of the types of legislation we are discussing here today that have been enacted in other states.

ASSEMBLYMAN HOLLENBECK: That question will also be asked of the gentleman from Owens-Illinois who will be here.

ASSEMBLYMAN PATERNITI: Mr. Chairman?

ASSEMBLYMAN HOLLENBECK: You have asked a couple of questions already, Doctor.

ASSEMBLYMAN PATERNITI: I know that, but I am also the sponsor of the bill.

ASSEMBLYMAN HOLLENBECK: I know, but we are not debating a bill, we are only trying to get information.

ASSEMBLYMAN PATERNITI: Isn't it true that seven states have repealed the litter tax -- you brought up the litter tax -- and yet there are nine states that have adopted bottle bills, and even though they have had referendums to repeal a number of those, none have been repealed? On August 13, 1978, I promulgated a deposit law, and since then not one bottler was put out of business.

MR. MARCIANTE: Tom, do you want me to respond?

ASSEMBLYMAN HOLLENBECK: I don't think it is necessary; I think he was making a statement, rather than asking a question, Charlie. It would be unfair to you to ask you to answer that.

ASSEMBLYMAN DEVERIN: Mr. Chairman?

ASSEMBLYMAN HOLLENBECK: Yes, Assemblyman Deverin.

ASSEMBLYMAN DEVERIN: Charlie, may I ask you a question? If there is anyone in the State of New Jersey who knows labor and jobs, I'm sure you do, your organization does. Now, you continue to talk about the bottle industry, and what is happening to the bottle industry. Isn't there a terrible spin-off in states where this happens, besides the bottle industry? There are the people who are making the cartons, the people who make the labels, the people who truck it, the people who sell it, the salesmen on the road, the people who sell the materials -- all those things. Isn't there a terrible spin-off from that, Charlie, besides the industrial bottling business, where the employment picture in the State, and the overall picture are damaged by this type of legislation?

MR. MARCIANTE: Tom, the figure is three or four people per glass worker in supportive industries. Thank you.

ASSEMBLYMAN HOLLENBECK: I understand Commissioner Coleman would like to give a statement with reference to the Administration's position on deposit legislation. Is Commissioner Coleman here?

FROM AUDIENCE: Commissioner Coleman is not here yet, but he should be here in about five minutes.

ASSEMBLYMAN HOLLENBECK: Five minutes? All right, we will call someone else. Peter Shapiro, County Executive from Essex County and former Assemblyman was asked to testify, so we will hear from him next.

PETER SHAPIRO: Thank you, Mr. Chairman. Members of the New Jersey Assembly, it is a pleasure to be here this morning with you, and an honor to be back among the members of this body. I have to say this is the first time in five years I have actually been back to testify on the floor, although, of course, I have been back many times before committees of this body on behalf of various pieces of legislation.

I am pleased to be here this morning to have the opportunity to appear before you to voice my strong support for A-1753, the bottle and can deposit bill, and urge its passage in this session of the Legislature.

I am really here for three reasons. First, as County Executive of Essex County, I have the responsibility of administering a County that is proud to have the oldest and one of the largest County park systems in the nation.

Second, Essex County has the most advanced program in the State for the effective handling of our garbage through recycling and resource recovery.

And third, as a citizen, I am deeply concerned that this beautiful State of ours suffers unduly in public perception as a result of the awesome amount of litter we generate because we are the most densely populated state in the nation. I have this concern, particularly in our cities, when I bring an investor in who is considering whether or not to put his money here and whether or not to create jobs in our State. When potential investors come into our cities and see litter-strewn streets and parks, this has a clear detrimental effect on investment decisions, and thus on our State's economy.

Let me first talk from the perspective of our parks. Our County has 5.6 thousand acres of parkland. Maintenance crews of two or three workers in every park each spend two and a half days a week on litter control. During peak warm weather months this year, the County spent \$40,000 just on overtime for clean-up crews. We estimate that bottles and cans represent anywhere from between 20% on the low end to 60% on the high end of litter in our parks. Using an approximate 40% median, we could gain one full day each week from every worker that could be devoted to park beautification and restoration, rather than simply picking up trash. The truth is, we would probably gain much more than that, because beverage containers are the most difficult litter we have to deal with.

Most kinds of litter are relatively easy to pick up. We can clean a field, or park, or street in no time with a motorized vacuum sweeper. The real problem is one thing, and that is broken glass. Over 90% of our broken glass in the parks is beverage containers. People deplore the fact that a small percentage of our population is careless with their litter. But, deploring it will not make it go away. The way we end up cleaning glass today is with our maintenance crews, often down on their hands and knees, with a wire whisk going over endless terrain in an eternally losing battle.

The obvious question, however, is this. Would it be realistic to expect that can and bottle legislation would clean up litter in the parks? I think so. Let me tell you why.

Probably the worst place I could imagine for massive amounts of beverage garbage would be on the streets right around Yankee Stadium in the South Bronx. As a Yankee fan myself, and a frequent visitor to the stadium, I have often had to park my car in one of the neighborhood lots, because they do not provide as good parking as we do at the Meadowland Stadium, of course, and walk through litter-infested streets on the way to the ball game. One night last summer, when the Yankees hadn't yet been shut out of the pennant race, I arrived after the game had started. Walking from the parking lot to the stadium, I had a vague sense that something was different, something was really unusual. It was. There was not one soda bottle, not one beer can lying anywhere littering, not on the sidewalk, not on the street, not in the gutter. (dissension from audience) I would invite other people who might not have seen this to go up there and witness it themselves when the season starts again in the fall. I had never seen anything like it. Then I realized that the New York bottle law had gone into effect the day before. As if to underscore the clout of the law-- (much dissension from audience)

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, please.

MR. SHAPIRO: Thank you, Mr. Chairman. As if to underscore the clout of the law, as I approached the stadium I saw a few groups of youngsters from the neighborhood searching eagle-eyed for containers to put into the corrugated boxes they were carrying in the hope of earning a few extra dollars pocket money.

My own personal experience in a location in New York that I know well, can be found thousands of times over in each of the nine states that have adopted similar legislation to what you are considering today. Let me be very clear. This legislation has had an extraordinary impact at a moderate cost in every area where it has been introduced. In fact, the evidence seems to point out that a change in attitude occurs with regard to other litter as well. Vermont recorded a 35% reduction in overall litter when people became more conscious of a cleaner landscape and of the potential for reuse and recycling of materials that were formerly thought of simply as throwaways. Michigan experienced a similar "spillover effect" on all types of litter reduction after the container bill went into effect.

It may be the case, in fact, that as psychology starts to set in where people feel their individual behavior can really make a difference, as the streets in their neighborhood look cleaner, as the downtown business district and suburban shopping malls start to lose their garbage-strewn look, it seems people are more likely to think twice before they litter at all.

From this perspective, recycling should be enhanced as people become more aware of the monetary value in their trash.

There is no reason to think that recycling and the deposit bill are not compatible, as some have maintained.

New Jersey has made a strong commitment to recycling and Essex County is a vital part of that effort. There is no intention to relax that commitment, but rather to continue strengthening it in every possible way. Not only are recycling and the bottle bill compatible, but the likelihood is that this bill will improve the efficiency of the many proposed resource recovery plants that will soon be dealing with garbage across this State. Glass has a measurable negative effect on these plants. The BTU level in glass is a negative one. It creates slagging in the furnaces. It makes sense to separate it out before it gets into the furnaces of these resource recovery plants. As the glass is reduced, the cost of operating drops, and therefore the cost to homeowners, comes down. It has a net positive effect, and I think that is important to emphasize.

In summary, I urge you to support A-1753, which I believe will mark a similarly strong commitment to reducing litter, which now blights this beautiful State of ours. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Assemblyman Jackman, do you have a question?

ASSEMBLYMAN JACKMAN: Yes. Peter, I was just thinking, in the parks, how many were wine bottles and how many were soda bottles? And, isn't it odd that in Yankee Stadium they don't sell anything by bottle; they only sell by containers? I wondered where the empty bottles came from. I am not trying to be disrespectful, because I know when I go to Yankee Stadium, they go around there with beverages already in containers, paper containers. You are not allowed to sell cans or bottles and, if you notice, every time you go to Meadowlands,

there is a verse that comes on that says, "No bottles and no containers are allowed on the premises." Do you remember hearing that when going in? So, it is interesting to hear him referring to "many empty bottles and containers" outside Yankee Stadium, when all they sell on the inside is containers. There are no bottles and no cans. (applause)

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, please.

MR. SHAPIRO: If I can answer your question, Chris, or Senator, if I can call you that already--

ASSEMBLYMAN JACKMAN: No, no, you call me Chris.

ASSEMBLYMAN HOLLENBECK: The County Executive's testimony was that any member is welcome to go up and walk around Yankee Stadium and investigate that himself.

MR. SHAPIRO: Let me answer the question, if I may, because you asked a good question. There is an important distinction to make, and that is, on the approaches to the stadium, particularly before the game, that is where you will see lots of drinking, and where you will see people bringing in containers. You're right, inside the stadium itself, of course, they sell paper containers, by and large, for selling the beverages. But, what I am talking about are the areas around it, where people will come a little bit early and dispose of things. It has traditionally been a terribly litter-strewn area. If you were a normal visitor there, you couldn't imagine the shock we experienced. There was a group of four of us who regularly attend the games, and the experience coming up that day is a memory that really sticks very strongly in my mind, because it was an unbelievable impact you saw there. This is not, of course, people coming after the game, bringing the paper containers out. By and large, it is the laminated paper containers which they serve the beverages in, in the stadium.

In answer to your first question, in regard to the litter in the parks and how much of it is wine bottles, the biggest single amount of bottles there -- the source of the greatest bottle litter we have -- tends to be beer, and it seems to be followed after that by soda. As for the number of wine bottles, maybe the drinkers in our parks are not that sophisticated and their palates are not yet up to wine, but mostly it seems to be beer and soda. We launched a project using some Federal funds to clean up one of the beautiful areas of the South Mountain

Reservation, which is the largest single expanse of parkland within the metropolitan area, and much of it is area in things like waterfalls, where it goes through rock that has been honed out by the water. Folks will sit there, get a little bit of beer in them perhaps, and simply just leave the beer containers there, where over a time, falling through the rocks, they would crack and there would be strewn glass everywhere all over the place. That is the sort of situation I am looking to remedy.

ASSEMBLYMAN HOLLENBECK: Doctor, do you have a question?

ASSEMBLYMAN PATERNITI: Isn't it true that a lot of people bring their own bottles and cans in because the drinks you buy are about four times as high, and it is a lot cheaper to bring your own, and that is why there are those bottles and cans?

MR. SHAPIRO: I am no expert of the psychology of consumer behavior at baseball games. Sometimes it is pretty darn puzzling to me what people do in these stadiums. I think there are people who, if they can get it at a price at a store as opposed to a stand, will probably do that, and that may explain part of it.

ASSEMBLYMAN HOLLENBECK: Assemblyman Haytaian, do you have a question?

ASSEMBLYMAN HAYTAIAN: Thank you, Assemblyman Hollenbeck. Peter, since we did talk about sports a little bit, I was over at the Jet game on November 13, and I saw a totally different picture. There was garbage, litter, bottles, cans, so maybe Yankee Stadium is a little better, but near Shea Stadium it is quite different.

MR. SHAPIRO: I am not as avid a football fan as I am a baseball fan, so I can't tell you.

ASSEMBLYMAN HAYTAIAN: Let me ask you a question, Peter. You did bring up the fact that you would like to save or gain one full day each week from every worker to be devoted to park beautification and restoration, rather than just picking up trash. Has there been any thought in Essex County of using those people who are incarcerated to get out there and help clean up areas, as we do in Warren County?

MR. SHAPIRO: Chuck, the number of prisoners we are allowed to use on work release assignment is, as I am sure you are aware, dictated by the courts to a great extent. I am sorry to report that

our prisoners are by and large of a far tougher character, I suppose, than the ones in Warren and Sussex Counties. The judges are not very prone to allow them out on work release assignments. We do have a number who are out on work release, and we do use them in clean-up assignments, by and large around our public buildings and not in our parks, because we do not want to be accused of replacing jobs of people who would otherwise be employed there. Members of our labor unions, and the like, would otherwise be losing their jobs if we replaced them with prisoner labor. We do use prisoner labor, for example, around the jail, around the courthouse, and areas like that.

ASSEMBLYMAN HOLLENBECK: Are there any other questions for Mr. Shapiro? Yes, Assemblyman Marsella.

ASSEMBLYMAN MARSELLA: Peter, over in Essex County, how many towns in your County do recycling? Do you know that?

MR. SHAPIRO: Yes. We have an extremely active recycling program. This is something the County has taken on as one of our initiatives to try to increase the amount of recycling. I am pleased to report that out of twenty-two towns, all twenty-two have recycling programs in place now. They are not all as good as we would like to see. They range up to the one which is done in Montclair, where they recycle a full 15% of their waste stream.

ASSEMBLYMAN MARSELLA: Okay. My second question -- I'm sure you are aware that most of the money that comes in through the recycling program comes from cans and bottles. Being involved in my local town in my district, the majority of the money comes from aluminum and glass. If we take the cans and bottles away from the municipalities, what kind of an effect do you think that would have on recycling programs?

MR. SHAPIRO: Well, there are two answers. First of all, it is important to remember what the purpose of the recycling programs is, and the purpose is really twofold, to reduce the total amount of garbage we are putting into landfills, number one, and, secondly, to reduce the amount of litter that is out there. If this waste we are talking about, the cans and the bottles, is otherwise disposed of through bottle and can legislation, that is the most important principle to remember, not the fact that it may have taken away some of

the business from some of the recycling centers. The purpose of the recycling centers will still be met, and that is a fundamentally important thing.

The second point is this, in truth, the biggest amount of recycling by far, overwhelmingly, is in paper, principally in newsprint. Overwhelmingly, that is the big source of the revenue out there. The truth is, there have been severe fluctuations in the repurchase prices available for glass and metal, to such an extent that it has often made it economically unfeasible for many of our recycling centers to even be in the business, for example, of metal recycling through the cans. Glass, again, has been a mixed business. The problems are, of course, the storage, the transportation, the fact that the price of glass was recently reduced by the people who are repurchasing it. What that means is that every time the price drops, that is less that the recycling center has to go on. Some people say these are the premium areas for the future. I still haven't seen that future come to pass. The way it looks right now, paper is the principal source -- the biggest source of the money we're seeing. I would love to see us do more on glass and metal, but, honestly, it doesn't seem at this point to be the big source.

ASSEMBLYMAN MARSELLA: Just from my experience in working with the municipalities in our district, they are claiming that most revenue coming in is from glass and aluminum.

MR. SHAPIRO: It is not the most in the aggregate. When you see that what you are getting is the rate per ton, the rate per ton is very different because the number of tons you are able to get is very small, and the transportation of tonnage is really quite an expensive thing.

ASSEMBLYMAN MARSELLA: But the paper, as you said, is the most bulky to haul around, and I agree with that. But, I just think that if we take away glass and aluminum from the municipalities, we are going to see the recycling programs established a couple of years ago go down the tubes, and that would be a total fiasco as far as I am concerned. Thank you very much.

ASSEMBLYMAN HOLLENBECK: On that basic question, a report was submitted to the Legislature -- as directed by the Legislature --

October of this year. You all received a copy of the report at the last session. I suggest you look at that particular question within that report. Assemblyman Gill, do you have a question?

ASSEMBLYMAN GILL: Peter, I wonder, since we have had some discussion about the concern for recycling, and we have had some concern about the effect the bottles might have on retail stores, if there is some way, or have you addressed yourself, to possibly marrying the recycling costs of bottles. In other words, have the bottles and cans brought back to the recycling center for deposit, and we could work out some sort of a financial arrangement later. We could then take care of any sanitary problems they have, take care of the need for storage on the part of the retail stores and bolster the recycling operation. I think it could have a positive effect all around. Have you given any thought to that?

MR. SHAPIRO: Yes, Ed, I have. I am supporting the legislation that is before you today. I would say I think it is possible to address those issues. I think that with the right amount of thought, with the kind of ideas you are thinking of, it may be possible even to address the other concerns as well. Our Solid Waste Advisory Council has spent some time dealing with this issue and trying to work it out. They have put together a number of interesting proposals that you might want to look at, and they are compatible with a proposal like this.

ASSEMBLYMAN HOLLENBECK: Are there any other questions of Mr. Shapiro? (response from Assemblyman Jackman) You had one before.

ASSEMBLYMAN JACKMAN: And, I'll have another one; I'll have them all day, Mr. Hollenbeck.

ASSEMBLYMAN HOLLENBECK: We have seventeen people, and we would like to hear all of them speak.

ASSEMBLYMAN JACKMAN: I don't care; I'm here for the specific purpose--

ASSEMBLYMAN HOLLENBECK: Ask your question.

ASSEMBLYMAN JACKMAN: I am here and I have a selfish reason, so don't anyone try to shut me up. My question, Mr. Shapiro-- I listened very attentively, and you mentioned, I think justifiably, the fact that there are some people who have been dedicating about two or

three days a week working in your maintenance department. Did you know, that under the Cowan bill, there is the ability for unemployed young people-- You're from Newark and you have a high rate of unemployment in Newark, as you know and I know. These people could be utilized under this bill to do the same work as your maintenance people are doing, and that would relieve the so-called litter. Did you know that under that bill?

MR. SHAPIRO: Yes, Chris.

ASSEMBLYMAN JACKMAN: Now, if you had that, it would serve two purposes. Number one, it would take some of the kids and put them to work doing something that would be commendable, and they would get paid for it. At the same time, you would have cleaner parks.

MR. SHAPIRO: Just to give you a sense on that, I would be crazy to tell you, the Assembly responsible for running a big government, that I wouldn't welcome more funds to help clean up litter. Of course, I would. But, the reality of it is, with the kind of litter we are talking about cleaning up, you wouldn't believe the task of cleaning it up. We literally have people down with a dustpan and a wire whisk trying to clean up the tons of broken glass around. We could use-- (dissension from audience) If people want to boo that kind of job, I agree. I hate to see someone doing that kind of work.

ASSEMBLYMAN JACKMAN: Excuse me, Peter. Let me say something, and I say this without any malice. When anyone is speaking, anyone in this room, applause does not change votes. I want you to know that, and boos do not change votes. So, I think you will gain more by listening to one another. Anything I am asking Peter here, is done for the people I represent. I know that Peter is doing the same thing for the people he represents. So, I accept it on that basis. This is not personalities. Go ahead, Peter.

MR. SHAPIRO: Thanks a lot. I'm sorry, Chris, if I don't seem as personable as I should. I know the two of us always had an excellent relationship.

Let me just go ahead. To describe that labor, and literally we could throw resource after resource into it and not solve the problem, the real need we have is to be able to deal with the problem at its roots as much as possible. That is what I feel this legislation

would do. Yes, we could use more people, not just to clean up the litter which is out there, but to help make the parks look better in general. We just spent \$5 million upgrading one park alone in the City of Newark, and that is everything from dredging the waterways to building new ball fields, and the like. I would much rather see our resources going into improving what we have, than trying to fight what seems to be an unending, losing battle against broken glass and other kinds of litter.

ASSEMBLYMAN JACKMAN: Thank you, Peter.

ASSEMBLYMAN HOLLENBECK: Thank you. Doctor Paterniti, do you have a question?

ASSEMBLYMAN PATERNITI: Yes. I was going to ask Mr. Shapiro, if you had employees pick up all the litter, say, in Essex County, or just say Newark, what would the cost be? Just give me a ball park figure, \$80 million, \$4 million, \$10 million, half a million -- what would it cost?

MR. SHAPIRO: I really -- I could ask some of my staff to prepare an estimate of that. I would think that the question really comes in, for each additional million dollars we put into it, how much cleaner are things going to be? Are we going to make it significantly cleaner? I can't really tell you that off the top of my head.

ASSEMBLYMAN HOLLENBECK: I don't know if that is an answerable question.

ASSEMBLYMAN PATERNITI: I have heard a figure of \$3 million. I don't think for \$3 million you are going to clean up the State. You couldn't even clean up the City of Newark for that.

MR. SHAPIRO: Yes, you're right about that.

ASSEMBLYMAN HOLLENBECK: I don't think that is an answerable question. Thank you very much, Peter.

MR. SHAPIRO: Thank you very much, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: I just saw Commissioner Coleman walk in. Commissioner Leonard Coleman, of the Department of Energy, has been asked to speak for the Administration with reference to deposit legislation.

C O M M I S S I O N E R L E O N A R D S. C O L E M A N, J R.: Mr. Chairman and members of the General Assembly, thank you for inviting me here to speak today on this very important issue.

In 1981, the decision of the New Jersey Legislature, and I might add a unanimous decision, to endorse a recycling program designed to attain a 25% recycling rate by 1986, represented a quantum leap in the development of the State recycling policy. The primary goal of the Recycling Act is to encourage recycling through positive economic incentives. As we are seeing, this approach has shown significant results.

We are about one-quarter of the way toward achieving the goals of the Recycling Act. I just heard our County Executive, Peter Shapiro, refer to Yankee Stadium and what is happening there. Well, let me, just for a minute, spend a little time on Giant Stadium. During calendar year 1982, over 260,000 tons of material were recycled by the 400 recycling programs operating in 320 of the State's municipalities. To put that figure in perspective, the 260,000 tons are enough right now to fill Giant Stadium, one and a half times over. The goal of the program, if we achieve the 25% in another couple of years, would be to fill the stadium six times over. I'm sure it is the hope of all of us that the Giants will have a winning team at that point, and we won't need to cover it over six times. Nonetheless, the program has, in that sense and in how it has gotten off the ground, been very successful.

I might also add with regard to the municipalities which are now involved in recycling, the 320 municipalities, this covers 4.6 million people in our statewide population of 7.5 million, and the average, when we break it down, is that for every individual in one of these municipalities, we find we are recycling 113 pounds annually. We also figure 1,000 pounds annually is generated per individual, so we are at an 11% figure in those towns which are recycling right now.

The participating municipalities have been well rewarded for their efforts. This year, the State distributed over \$2 million in grants to 241 municipalities, based on the number of tons of material recycled by each municipality. In addition, the State gave away \$700,000 in education and planning grants, for the purpose of furthering recycling.

The State's current recycling program is comprehensive, and I might add, that without question, it has been acknowledged to be the

most comprehensive plan in the nation. It recovers all recyclable materials -- paper, used oil products, food, and yard wastes, in addition to metals and glass.

In addition to the 25% of the municipal waste stream that the current State program will recover, the recycling program includes an intensive education program to change existing habits and practices.

Switching to legislation, if deposit legislation is to be enacted in New Jersey, it must not in any way impede or weaken the successful recycling program. Although beverage containers make up only a small portion (5% or less) of the waste stream, the glass that local recycling programs are able to retrieve and sell often means the difference between economic success and failure for those municipalities. Deposit legislation should not be designed to remove an important element of the waste stream from local recycling programs, but rather should assist and amplify these growing programs by providing incentives so that more people participate in them.

Deposit legislation should be integrated into these local recycling programs by utilizing county and local recycling centers as collection and distribution points for recycling containers, allowing the differential between deposit and redemption rates to be used as an additional source of funds to support local recycling efforts. I should point out here, that such an arrangement might necessitate that we mandate that all communities establish recycling programs and redemption centers for deposit materials, and curbside collection of other materials, instead of the present voluntary efforts. A municipality which participates in such a program, thereby increasing its level of recycled material, would also benefit through the Recycling Act Tonnage Grant Program. In short then, deposit legislation must fit into overall local and county strategies for waste disposal and recycling, not work at odds with it.

Further, we should not be afraid to consider extending the concept of deposits beyond the narrow scope of beverage containers. Paper waste makes up approximately 35% of the waste stream; yard waste, 20%; food waste, 15%; different types of ferrous metals, 9%. Deposit legislation, if it were to be passed, should cover the majority of commercial food and other containers, not just beverage containers.

For example, food cans, juice jars, wine and liquor bottles, oil cans, and tires should also be incorporated into any type of deposit program.

Additionally, and perhaps more importantly, deposit legislation in New Jersey must not have an inimical impact on the State's glass industry. We cannot afford to allow any new program to have a negative effect on employment in an industry which has already suffered greatly as a result of changes and recession. In fact, if there is to be deposit legislation, it should be carefully tailored to benefit the industry by providing economic advantages and cost savings. Any deposit program should make glass cullet available to glass companies in New Jersey at extremely low cost, thereby providing a significant economic boost to the industry, while reducing the use of energy in the production of glass from raw materials. This part of the program would complete the recycling chain and enhance the position of our State's glass companies.

In conclusion, I would be remiss if I did not take this opportunity to emphasize again that a crisis in solid waste has been growing in New Jersey for the last ten years. We are rapidly running out of time to solve this crisis -- landfills in the State have little more than two years of capacity left. We must do all we can to reduce the volume of solid waste disposed of in New Jersey by promoting the further growth and success of our recycling program. Any deposit legislation must not represent a "quick fix" approach to a complex and easily misunderstood problem, but must be part of an integrated and comprehensive effort to reduce the waste stream in New Jersey. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Commissioner. Assemblyman Bocchini, do you have a question of the Commissioner?

ASSEMBLYMAN BOCCHINI: Commissioner, I appreciate your comments. I have one question. You indicated -- through several paraphrases you stated that we need a bill that will fit into the overall scheme of the recycling process in the State of New Jersey. In your opinion, does this bill -- because I don't believe you indicated one way or the other -- does A-1753 meet the criteria that you think needs to be met to fit into the recycling scheme in the State of New Jersey? If it does, if you could expound on it I would appreciate it.

COMMISSIONER COLEMAN: Surely. I believe the present bill is flawed, that it does not integrate into the present recycling program--

ASSEMBLYMAN BOCCHINI: (interrupting) We agree.

COMMISSIONER COLEMAN: Okay. It does not integrate into the present municipal recycling programs. I think we all recognize that we have a crisis on our hands, one that we have to meet. But, I think once again, that we want to look at a solution that will fit into the program we have, and will enhance that particular program. So, any deposit legislation we would see as being supportive, as I indicated in my comments, we would like to see integrated into the comprehensive recycling program that we have in the State.

I think it is important to look at the waste stream, and at the 5% or less measures this bill would now direct itself to. I don't think we can fool ourselves and say that in and of itself this is going to solve the waste stream problem in New Jersey. I think, once again, that our approach should be to take a more comprehensive look at it.

ASSEMBLYMAN HOLLENBECK: Yes, Assemblyman Gill.

ASSEMBLYMAN GILL: Commissioner Coleman, earlier we were talking about the possibility of coming out of this happy wedding, and keeping the dirty bottles out of the retail stores, or wherever, and sending them to a recycling center, which will in turn bolster the efforts of the economic scheme. What is your response to that?

COMMISSIONER COLEMAN: Well, if it was a pretty good wedding, I think it would get a pretty good reception. In my comments, I intended to indicate to you that I think a type of bottle bill or legislation in this effort should be coordinated into the municipal efforts. I think that is an approach we certainly can look at, and perhaps embark upon.

ASSEMBLYMAN GILL: Okay, thank you.

ASSEMBLYMAN HOLLENBECK: Commissioner, just to clarify in my own mind what Assemblyman Gill is asking, if you went to a regional municipal redemption center, would this be more within your line of thinking about the way it should be run?

COMMISSIONER COLEMAN: I throw that out as a possibility, certainly. As I said, I think we ought to look at a wider approach, and that is certainly one of the avenues I think could be explored in terms of fitting that into the present recycling program.

ASSEMBLYMAN HOLLENBECK: Assemblyman Meyer?

ASSEMBLYMAN MEYER: Commissioner, at a recent stockholders' meeting at Jersey Central Power and Light, the Chairman of the Board and the President mentioned the fact that if there were twelve incinerators throughout the State, they could handle all the waste requirements in the State of New Jersey, and that four right now would do it for the present population. Are you familiar with that program?

COMMISSIONER COLEMAN: I'm sorry, I'm having a hard time -- I heard Jersey Central Power and Light.

ASSEMBLYMAN MEYER: Are you familiar with Jersey Central Power and Light's program?

COMMISSIONER COLEMAN: Resource Recovery Program?

ASSEMBLYMAN MEYER: Yes.

COMMISSIONER COLEMAN: Their proposal -- yes.

ASSEMBLYMAN MEYER: Would that not answer the question of the other thing?

COMMISSIONER COLEMAN: I think, once again, if we are talking about it, certainly resource recovery. I have thrown out the suggestion that if the Legislature is grappling with this question, particularly of landfill space -- right now we have a voluntary program. If we are looking at deposit legislation, perhaps we ought to consider the fact that recycling ought to be mandatory in municipalities. Certainly, in terms of resource recovery, we can get the plants off the ground. That would go a tremendous way toward helping our situation in the State of New Jersey. Let's hope we can move forward in that resource recovery area.

ASSEMBLYMAN MEYER: But, that wouldn't resolve the problem we are talking about today?

COMMISSIONER COLEMAN: No, that is separate. Well, I shouldn't say it wouldn't resolve it; it certainly would go a long way toward helping our landfill problem.

ASSEMBLYMAN MEYER: My next question then is -- it was your Department which introduced additional requirements that made it not cost effective to pursue any further. Now, is there something that can be worked out between Jersey Central Power, or any of these companies for that matter, and your Department, to pull these pieces together so we can eliminate what we are talking about?

COMMISSIONER COLEMAN: I would be happy to talk to you about that. I am not aware that we introduced anything that would be counterproductive to that issue. I think we want to encourage it.

ASSEMBLYMAN MEYER: Thank you.

ASSEMBLYMAN HOLLENBECK: Assemblyman Miller?

ASSEMBLYMAN MILLER: Commissioner, with the recent improvements in the recycling program, do you honestly believe the recycling programs in the State of New Jersey have been given a fair opportunity to operate? I am a member of the Town Council in Medford Township. We just adopted a recycling program in our community, which may help the situation we are discussing here today. How can you possibly not give that an opportunity to function, to evaluate, before going into something as dramatic as this, where it involves so many of these people?

COMMISSIONER COLEMAN: Since the Recycling Act took effect in the past couple of years, we have seen a 60% increase in the number of municipalities recycling. Before, we had under 150 municipalities involved in it. Now, as I have said, we have 320. So, I think recycling is catching on. There is absolutely no question about it. The Legislature, in passing the Act, put it up for review every two years. It comes up in October of next year and, certainly, these issues which you raise will once again be looked at. I don't think there is any question but that recycling under what was intended in that Act, is becoming a success story in New Jersey, and beyond New Jersey, in the country, because it is the most forward looking, positive, and comprehensive recycling act in this nation.

ASSEMBLYMAN MILLER: May I ask one other question? Could you tell me, with the amount of personnel who are employed in the glass industry, how many people, or, what is the percentage of people employed in the manufacture of plastic bottle containers in the State of New Jersey? Do you know the answer to that?

COMMISSIONER COLEMAN: I don't know offhand, but I will try to get you an answer.

ASSEMBLYMAN HOLLENBECK: I think we will get that information for you this afternoon though.

ASSEMBLYMAN MILLER: We will?

ASSEMBLYMAN HOLLENBECK: Sure, we can get it. Are there any other questions for the Commissioner? (negative response) Thank you very much, Commissioner.

COMMISSIONER COLEMAN: Thank you.

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen of the Assembly, we are going to break now for lunch. You all know the arrangements for lunch. We will reconvene about two o'clock and go through our remaining witnesses.

(RECESS)

AFTERNOON SESSION:

ASSEMBLYMAN HOLLENBECK: All right, will you all please take your seats. The next person to testify will be Daniel Adams, Vice President, United States Brewers' Association. Mr. Adams has a plane to catch. Mr. Adams, try to keep within five or six minutes, okay?

DANIEL ADAMS: Thank you, Mr. Chairman. If you don't mind, Mr. Chairman, Mr. DeMarco is here also; he wanted to accompany me.

Members of the General Assembly, Speaker Karcher, Chairman Hollenbeck, members of the beer industry and beverage community, and members of the environmental community: My name is Daniel Adams. I am the Regional Vice President of the United States Brewers' Association, Northeastern Office. The Northeastern Regional Office is located in Albany, New York. The United States Brewers' Association, the nation's oldest active continuous incorporated national association represents brewers of the United States, importing brewers, and a wide variety of firms which engage in aluminum, glass, plastic and steel manufacturing and/or container and packaging production.

The United States Brewers' Association strongly opposes the enactment of A-1753, the forced deposit refund legislation, prohibition on beverage container closures and carriers, and other restrictions

which are regressive and piecemeal in nature, including limits in relation to container type usage in the marketplace.

The brewing industry in New Jersey comprises four brewing plants, fifty some odd beer wholesalers. The brewers themselves hire approximately 2,550 employees, and pay out over \$75 million a year in the form of wages and benefits. The State of New Jersey ranks ninth in the nation in malt beverage production, and eighth in malt beverage sales. Last year, New Jersey beer consumers drank over 5.3 million barrels of beer, while the State's brewing industry produced in excess of 7.7 million barrels. Also in the same year, beer generated \$5.488 million in excise tax revenue, \$1.382 million in license fee revenue, local license fees in excess of \$8.1 million, wholesale sales and use tax in excess of \$33 million, and Federal excise tax dollars in excess of \$47 million, for a total exceeding monies generated to government of plus \$95.9 million.

As I mentioned, I am from Albany, New York. My comments, therefore, will reflect the initial impact of the New York beverage container refund law, as we now perceive it. During 1983 in the State of New York, from January through August, prior to the New York law, New York shipments, sales to wholesalers, grew approximately 2%. The national average during this same period was approximately 1.3%. Registered beer shipments for the September/October, 1983 period, as reported by our New York State Department of Taxation and Miscellaneous Finance, were minus 15.5%. This represents a minus shipment gallonage in excess of eleven million gallons.

Gallonage sales to the City of New York, that area close in proximity to the State of New Jersey, are also down drastically -- 11.5%. There is even an indication that New Yorkers may be coming to New Jersey to purchase their beverages. We have also looked at the theory of economic concentration and applied it to New York. Two wholesalers have so far closed their doors, and approximately eleven retailers that we know of. We have also closed one glass container manufacturing plant today, December 1. The cost to industry ranges in the tens of tens of tens of millions of dollars. One brewer member alone, has spent \$15 million thus far to accommodate the system.

We have looked at the initial impact on package and brands. We set up a target in November, 1982. We used that same target location of 220 stores in the August/September early period prior to the implementation of the bill, and again after the bill, for the first post-law effect on beverage pricing and brand package removals. In looking at over 1,015 brand packages, we have also looked at 170 soft drink package removals and 203 beer removals. It seems to us that the larger segments, those who have had a larger share of the market, have stabilized and, at the expense of the market, the small or marginal brand, or the house brand, has been removed from the package shelves.

Upstate New York is a little bit different from the City of New York. In upstate New York, it was a marginal brand, period, that was removed from the shelves, those that stabilized the price market. But, in the City of New York, it was not only the marginal brand, but it was also a package in glass, that filled in a glass bottle. We looked at price in the same 220 target accounts, in eleven different marketing regions of the state. We performed the first survey in November, 1982, as I said. The second pre-law survey was done in the August/early September period, 1983. Recently, we performed and finalized the first initial impact on pricing on the five leading brands, by store. So, we looked at, as I mentioned, over two thousand, thirty-some brand package combinations in 220 target accounts.

We also looked at the New York City Consumer Affairs Department's "Market Basket" survey. If we utilized the "Market Basket" survey of the City of New York, and we took that across the board in simple mathematics and applied it to the beverage business in the state, we would find that the cost to the consumer, if it ran out for the twelve months, would equal in excess of \$430 million.

We didn't quite do that. As I mentioned, we looked at eleven regions in the state, from Buffalo, to Plattsburg, to Jamestown, to the City of New York, to West Chester, to Long Island, and applied, on a regional basis, the increase in our survey. That increase equalled \$393 million. I also took a look at sales. Where are we in terms of those two months in shipments? The first October report, and the first September report, reflect by gallonage where we are. Is it going to hold? Are we going to stay down at that minus 15.5%? I am only

discussing the initial impacts, but it seems to me that the State of Massachusetts, which has had this bill for about ten months to date, is still down 13% in sales, while the states adjoining Massachusetts that do not have containerization, New Hampshire and Rhode Island, are up plus 17%.

Someone asked the question before, "How does your bill differ from the New York bill?" There are a number of measures that differ. One measure that stands out, is the fact that the New York bill set up a temporary state commission. They did not provide the regulatory agency the same power to report any economic impacts of the bill, as the New Jersey bill does. The temporary state commission, formed shortly after the implementation date, did not have an opportunity to judge litter prior to the implementation date of the bill. The USBA, however, hired a national consultant to go out through the state for the first time in any deposit law state, to conduct a statewide litter survey. I will admit it is a piece count. I will also admit that we did not survey items smaller than matchbooks, small scraps of paper or cigarette butts. And, I think anyone who really looks at litter must make an honest evaluation that litter is picked up by item. It is then loaded into a vehicle, a trash receptacle, and it becomes solid waste. Solid waste is then measured by volume or by weight. But, litter is picked up by a piece count.

Our survey went to municipalities, highways, beaches and state parks. We have had it to kick off meetings, with members of our park and recreational departments there. We have had members from the Department of Transportation and Energy and the Thoroughway Authority, all lending support as Mr. Gillson, who conducted the survey, surveyed these locations, 214 sites. These are his findings, and I will provide Assemblyman Hollenbeck with a copy of my report.

Municipal suburban litter: What were beverage bottles and cans? Beer and soft drinks. What percentage were they? Five point three percent. Highway litter, beverage bottles and cans: Beer and soft drinks, not beverage cups and all the other beverage containers. What percentage were they? Fifteen point eight percent. State parks, 5% and beaches 10.4%. Mr. Gillson's findings, after surveying 30,991 items of litter and traveling over 5,000 miles in the state, represent

a composite for beverage bottles and cans -- beer and soft drinks -- of only 8.3%.

Most surely, the temporary state commission will be given the site location breakdown and, also, an addition. Mr. Gillson photographed all of these sites. I think litter was perceived in New York, as maybe elsewhere, as a larger part of the problem. The problem is solid waste, and your State is moving toward that end with its recycling bill.

Also, I do not think the bottle bill in New York is working. It is simply a system forced on millions of beverage consumers who put up with it because they have no other choice. I urge you not to make the same mistake in New Jersey, and to reject this legislation before you. I will answer any of your questions.

ASSEMBLYMAN HOLLENBECK: Does any member have a question for Mr. Adams? (no response) I see Bob Ranieri, a newly-elected member here. Bob, do you have any questions? (negative response) Thank you very much, Mr. Adams. Have a good flight.

MR. ADAMS: Thank you.

ASSEMBLYMAN HOLLENBECK: At this time, I am going to call Al Kent, who is the Secretary of the New Jersey Chapter of the Sierra Club and the Can and Bottle Bill Coalition. Mr. Kent?

A L B E R T K E N T: Thank you, Mr. Chairman and members of the Assembly. I would like to run through the various benefits of the beverage container deposit law very quickly, to make sure that we have them all in mind.

Reduction of container litter has already been discussed. Suffice it to say that this litter is the most obnoxious, the most hazardous and the least degradable fraction of common litter. It pervades the landscape in many areas of public and private land, where clean-up crews never get, and it keeps piling up. We know from other states that a deposit law will reduce this litter flow by some 85%. Because container litter is nearly eliminated, street, highway, park and playground maintenance personnel can spend more time working on non-beverage litter. A deposit law means less beverage litter and less non-beverage litter.

Recycling -- the present recycling of beverage container material under the State Recycling Program has not been a success. Less than 10% of all glass containers in New Jersey are now recycled, and possibly as little as 5%. The recycling office won't say. We think they are embarrassed to tell us. We have been asking for a year for their assessment of glass recycling tonnages. They keep talking about the number of programs they have in New Jersey. They say they do not know what the tonnages are, they are in the computer, or they are being tabulated. Our own estimates are based on samplings of municipal and county grant application reports, and estimates of glass which is being recycled but not being reported through the grant program. A deposit law will increase glass recycling by at least a factor of four, and still leave a couple of hundred thousand tons per year of non-beverage glass for municipal programs to work on. There is plenty of glass for everybody.

Aluminum recycling, also, will increase by at least a factor of four, and plastic material, which is practically unrecycled at all now, will be gathered in large dependable supplies, which surely will begin to be tapped by the infant plastic recycling industry.

Reduction of solid waste, landfill conservation, improved operation and reduced size for waste-to-energy incinerators are additional benefits. Bauxite for aluminum, sand and soda for glass and petroleum for plastics will be conserved and, despite the prohibition on refillable containers, energy will also be saved under a deposit system. An aluminum can, for instance, made from recycled stock and run through the complete beverage system, the complete cycle, will consume almost 70% less energy than a can made from virgin stock.

Finally, the deposit law will create three to four thousand new part-time and full-time jobs in the receiving, handling and recycling of used containers. These will be mostly for unskilled, young, presently unemployed workers. The pay will be low, but the jobs are desperately needed.

Now, I would like to comment on a previous speaker's reference to the experience of some stores in deposit states, that they have to take back more containers than they sell. Such store managers as we have talked to, tell us that they encourage such excess

redemptions, because the people who bring in the containers invariably make additional purchases. As we drive through Massachusetts and Connecticut, we see some stores out on the highway with signs larger than the store, with the name of the store owner or store company on it, and even larger signs saying, "Bring in your recyclable containers here." They want that excess redemption because it means additional sales.

Mention has been made of A-3556, called a litter tax, and presented as an alternative to a deposit bill. This is a sales tax on items that are litter prone in themselves, like rubber tires, newspapers, magazines, as well as everything that is sold in disposable wrappers or containers. The tax is \$150 per million dollars of value at the point of the first transfer within the State. Coke, beer and takeout food would be taxed. So also would be a suit of clothes, a new dress, a can of cheese, a box of oatmeal, or a bag of nails from the hardware store. Everything that goes out in a box or a can or a wrapper would be taxed. The money raised is spent on State and local litter cleanup and anti-litter education.

The beverage industry and food retailers have consistently promoted litter taxes in attempts to sidetrack can and bottle deposit laws. The tax has little merit and several serious flaws, and should be defeated.

Flaws -- it is wasteful to introduce a new tax with new administrative costs to accomplish local and State property maintenance that is already provided for, albeit inadequately. If more money is needed, it would be more efficient to raise it through existing tax mechanisms and expend it through existing public works, road and recreation agencies.

The revenue from A-3556 will provide only a token gesture toward litter reduction. The entire amount could be absorbed by the State Department of Transportation alone. The problem extends far beyond public highways.

By being so small and broad based, the tax will have virtually no effect in channeling consumer spending away from litter prone items.

By taxing food and clothing, the levy sets a precedent for the most regressive form of taxation.

The tax is inequitable in that such items as clothing, housewares and most foods, the containers of which are rarely found in the litter stream, are taxed at the same rate as colas, beer and takeout food, which account for a major portion of common litter.

ASSEMBLYMAN PANKOK: Mr. Chairman, this is not (inaudible).

ASSEMBLYMAN HOLLENBECK: Excuse me, I think the question dealing with litter tax was brought up earlier, and Mr. Kent is trying to bring forth the difference about the litter tax.

ASSEMBLYMAN PANKOK: You made reference to sticking to the bill. We're not sticking to the bill with this.

ASSEMBLYMAN HOLLENBECK: We are not debating a bill; we are bringing out information. Someone earlier spoke about a litter tax. Go on, Mr. Kent.

MR. KENT: Thank you. Educational programs funded by the litter tax or other means are unlikely to have any greater success than similar programs elsewhere or here in the past, unless reinforced by the meaningful step of enacting a container deposit law.

Unlike the deposit system, the litter tax program provides no incentive to refrain from littering or to pick up someone else's litter. In a sense, it creates a license to litter.

Unlike deposits, the litter tax does nothing to reduce litter on private property, since it only funds maintenance on public roads and lands.

Unlike deposits, the litter tax does nothing to increase the volume of container material recycled. Most container materials will still go to overburdened landfills.

While giving the illusion of increased commitment to litter reduction, any significant allocations of litter tax revenue for clean-up functions at State and local levels can easily be offset by cutbacks in other funds budgeted for these objectives. Who will guarantee that overall anti-litter efforts will actually increase?

ASSEMBLYMAN JACKMAN: Mr. Chairman, I just want to ask one question. Are we debating the litter tax, or are we talking about the present bill? You specifically made reference before. Now, he is talking about a litter tax. Let's talk about the tax that we're talking about on this floor.

ASSEMBLYMAN HOLLENBECK: Assemblyman Jackman, I think someone earlier mentioned a litter tax. I think it is proper if someone wants to speak on litter tax -- we didn't stop him. This is nothing different. I think he is allowed; I think he is properly in order.

ASSEMBLYMAN JACKMAN: Okay, if you say so; I can't argue with you.

MR. KENT: Thank you, Mr. Chairman. Nine states, including New York, with 20% of the population, have considered and rejected litter taxes in favor of deposit laws. Colorado, California, Kansas, Kentucky, Arkansas and Connecticut have passed and then repealed litter taxes as ineffective, unworkable or unnecessary. No state has even come close to repealing a deposit law.

In Washington State, which has had a litter tax since 1971, citizens dissatisfied with their still littered landscape continue to struggle for a deposit law and three times have forced referendums on the issue, only to be defeated by heavily funded industry media campaigns. Surveys pointing to the alleged success of the Washington anti-litter program are offset by other surveys drawing opposite conclusions. In 1978, then Governor Dixie Lee Ray said that litter along Washington highways was, "A disgrace, worse than I have ever seen it."

The beverage industry constantly plays up its version of the Washington litter tax story and has invested huge sums to keep the tax alive. It spent a million and a half dollars to defeat the most recent Washington deposit referendum in 1982.

A significant contribution by the litter tax in cleaning up New Jersey is doubtful at best. The tax will certainly be wasteful, inefficient, inequitable and regressive. It will fail to influence personal behavior, will not reduce litter on private property, and will contribute nothing toward reaching New Jersey recycling goals.

A container deposit law, on the other hand, will effectively control the most irritating part of the litter problem, substantially increase recycling of important materials, free financial and human resources for better control of other litter and cost the public treasury virtually nothing.

ASSEMBLYMAN MEYER: Point of order.

ASSEMBLYMAN HOLLENBECK: Will you rise, please?

ASSEMBLYMAN MEYER: I would like to hear the other gentlemen in the room. We are spending more time on the litter tax. There are people here today--

ASSEMBLYMAN HOLLENBECK: Excuse me.

ASSEMBLYMAN MEYER: I came up to hear about the bill that has been issued, and I would like to have the people who want to testify--

ASSEMBLYMAN HOLLENBECK: I think if you look at the agenda you will find it says, "Beverage Container Deposit and Refund Act and Related Issues." We are staying on a related issue, so you are out of order. He is on a related issue. Mr. Kent, I will advise you, though, that you are running past your allotted time.

MR. KENT: This is my conclusion. Members of the Assembly, the beverage industry has for twenty and more years been passing off the external social costs of litter and waste of the throwaway beverage container system on seven million New Jersey citizens. They make the profit; they must eliminate or absorb these social costs. The time is now. We urge a prompt vote on A-1753. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Kent. Does anyone have a question of Mr. Kent? Yes, Assemblyman Jackman.

ASSEMBLYMAN JACKMAN: Listening to the statistical values you just put forth, do you know how many liquor bottles are thrown away where there is no deposit, bottles of whiskey, Scotch, etc? Do you know how many of those are littering the sidewalks? Do you know the percentages, and if there is any deposit on those bottles?

MR. KENT: Could you repeat the question?

ASSEMBLYMAN HOLLENBECK: All right. The question by Assemblyman Jackman was, what is the percentage of throwaways dealing with liquor bottles? Liquor bottles, obviously, are some of the litter. What is that percentage?

MR. KENT: We find that liquor bottles, wine, whiskey and other hard alcoholic beverages, those containers, form a very minor portion of the litter stream, as compared to soda bottles and beer bottles.

ASSEMBLYMAN JACKMAN: Do you have any statistics? You have been standing there giving these statistics. It would seem to me that you have statistics on one thing. You are talking about cans, and

you're talking about beer and soda bottles. Now, has there been a decrease -- just listen to this because I think it is very important -- in the amount of small bottles littering today, as compared to the large bottles? I'll give you an example, a twelve-ounce bottle of beer or a twelve-ounce bottle of soda to a sixty-four-ounce bottle of soda. Both have the same deposit, five cents. Figure-wise, maybe I am not as fast as you may be statistically, but if I took twenty-four bottles of twelve ounces, they would give me around 288 ounces. Taking the same sixty-four-ounce bottles -- which is a two-liter bottle -- that would be four bottles, or approximately four bottles. One would be twenty cents deposit for four, as compared to \$1.20 deposit. Is that right, or isn't it?

MR. KENT: That's right.

ASSEMBLYMAN JACKMAN: Maybe he doesn't know what the hell I'm talking about.

ASSEMBLYMAN HOLLENBECK: Assemblyman Jackman, just for clarification, are you referring to the fact that the deposit is based upon the item rather than the size? Obviously, it is based upon the item, not the size. Is that what you are referring to?

ASSEMBLYMAN JACKMAN: It is my understanding that when you bring back a twelve-ounce bottle you get five cents.

ASSEMBLYMAN HOLLENBECK: And, if it is a sixty-four-ounce bottle, you still get the same nickel.

ASSEMBLYMAN JACKMAN: Okay. The point is, I want to find out -- I guess I can't understand it -- I apologize. I guess you're not listening to me, as I listened to you. I want to know how many bottles they are giving you. You sat up there and you listed statistical values -- you know, you have been on for thirty minutes. I want to know, with all the statistical values you made, how many bottles are on the street today -- sixty-four-ounce and twelve-ounce bottles? The reason I ask that -- I'm shouting so you can hear me, I'm not shouting to be disrespectful -- is that you're talking about \$1.20, as compared to paying twenty cents, for the same amount of product you are going to drink. Okay? Do you know how many you've got?

ASSEMBLYMAN HOLLENBECK: The question being, do you know the percentage of bottles that are more than twelve ounces, as compared to six beverage containers?

MR. KENT: The answer is "No."

ASSEMBLYMAN HOLLENBECK: He does not have that statistic. Do you have the statistic to give him?

ASSEMBLYMAN JACKMAN: Mr. Chairman, I am not being disrespectful. I asked this selfishly. I have a vested interest in this. Seventeen thousand people who work in this State, work in my industry; they put the bottles he is talking about in boxes. Okay? I get a little annoyed when people start telling me what is littering the streets. Nobody is talking about the ketchup bottles, or any of the other cans people throw away. Nobody talked about opening up the garbage to find out if there are any retrievable bottles inside the garbage bags, so the buyer could pick them up and bring them to the store for five cents, leaving all the garbage all over the streets and, if you don't think that is happening today, come to these towns and see.

ASSEMBLYMAN HOLLENBECK: What is the question, Assemblyman Jackman?

ASSEMBLYMAN JACKMAN: The question is very simple. I asked, does he know how many bottles--

ASSEMBLYMAN HOLLENBECK: And, he gave you the answer, he said "No."

ASSEMBLYMAN JACKMAN: He doesn't know. Then, how does he know what is in the streets causing all the littering?

ASSEMBLYMAN HOLLENBECK: You asked him if it was on the basis of size, and he gave you the answer, "No." What is your next question?

ASSEMBLYMAN JACKMAN: Well, the answer is very simple. If the answer is "No," then what he was talking about before didn't make any sense.

ASSEMBLYMAN HOLLENBECK: Unless, of course, the answer is that we don't know the statistic.

ASSEMBLYMAN JACKMAN: Mr. Chairman, no disrespect to you. I'm saying, this is your bill -- I am not being disrespectful to you -- but, you have the best answers.

ASSEMBLYMAN HOLLENBECK: You stand corrected, it is not my bill; I don't think I am even a cosponsor.

ASSEMBLYMAN JACKMAN: Well, all right. As far as I am concerned, I am just asking questions that I think are important to the people I represent, because this means jobs, and for his edification.

ASSEMBLYMAN HOLLENBECK: Assemblyman Jackman, you're making speeches; you're not asking questions.

ASSEMBLYMAN JACKMAN: What the hell do you think he was making before?

ASSEMBLYMAN HOLLENBECK: He is here for testimony for the rest of the group. You're here making speeches, and that's different. That is for when you debate the bill, and we're not debating a bill today.

ASSEMBLYMAN JACKMAN: Never mind me debating a bill, I'm asking a specific question and, if I don't get an answer, I am going to stay here and ask you to make sure I get it. Don't give me a quick answer of "No," and I am not making a speech. I told you in the beginning that I have a vested interest here.

ASSEMBLYMAN HOLLENBECK: He gave you the answer, and the answer was "No." He does not know the number.

ASSEMBLYMAN JACKMAN: He doesn't want to know. Then, whatever he was saying before -- does he know what he was talking about?

ASSEMBLYMAN HOLLENBECK: Well, I can't say, but that is not a question. Ask him a question, please. What is the next question?

ASSEMBLYMAN JACKMAN: The gentleman who was handing out statistics before -- or weren't you listening to him, I was -- did he give statistics?

ASSEMBLYMAN HOLLENBECK: Obviously, he was giving statistics to somebody.

ASSEMBLYMAN JACKMAN: Okay. Where did he get those statistics?

ASSEMBLYMAN HOLLENBECK: The same place, I'm sure, as all statistics. I warned everybody before we started, Assemblyman Jackman, to watch the numbers and to watch the statistics, because statistics can change and mean anything you want them to. We have gotten statistics from many speakers this morning. We went through a year of bad statistics, where statistics were slanted to do what you wanted. They came from both sides of the issue. So, watch all your numbers.

ASSEMBLYMAN JACKMAN: Look, Mr. Chairman, with your permission, if people stood in this room today to give you statistics and you say you never put a value on them, if we show you there are thousands and thousands of jobs which have been eliminated, because we no longer manufacture those same bottles he is talking about which are littering the streets, then somewhere along the line someone ought to give me an answer as to why we have lost those jobs.

ASSEMBLYMAN HOLLENBECK: Assemblyman Paterniti?

ASSEMBLYMAN PATERNITI: I want to ask Mr. Kent the question, isn't it true that common sense would dictate that if you walk the streets, you rarely ever see a half gallon bottle thrown along the wayside; the ones that are really cluttering up the streets and highways are twelve-ounce containers? That's why we are enacting bottle legislation, because the people have been upset that every time they go out, their neighborhoods, their streets, their highways are littered with small cans and bottles. I believe if they follow the same example as the larger container -- the larger container always stays in the home. It may end up in the garbage can, but it doesn't land on the street. The ones that are landing on the street are the small containers, and that is the real issue we are addressing.

ASSEMBLYMAN HOLLENBECK: I don't know what your question was, but I wish you had put it in the form of one. I was waiting. I think the answer was "Yes." Are there any other questions of Mr. Kent? (no response) Thank you, Mr. Kent.

Our next witness will be Mr. Ward Wettlin, Executive Director, Association of New Jersey Convenience Stores.

W A R D W E T T L I N: Mr. Chairman, members of the Assembly, my name is Ward Wettlin. I represent hundreds of owners and managers of corner grocery stores, individually-owned franchise markets, and well-known chain stores across the State.

The New Jersey Convenience Stores Association welcomes the opportunity to present our views on A-1753, the mandatory deposit legislation before you today. Like most of you, we've been following the sometimes emotional debate over the "bottle bill" in the press, and we're afraid that the public is being left with several misconceptions.

One is the impression that those most likely to be adversely affected by this bill are owners and operators of large supermarkets. Certainly, supermarkets will be hurt, but so too, will thousands of small retailers across the State -- not only the "mom and pop" corner grocery stores, the Wawa, Cumberland Farms or Seven-Eleven markets down the street, but also operators of the local sandwich shop, tavern, and liquor store.

These small business people share the supermarkets' problems of dealing with empty container returns. They have even less flexibility in handling the job due to limited capital, personnel, and storage space. Let me explain.

A small retailer's success or failure depends almost entirely on the most efficient use of manpower, storage, and display space. The typical "mom and pop" grocer or neighborhood convenience store operator can only compete against larger rivals by providing quick and convenient service and as wide a selection of products as his very limited space will allow.

Both advantages are jeopardized if a lone counter clerk, a common situation, must keep customers waiting while he redeems, sorts, and stacks empty bottles and cans, or if the store's selection of goods is further limited by stacks of empty containers.

Our storage space problems are extremely serious. About 40% of all beverages sold in the food industry are sold by retail outlets other than supermarkets. With a total of 3.5 billion beverage containers purchased in New Jersey last year, that would mean that one-clerk or two-clerk operations would be responsible for receiving, counting, reimbursing, sorting, stacking, and storing of up to 1.4 billion containers annually. And, that's assuming that they redeemed only those containers which they originally sold. When you consider that an average convenience store's back-room storage capacity is less than half the size of a one-car garage, you can begin to appreciate our problem.

Now, add to that the very serious problem of sanitation. The sugary residue in soda bottles, for example, is a virtual magnet for ants, flies, and roaches. Before the passage of bottle bill legislation in Connecticut, small store owners used the services of

professional exterminators on an average of once every three to five weeks. Many of the same stores are now being sprayed at a minimum of once a week. Such spraying is not only costly, but its frequency raises a host of other health-related questions.

Another party seriously affected by the bottle bill is the New Jersey consumer. There is no question in our minds that with a bottle bill, shoppers would have a difficult time finding many brands of beer and soda available in New Jersey retail outlets today, and they will likely pay more for many brands they currently buy.

Shortly after implementation of New York's bottle bill in September, for example, the New York Daily News reported that beer drinkers were paying "anywhere from twenty-five cents to one dollar more for a six-pack, plus the thirty-cent deposit." The newspaper also found that local bottlers and distributors of specialty sodas for the Hasidic and Hispanic communities had experienced a significant drop in sales. Soda prices also have generally risen since the deposit law went into effect.

No one faults the intent of this legislation. We would all like to see litter reduced. But, thousands of small New Jersey retailers ask you, "Is damaging our businesses and penalizing the consuming public the proper way to attack the litter problem?"

That brings us to another serious misconception in the bottle bill debate -- an impression left by supporters that this legislation is the only answer to the litter problem. Frankly, we find this hard to accept. Not only is this bill too disruptive to the retail community to be considered a serious solution, but you already have other more reasonable approaches before you.

Recently you attacked litter at its source -- the litterbug -- by passing a bill which closes a loophole in the law prohibiting littering from a car. Governor Kean has signed that bill.

Several legislators also have sponsored plans to employ jobless youths to clean our roadways, playgrounds, and parks. These litter patrols would not only pick up empty bottles and cans, which are only a fraction of the litter problem, but other discarded material as well, from gum wrappers to old mufflers and tires.

We believe that the bottle bill is being oversold. It is not the quick-fix that eliminates the State's litter problem, and it certainly would exact a significant price from retailers large and small, as well as from the consuming public.

Thank you.

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, we have heard from Mr. Wettlin dealing with the Association of the Convenience Stores. Does any member have a question? (no response)

Thank you very much, Mr. Wettlin.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Mr. Fred Schmitt, President of the New Jersey Recycling Forum.

F R E D S C H M I T T: Thank you Mr. Chairman, and members of the Assembly for this opportunity to present the views of the New Jersey Recycling Forum on the bottle bill and related matters.

The Forum consists of twenty-three constituencies with real, and sometimes competitive, differences. They represent New Jersey's 7.5 million residents in different ways as they work to develop the consensus so critical to increasing recycling in New Jersey by 4,000 tons per day by 1986. By comparison, the best guesstimate, and I underline the word "guesstimate," of the glass litter problem is about six tons per day statewide.

Many of us have also participated in preparing the Recycling Plan and in your unanimous passage of the Recycling Act. The Forum's position is based on four key points:

1. There are substantially less costly ways of solving the beverage container litter problem. The proposed bill will cost New Jersey residents \$100 million to \$150 million per year which would otherwise accrue to them by the successful implementation of the Recycling Act.
2. Mandating the inefficient collection of beverage containers to solve part of an undefined litter problem is like killing a herd of animals to catch a fly. It will not cause the myriad changes in municipal, personal, and business practices required to recover and market 4,000 tons per day of recyclable material. Implementation of the Recycling Act is causing these changes.

3. The Office of Recycling is required by the Recycling Act to submit a report of performance and of recommended changes by October 1984.

4. The Forum is unaware of any major reason for upsetting the promising implementation of the Recycling Act with a contradictory strategy and collection system.

Further, the Forum, in cooperation with industry and the Office of Recycling, is seeking to work out the funding for the first baseline study on the nature and extent of littering in New Jersey. We had previously recommended that the Assembly consider funding such a study. Because of these considerations, the Forum recommends that the Assembly take no action on a bottle bill until its members have considered the October 1984 report of the Office of Recycling.

Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Schmitt. Does anyone have any questions? (no response)

Thank you, Fred.

Richard Alven, the Vice President of Sales of the Pepsi Cola Company?

R I C H A R D A L V E N: Mr. Chairman, members of the Assembly, I thank you for this opportunity to make this statement today.

I am with the Pepsi Cola Bottling group, which serves northern New Jersey. We have been doing this for just about fifty years, and we have a great deal of confidence in the soft drink business in New Jersey. We employ almost six hundred people, with an annual payroll of about \$16 million, and we pay \$2 million in taxes to the State of New Jersey.

We are very confident in this business. In fact, recently we spent a great deal of money in acquiring a new franchise in Asbury Park. That is the kind of confidence level that we have in the business in New Jersey.

We do feel that this legislation is a detriment to our growth and the future of the soft drink business in this marketplace. The Pepsi Cola Bottling group has had some experiences around the country

in other states where they have bottle bills. I am familiar with those, and I would like to cover those briefly with you, because there is a thread that runs through these markets.

One of those threads is that sales go down. The other one is that there is a great infusion of capital to pay for the requirements of a bottle bill. The third thing is that productivity in the marketplace goes down. Those ingredients, put together, can only spell out one thing, and that is that prices to the consumer go up, and that the consumer pays a tax. You can call it a deposit if you want, but it is a hidden tax that the consumer has to pay.

In Michigan in 1978, bottle legislation was passed. The Pepsi Cola Bottling group alone invested \$54 million for that bottle bill -- just to take care of the bottle bill. When we invest money like that, we invest it for growth, and we invest it for productivity. In this case, we didn't get any growth. In fact, sales were down the first year in double digits off of a 5% increase trend, and we didn't get any productivity. In fact, productivity went down, and I think you will recognize today, because it is pounded around the television stations on a continual basis, that the lifeblood to any industry today in this country is the ability to compete. The ability to compete comes through productivity.

Another one that I am very familiar with, or somewhat familiar with is the Boston, Massachusetts company. They just passed a bill there in January, and a similar thing happened. Our sales in Massachusetts -- soft drink sales -- went down 14%.

In the neighboring State of New Hampshire, sales are up 19%. I think Dan Adams earlier had mentioned that sometimes the states that are alongside of a bottle bill state do benefit. In fact, those routes that run close to the border were up three times the 19% increase of New Hampshire. Sales were down in Massachusetts, capital was up, and productivity was way down.

I have the five boroughs in West Chester County, New York, and the enforcement of the bottle bill was just put into effect on September 12. The law was written July 1, but the enforcement of it was September 12. I find it very difficult to understand how any cleanliness around the Bronx and Yankee Stadium in the summertime had

anything to do with the regulations of the bottle bill. It is kind of peculiar. But anyhow, in New York, the same pattern has existed.

Our sales are down today in double digits. The cost of capital to accommodate the bottle bill is in the millions, and the estimates are anywhere from \$300 million to \$400 million by the time we're finished. As an industry with beer and soft drinks, the cost to the consumer is going to be on an annual basis, because prices are increasing over \$300 million per year. It seems like a very expensive way to collect only a portion of the litter and to solve what really is a solid waste problem.

The other thing that is happening in New York, which I think you ought to consider and which is a very serious problem -- there are two of them. One, we had a presentation by the glass people, and what is happening in New York and affecting the glass people are two things: one, there are accounts in New York -- and there are many of them -- that said, "We're not going to do this. We're not going to take bottles. We've got a small building -- a small delicatessen. We're going to put syrup in and sell the soft drinking cups." That means glass, bottles and cans have no opportunity for sales in those accounts. There have been a large number of those, and we felt the impact of that ourselves, along with our fellow bottlers.

The other thing is that a conscious decision has been made in New York against glass by the retailers. I don't blame them. They have got a major problem that they have to deal with, and they have to make some decisions and some choices. What they have said is, "Something has to go; glass has to go." That has impacted on New Jersey tremendously.

The small business person is being affected by the industry. Our company is a fairly large company, and we will survive. But, there are an awful lot of small companies that are going to be impacted by any kind of legislation in New Jersey. There are twenty-four, plus, small beverage companies in New Jersey that are going to be seriously impacted with this kind of legislation. In New York, if that is any kind of example, many packages were discontinued such as glass. Many brands were discontinued in those accounts, so there has been a tremendous impact on volume.

We can't say exactly what is going to happen in New Jersey, but I think if we can learn something from history, and we look back over the bottle bill states that we presently have, then this legislation is not the answer. We can guess and we can estimate that in New Jersey sales are going to go down. Soft drink sales will go down, the capital against nonproductive and non-growth areas will be extremely high, and our productivity level will be reduced. Our ability to compete will also be reduced. You might say, "Well, wait a minute. Compete against who?" All the beverage people will be affected.

There is another whole business out there that still drinks aseptic packaging, which is an entirely new product line on the market today. We're in competition with juices, iced teas, fruit juices, and we have a lot of competitors out there. So, our ability to compete will be reduced dramatically with our ability not to be able to be competitive and productive.

There is a price elasticity on all products at which the consumer will balk. As prices go up, sales start to move downward.

I urge you to oppose this legislation and keep the soft drink business in New Jersey growing and dynamic.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Alven. Do you have a question, Assemblyman Muziani?

ASSEMBLYMAN MUZIANI: Yes, sir, I do. You indicated, sir, that the eight or nine states that have had the bottle bill initiated have had a drop concerning the demand for bottles. With the demand dropping like that, does that also mean that there is a lessening as far as the manufacturing of those bottles is concerned -- that you will need less bottles manufactured?

MR. ALVEN: I believe that is correct.

ASSEMBLYMAN MUZIANI: Okay. So, if the demand drops and we have less production and we have less bottles being manufactured, that also means less employment.

MR. ALVEN: That is logical.

ASSEMBLYMAN MUZIANI: That is the way it runs.

MR. ALVEN: Sure.

ASSEMBLYMAN MUZIANI: In addition, I understand that there is an excise tax on every bottle of beer that is being sold from which the State of New Jersey derives revenue. Is that correct, sir?

MR. ALVEN: That is correct.

ASSEMBLYMAN MUZIANI: So, there are less bottles sold and produced, and there is less income to the State of New Jersey by way of this excise revenue. Do you agree with that, sir?

MR. ALVEN: I surely do. And realizing that New Jersey borders Pennsylvania as New Hampshire borders Massachusetts, the sales statistics that I gave you could be very well applicable here and move some of those sales in New Jersey over to Pennsylvania.

ASSEMBLYMAN MUZIANI: So, in essence, would you agree, sir, that a state that is crying for economic development, crying for private enterprise to locate here, and for jobs -- that what we will do by passing the type of legislation that is being suggested here will be contrary to what the needs are of the State? Do you agree with that?

MR. ALVEN: I would agree with that, because it would certainly have had an effect on our interest in investing in Asbury Park a little earlier this year. If we thought that there was going to be bottle bill in New Jersey, it would have had an effect.

ASSEMBLYMAN MUZIANI: Based on what I've heard here to date -- this afternoon and this morning -- I think the topic of discussion really boils down to litter versus jobs. That is what it amounts to. I've heard a lot of discussion about litter, but they don't talk about the fact that in the states that have initiated this particular legislation, there is no lessening of litter. The expenses are still the same as far as litter is concerned because of one simple fact -- that when you talk about litter, you are not addressing the entire problem concerning litter. This is a small segment. Would you agree with that?

MR. ALVEN: Yes, I would agree with that.

ASSEMBLYMAN MUZIANI: So, in essence, what you are saying, sir, is that you agree with those of us who are in opposition to this legislation by putting litter versus jobs -- litter versus the opportunity for people to be gainfully employed to provide for their families -- as a priority -- that we should not, in any way, as

legislators, pass legislation that would create that kind of chaos in a state that is crying for more income tax revenue and sales tax revenue. We would also be losing some of that because businesses will not be making the money that they have been making prior to the tax becoming effective. Do you agree with that?

MR. ALVEN: Yes, I agree with you.

ASSEMBLYMAN MUZIANI: The fact is that the lessening of jobs in manufacturing these bottles means less employment.

MR. ALVEN: Yes.

ASSEMBLYMAN MUZIANI: I really don't think there is much else to talk about because I think that sums it right up. This State can't afford any lessening of employment as far as I'm concerned.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Whoa. Ladies and gentlemen, you have been asked before not to applaud. Now, please, don't.

Assemblyman Paterniti?

ASSEMBLYMAN PATERNITI: Mr. Alven, you mentioned earlier that the cost would mean less sales, and so on and so forth. You mentioned bottles and you also mentioned they they would go to disposable containers for selling syrup and carbonated drinks. Where do they make the bigger profit -- on the can or on the cup?

MR. ALVEN: Who makes the bigger profit?

ASSEMBLYMAN PATERNITI: The retailer.

MR. ALVEN: The retailer's margin of--

ASSEMBLYMAN PATERNITI: (interrupting) Is greater on which one?

MR. ALVEN: I would say it is a little bit greater on the cup.

ASSEMBLYMAN PATERNITI: Would they be pushing cups all over the State?

MR. ALVEN: Pardon me?

ASSEMBLYMAN PATERNITI: (continuing) rather than bottles, if they are going to make more profit?

MR. ALVEN: No, because the consumer really wants the bottle or can.

ASSEMBLYMAN PATERNITI: That is exactly--

MR. ALVEN: (interrupting) That is the consumer poll, but when you get into a difficult situation like this where I cannot operate because of the size of my building and the square-foot cost of that building, I cannot take twenty-five percent of it. I cannot move anywhere. Then they are going to make their survival choice, which is then to move to the syrup end of the business. And, they have done it in many cases in New York.

ASSEMBLYMAN PATERNITI: When we had the increase on the price of sugar, how big of an increase did you have on the cost of a can of beverage?

ASSEMBLYMAN HOLLENBECK: In other words, he is questioning -- when there was an increase in the price of sugar, was there a unit cost increase on your product?

MR. ALVEN: Certainly.

ASSEMBLYMAN PATERNITI: In fact, there was a very big one. It almost doubled. Am I correct?

MR. ALVEN: No.

ASSEMBLYMAN PATERNITI: The cost of soda almost doubled. Am I correct?

MR. ALVEN: I'm sorry. I don't know what time frame you are talking about, and I am really not following you. Could you be more specific?

ASSEMBLYMAN PATERNITI: Well, go back eight or nine years ago when the price of sugar doubled.

MR. ALVEN: Sales were down at that time with my company -- in 1974 and 1975. They were down twenty-nine percent because of pricing -- twenty-nine percent. There was a tremendous layoff of people, there was a tremendous trimming back of all expenses, and there was a lack of tax money funds for the State of New Jersey.

ASSEMBLYMAN PATERNITI: Yes, but the price stayed the same. Not only do you have twenty-nine percent here, but the percentage rate went up even higher. You sold more and more over the years.

MR. ALVEN: It took about three years to recover, sir.

ASSEMBLYMAN PATERNITI: Which means that if a person wants the product, he is going to buy it -- like an automobile.

MR. ALVEN: Not true, not true.

ASSEMBLYMAN PATERNITI: The sales tax went up from five percent to six percent, and we're still selling more automobiles today than we were when the sales tax was one percent less in the State of New Jersey.

MR. ALVEN: That is not true.

ASSEMBLYMAN PATERNITI: Well, I (inaudible) what the consumer wants.

MR. ALVEN: No, because they have alternatives. They can switch to powders, they can switch to juices, they can switch to aseptic packaging, which is coming down the pike right now. They can go to iced tea; they can drink water. They have alternatives, and prices do affect sales dramatically.

ASSEMBLYMAN PATERNITI: But, what you're telling me is a temporary thing.

MR. ALVEN: No, no, no.

ASSEMBLYMAN PATERNITI: It is a temporary thing.

MR. ALVEN: Let me tell you what happens.

ASSEMBLYMAN PATERNITI: You told me that it went down twenty-eight percent, and the prices stayed the same. They not only went up; they probably went up even higher.

MR. ALVEN: That is correct.

ASSEMBLYMAN PATERNITI: Okay, so it was only temporarily.

MR. ALVEN: No, no, three years--

ASSEMBLYMAN PATERNITI: (interrupting) The bottle bill will affect it temporarily and the price will--

MR. ALVEN: (interrupting) If I may answer your question, I would be glad to.

ASSEMBLYMAN PATERNITI: And, there will be no jobs lost.

MR. ALVEN: I would be glad to answer your question.

ASSEMBLYMAN PATERNITI: Go ahead.

MR. ALVEN: Our sales went down twenty-nine percent. I said it took us three years to recover. During that three-year period, inflation was ten percent, so even though prices did not move off the market at that time, you had three years of inflation to play catch up and allow the consumer to adjust to those prices and bring us back to what our level was three years before. Price has an affect on sales.

ASSEMBLYMAN HOLLENBECK: Excuse me, I don't know how we can go--

MR. ALVEN: (interrupting) That is a very basic marketing theory.

ASSEMBLYMAN HOLLENBECK: I'm trying to find out what the sugar price increase has got to do with this. I was really trying hard, Doctor, but I can't find it.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Assemblyman Felice?

ASSEMBLYMAN FELICE: Mr. Alven, you brought up the fact that a lot of your retailers have gone to paper products, and that they are looking to possibly escape the glass bottle problem. Are any of the manufacturers in other parts of the country going to a plastic container instead of bottles for their soft drinks? Has there been any possibility of them changing?

MR. ALVEN: Well, we have a two-liter plastic bottle, which you are familiar with.

ASSEMBLYMAN FELICE: I'm talking about a smaller one.

MR. ALVEN: You're talking about a smaller package. Yes, there is a half-liter bottle now that has had some testing over the last five years. There are some people in the Northeast Corridor here who are responding to the fact that glass is not being sold in New York in many, many accounts, and they are now coming forward with a half-liter plastic bottle as a substitute for that. My company is holding back on that a little bit, and we're going to watch and see what happens.

ASSEMBLYMAN FELICE: What you are saying is, there is a possibility, if forced, that the soft drink bottlers and manufacturers could possibly have to switch over to compete with the plastic container.

MR. ALVEN: Yes.

ASSEMBLYMAN FELICE: And, completely eliminate the glass industry?

MR. ALVEN: There is a major risk in that -- a major risk.

ASSEMBLYMAN FELICE: Thank you.

ASSEMBLYMAN HOLLENBECK: Mr. Felice, if your question was because of the deposit legislation going that way, there is also a deposit on the plastic container within that legislation.

ASSEMBLYMAN FELICE: I understand that, but the possibility of storing glass bottles is a much more difficult problem than the storing of plastic containers.

ASSEMBLYMAN HOLLENBECK: One of the things that we did find out, of course, is that beer is being run on test runs in plastic containers -- small plastic containers also.

MR. ALVEN: Which will also affect the glass industry dramatically.

ASSEMBLYMAN HOLLENBECK: Assemblyman Meyer?

ASSEMBLYMAN MEYER: I would like to pursue the plastic route a little bit. What percentage of your product is put into plastic containers today?

MR. ALVEN: In the State of New Jersey?

ASSEMBLYMAN MEYER: Yes.

MR. ALVEN: In the two-liter plastic container, our percentage of mix would be about thirty-three percent.

ASSEMBLYMAN MEYER: So, thirty-three percent of all Pepsi sold in the State is sold in plastic containers?

MR. ALVEN: That is correct. Now, that is Pepsi Cola. I don't know the industry's numbers.

ASSEMBLYMAN MEYER: Would you explain to me why you went to the plastic container? What was the decision of the industry that negated that the large glass container go to the plastic container?

MR. ALVEN: The decision was from consumer research of safety and light weight.

ASSEMBLYMAN MEYER: How about cost?

MR. ALVEN: Originally, like any new package introduction, the new packages usually cost more than the present packages. Very quickly, as the volume forecasts are in place and the lines are dedicated to that, they can bring those pretty rapidly into competitive costs. So, initially the plastic did cost a little bit more. We are going back a little while now, so my memory is a little thin.

ASSEMBLYMAN MEYER: In consumer psychology, if we were going into a recycling program -- this is for my own identification -- would the consumer be more likely to recycle or return a glass container as opposed to a plastic container?

MR. ALVEN: I would not know that answer.

ASSEMBLYMAN MEYER: You would not know.

MR. ALVEN: I would not know. I haven't seen any--

ASSEMBLYMAN MEYER: (interrupting) Do you know of anyone who might know?

MR. ALVEN: I don't know whether anyone does. We have Bill Pierce here from Coca Cola. I don't know if Bill has any data on that. I haven't seen any research data on that at all.

ASSEMBLYMAN MEYER: My point is simple. I'm not going to make a long speech. It is basically that if we were not to go to this legislation and go into the municipal recycling program, etc., which has been discussed earlier, it would seem to me that it might be advantageous that if the consumer, from a psychological standpoint, was going to return a glass bottle to be recycled, it would be to the benefit of the State of New Jersey if we were going to outlaw anything, we would do away with plastic containers and stick to glass containers. So, it might be an interesting factor for me to know just what the public would do in a situation like that.

ASSEMBLYMAN HOLLENBECK: We'll try to find that out. I think though that he did leave a blank in the question. He asked number one, with reference to plastic containers, the other seventy percent of your product -- does it go into glass, does it go as syrup, or does it go into metallic containers?

MR. ALVEN: Okay, what I'm really referring to basically would be just the bottle or can packaging, so if you are looking at thirty-three percent in plastic, you would be looking at probably forty-two percent in cans, and the balance in glass.

ASSEMBLYMAN HOLLENBECK: You didn't include any of the syrup.

MR. ALVEN: No, I wasn't putting that in the hundred percent matrix.

ASSEMBLYMAN HOLLENBECK: Oh, okay. Thank you. Yes, Assemblyman Jackman?

ASSEMBLYMAN JACKMAN: Based upon those statistics, when you think in terms of the thirty-three percent that you mentioned being in the large two-liter bottles, is there a possibility, based upon this so-called bottle bill, that if that were to become effective, wouldn't it change that statistical data that you just gave? The reason I mention that -- nobody cared about it before. Again, not being disrespectful, Mr. Chairman, but you are talking in terms of money again. Again, you are talking sixty-four ounces as compared to twelve ounces. Everything being equal, you are paying five times as much for five cans of twelve ounces as compared to the sixty-four ounce.

The point I am trying to make is, who is going to pay that extra thirty cents to drink the same amount of Coca Cola, Pepsi Cola, name the cola -- call it anything you want? Doesn't that change your company's thinking in terms of cost, of availability -- thinking in terms of the poor people? We've got an unemployment factor. We have got people today -- and I'm not saying this to be sarcastic -- who think of Pesi Cola and Coca Cola as almost a luxury. If you price it out of their reach, wouldn't you in a sense have to tell me that that thirty-three percent is going to have to increase?

MR. ALVEN: Surely, there is no question about it.

ASSEMBLYMAN JACKMAN: Drastically?

MR. ALVEN: Pardon?

ASSEMBLYMAN JACKMAN: Would you say drastically?

MR. ALVEN: It would increase quite a bit.

ASSEMBLYMAN JACKMAN: Okay. The other point that is very important to me is, I know the difference between glass and plastic, because I represent those same people -- people who make plastic bottles, people who put them in the cases. I represent those people. There is an industry that we could get in this State that a lot of people in this room have almost forgotten about.

We put a bill down the pike -- I think in 1965 -- the Recycling Bill. We created an industry in this State where people are now accepting these bottles and recycling them. We have a lot of young people today picking up these same bottles and bringing them to the recycling centers. Incidentally, I think, Mr. Chairman, that you know this, but for the edification of my colleagues in this room, North

Bergen, even though they shut down their bottling plant, and they shut down my corrugated plant where I had 135 people working, because they were not producing bottles -- that recycling center is still operating and working very diligently with the surrounding towns.

There are an awful lot of young people today picking up these bottles and making that so-called living. That industry would be going by the wayside. That would be outmoded, so to speak. You wouldn't need it anymore because you are now talking about getting five cents a bottle, and then the company itself now picking up these bottles, and utilizing a recycling center.

The point I am trying to make, Mr. Chairman, is that we may lose an industry that we cultivated by putting this so-called deposit bill down, which everybody thinks is a panacea for our litter problem. For your information, Mr. Chairman, I want you to know this: Since I am in the paper industry, we are recycling paper. So far, I haven't heard anybody in this State talk about recycling the largest littering subject matter -- paper -- in this State, not bottles and cans.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Does anybody else have a question for Mr. Alven? (no response)

Thank you very much, sir.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Edward Salmon, Chairman of the Legislative Committee, Southern New Jersey Development Council; Freeholder in Cumberland County?

Freeholder, how are you? Try to keep your comments within five or six minutes, please.

E D W A R D H. S A L M O N: Mr. Hollenbeck, members of the General Assembly, ladies and gentlemen, my name is Edward H. Salmon. I am a Cumberland County Freeholder, and I am testifying before you today on behalf of the entire Cumberland County Board of Freeholders. I am also the Legislative Chairman of the Southern New Jersey Development Council representing Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem Counties, and I am passing on the views of this organization as well.

Philosophically, few people would take issue with the intent of the proposed bottle bill -- namely, to recycle resources, save on

landfill costs, and reduce roadside litter. But, as legislators, we all know that the quick and easy answers are not always the right solution. In the long run, bigger and more serious problems can often be created if we are not careful in considering all the potential impacts of our actions.

In Southern New Jersey, and especially in Cumberland County, there is a considerable concern over the potential economic impact that the proposed bottle bill would have on our local economy. I'm sure that all the members of the Assembly have by now recognized that Cumberland County is facing severe job loss and unemployment problems. But, by virtue of the fact that serious consideration is again being given to enacting the bottle bill, I am not certain that there is a full recognition as to just how severe our economic problems have become and the extent to which the bottle bill would further devastate our local economy.

Attached to my statement, you will find a collection of newspaper clippings which have been gathered over the last year and one-half. I have, as an example for you, a listing of some of those clippings and those headlines, and in the packet that I've given to the members of the General Assembly, it lists the newspaper clippings in detail. I urge all of you to read these and to be especially sensitive to the Bridgeton Evening News "Doomsday" type article which announces the Owens-Illinois Glass plant closing. The photo accompanying the article also gives us a glimpse into what the future of our county could be if the proposed bottle bill is enacted.

I would just like to show you what the Bridgeton Evening News looked like on Friday, November 18, where it announced the closing of the Owens-Illinois Glass plant, and the kind of effect that it would have on our county.

Within the past year and one-half, we have had a lot of job cutbacks and closings in our county. Looking at over twenty different industries, we have lost over 2,944 jobs, many of which were related to the job industry.

The listing I have presented is intended to illustrate the diversity of our job loss problem in Cumberland County and is nowhere near a complete listing. The full impact of these layoffs won't be

felt until the next year or so when the spinoff effect trickles down to retail spending and future investment. As we all know, new jobs and payroll in a community often have a local economic impact of seven to ten times the original payroll amount. The reverse is also true when jobs are lost.

In Cumberland County, approximately one out of every six workers is either employed by one of our glass plants or by a directly-related industry such as sand mining. The large-scale loss of glass industry jobs or even so-called "temporary layoffs" would change our county from one of having severe economic problems to a full-scale economic disaster area.

Some proponents of the proposed bottle bill have argued that the bottle bill in itself would not cause any glass plant to shut down or relocate. They argue that many factors affect such decisions. However, to fully understand the problem, it is important to examine some of these other factors that are facing the local glass industry.

One such factor is utility costs which, along with the impact of the New York bottle bill, is one of the major reasons cited by Owens-Illinois in announcing the closing of its Bridgeton plant.

Another factor is overproduction of glass containers in the region caused by a switch to other packaging.

Thirdly, foreign exchange rates have had the effect of making both American glass products less competitive overseas and foreign-made glass more competitive in the United States.

When viewed in perspective, you don't really need a heck of a lot of common sense to realize that the entire glass industry is on shaky ground and that another blow, such as the proposed bottle bill legislation, is enough to cause a devastating impact.

By urging your support in defeating the proposed bottle bill, I am not asking that you ignore the problems which led to the introduction of the bill. I am only asking that you reconsider the alternatives.

In my opinion, the Litter Tax Bill, A-3556, sponsored by Assemblyman Cowan is a step in the right direction, since it would work toward achieving recycling and litter abatement objectives and yet not

devastate New Jersey's glass industry and all of the tens of thousands of dependent employees.

I do, however, have another proposal that I feel warrants further investigation and feasibility studies. I propose setting up a "workfare" program which would require able-bodied welfare recipients to gather roadside litter as a condition of receiving their welfare payments. In a program of this type, we all benefit since welfare recipients can feel pride in that they are earning their paycheck, rather than receiving a handout. Roadside litter debris would be removed and sorted by a recyclable category, and the revenues generated from the sale of recyclables would pay for the cost of the program. Landfill costs would be reduced, and the glass industry would benefit from having a greater amount of recyclable glass returned to the production plants.

A further benefit of this approach is that all roadside litter would be removed. The proposed bottle bill provides no incentive for people to stop publicly discarding papers and other waste.

In concluding, I again emphasize that the glass industry is important to the State of New Jersey. There are tens of thousands of people directly dependent on the industry for their livelihoods, and the industry is currently on shaky ground due to utility costs, foreign competition, and the impact of bottle bills already enacted in other states. A New Jersey bottle bill could be the last straw that devastates not only the glass industry, but the economic stability of parts of South Jersey.

Assembly Bill 3556 is one alternative to the bottle bill and I have proposed another.

Please consider all the facts before you make your decision, and I trust you will conclude that there are better alternatives available than the beverage container deposit bill before you today.

The last thing I would like to say is a personal comment. For a number of years now, I have had the honor of serving as Mayor and a Freeholder, and it seems that almost every other year, a bottle bill comes before us. If you realize that in Cumberland County, we have 13.3% unemployment -- that one out of every six jobs in Cumberland

County is dependent on the glass industry directly or indirectly -- you can see what kind of devastating effect this will have.

If you talk to Owens-Illinois, they will tell that they closed the Bridgeton plant because of the New York bottle bill. Also, this year alone, two other plants were closed -- one in Pennsylvania and one in New York. If we are concerned about jobs and keeping people employed, I think it is imperative that we look to alternative methods -- measures and bills -- so that we can make sure that we keep our glass industry and try to look to ways that we can strengthen our glass industry.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: We've heard from Freeholder Salmon. Does any member have any questions? (no response)

Thank you, Freeholder.

Next we have Georgia Hartnett, Assistant Vice President of Energy and Environment, New Jersey Business and Industry Association. Georgia?

G E O R G I A H A R T N E T T: Chairman Hollenbeck and members of the General Assembly, my name is Georgia Hartnett. I am Assistant Vice President of the New Jersey Business and Industry Association. On behalf of our almost 12,000 business and industry members statewide, we appreciate this opportunity to present our views with regard to mandatory deposit legislation before this unusual gathering of the Assembly.

The legislation is of particular concern to us since NJBIA's membership embraces the full range of operations that would be impacted by such a system. We are proud to say that glass, can, and other beverage container industries, as well as retailers, recyclers, and restauranteurs, both large and small, are among BIA members.

Since 1969, more than 2,000 separate pieces of legislation affecting beverage containers have been introduced in virtually every state in the nation. About half of these bills are deposit bills. The others propose to tax, ban, or otherwise restrict the sales of convenience beverage packages.

Our legislative files indicate that we addressed New Jersey proposals of this type as far back as 1974 and now, as then, we oppose such initiatives. We do believe, however, that the advent of the State Recycling Act places our objections on even firmer ground today than a decade ago, when little or no effort was being made to control the proliferation of waste of New Jersey.

It is clear that the focus of this proposal is the abatement of litter and yet, it is estimated, as you've heard today and will be hearing, that only twenty percent to thirty percent of the total generated would be touched by deposit legislation, while the remaining seventy or more percent would be unaddressed. On the other hand, the State Recycling Program already in place appears to be working. You've heard that from Commissioner Coleman. Since it was implemented, the recycling of glass and aluminum, including beverage containers, has become more than a local civic club's project. It is a successful system of commerce, and many new glass and multi-material redemption centers have opened in New Jersey to service that system.

With these developments, the Recycling Program, already scheduled to report to you at the end of next year, is well on its way to achieving its goal of recovering twenty-five percent of the municipal waste stream by 1986. If the Legislature upsets the balance that has been struck in the Recycling Act by the passage of some form of mandatory deposit legislation, it is not clear whether the program would continue to grow and build on its success.

Proponents of this legislation imply that there is a ground swell of popular support for this partial solution to our litter problems. We dispute this contention. Not only are the industrial, business, and labor communities opposed to these efforts, but members of the environmental community are not solidly behind it. Furthermore, in the majority of states where the voters have addressed referendums on this issue, it has been overwhelmingly defeated. There is nothing to indicate that New Jersey citizens feel otherwise.

Our greatest concern with mandatory deposit legislation is, of course, the effect that it will have on New Jersey's economy. Thousands of people, as you have heard, are directly employed in the manufacture of beverage containers in this State.

In the past year, one New Jersey glass operation has relocated and just recently, as the former speaker reminded you, a Bridgeton glass plant announced an imminent and indefinite layoff of 572 hourly and 65 salaried employees. One of the reasons cited for the latter company's action was the effect of New York's forced deposit law upon their operation.

We are all aware that a single factor rarely causes a plant shutdown. However, factors such as area overcapacity in the glass container industry, high operating costs, and costs of natural gas, also cited as negative factors by the Bridgeton plant, may generally be beyond your control. The imposition of a mandatory deposit law, however, is not. In fact, its existence or nonexistence is uniquely and solely within your control at this time.

Supporters of this law argue that the loss of jobs would be minimal. What does this mean? 500 jobs, 100 jobs, ten jobs? And, if it is ten jobs, would that impact be considered minimal if it were your job? Estimates from the container industry indicate that, even in the case of the "returnable, but not refillable" proposal before you today, some 400 jobs may be lost.

The choice is yours -- either to select the speculative benefits of mandatory deposit legislation and risk the destruction of a successful statewide recycling program, increased consumer costs for beverages, and the potential of lost jobs for New Jersey -- or, to discontinue serious consideration of this type of legislation.

We urge you to choose the latter alternative.

We have also been requested to tell you that the Commissioner of Commerce, Gordon Putnam, is in support of our position on this legislation today.

Thank you for your consideration of our views.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Excuse me, when you said that in reference to the Commissioner, is that consistent with the Governor's position as presented by the Administration?

MS. HARNETT: I was contacted by someone from the Commissioner's Office and requested to make that statement. That is as much as I can tell you.

ASSEMBLYMAN HOLLENBECK: We had two different things why the Administration--

All right, you have heard from the Business and Industry Association's representative, Ms. Harnett. Are there any questions?
(no response)

Thank you.

MS. HARNETT: Thank you.

ASSEMBLYMAN HOLLENBECK: Kenneth Gallagher, Coordinator, Morris County Solid Waste Association? Is Mr. Gallagher here?

KENNETH GALLAGHER: Yes, sir. Good afternoon, Mr. Chairman and members of the Assembly.

My name is Kenneth Gallagher, and I am the Solid Waste Coordinator for Morris County. I am pleased to be here today representing the County of Morris to express my views on the beverage container deposit law proposed by Assembly Bill 1753.

I would like to state at the outset that A-1753 has been officially endorsed by the Morris County Board of Chosen Freeholders and by the Morris County Solid Waste Advisory Council. This support stems from the knowledge that the enactment of this legislation will significantly increase the quantity of recyclables recovered from the waste stream, thereby reducing disposal requirements at both existing and proposed solid waste facilities.

It is my opinion that the enactment of this bill will greatly enhance our ability to achieve the goal of twenty-five percent waste stream reduction embodied in the New Jersey Recycling Act. In Morris County alone, I estimate that with a container deposit law, glass recycling will increase to 10,000 tons per year, ten times the estimated current level. This represents approximately fifty pounds per capita annually of glass recycling attributable to a deposit law. This level exceeds the recovery rate achieved by Morris County's most successful glass recycling program operated by the Borough of Wharton. The success of the Wharton program is due to a number of factors, including close proximity to the glass cullet market within its municipal borders. The conditions that make Wharton's program so successful are not likely to be replicated in most other municipalities in the State. The only feasible method of achieving high glass

recovery rates on a large geographic scale is with beverage container deposit legislation.

Most recycling programs in Morris County would not be adversely affected by the enactment of A-1753, nor do I expect that recycling programs in most of the State's 567 municipalities would be negatively impacted. It is indeed possible that a few recycling programs may experience loss of revenue due to beverage container deposits. But, I would suggest that the larger public benefit to be gained statewide by the enactment of A-1753 far outweighs the potential negative effects that might result.

With a beverage container deposit law, solid waste generation in New Jersey would be reduced by approximately five percent by weight. This reduction will increase landfill longevity at a time when our disposal capacity is being rapidly depleted. It will have several positive effects on future disposal at waste-to-energy facilities as well.

Significant removal of glass and metal beverage containers will increase the heat content of an unprocessed waste stream, thus making combustion more efficient. In addition, the removal of glass will mitigate the effects of slagging in waterwall incinerators. The removal of plastic beverage containers in the waste stream could result in lower emissions of hydrogen chloride gas from waste combustion. Finally, this reduction in the waste stream could result in significant cost savings by downsizing waste-to-energy plants.

In summary, the enactment of A-1753 will enhance both short-range and long-range solid waste management efforts in the State of New Jersey. I urge the Assembly to pass this important piece of legislation.

Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Gallagher. Does anyone have any questions? (no response)

Thank you very much, sir.

Jim Morford?

JAMES C. MORFORD: Mr. Speaker, Chairman Hollenbeck, members of the General Assembly, I am Jim Morford, Vice President, Governmental Relations, New Jersey State Chamber of Commerce and

Chairman of the State Chamber's Beverage Industry Task Force. Thank you for the opportunity to speak to you at this unique forum in opposition to forced deposit legislation for our State.

For over a decade, the New Jersey State Chamber of Commerce has led the opposition to forced deposit legislation as the wrong solution to the problem of litter. The State Chamber believes that a forced deposit law in New Jersey will result in job losses and business reverses in our important glass, can, and plastic container industries, as well as losses in those often smaller businesses that supply and service them.

I am an Officer and Trustee of the New Jersey Society for Environmental Economic Development, New Jersey SEED, which is a business labor coalition that has for many years opposed bottle bill legislation on the basis that it is bad for New Jersey business and bad for New Jersey consumers/taxpayers.

A bottle bill would force New Jersey consumers to pay what amounts to a hidden consumer tax ranging from \$130 million to \$200 million annually because of the costs associated with a mandated returnable container system.

We do not question the motives of the sponsors who are making a well-intentioned effort to address the problem, but we are curious as to why some groups are such ardent supporters of a bottle bill, seemingly just for the sake of having a bottle bill. We suspect that with at least some, it has become a cause bordering on a crusade. Don't these enthusiastic supporters care about the very real likelihood of people losing their jobs? Don't they care about the loss of revenues that will in all likelihood result in our beer, soft drink and packaging industries? Don't they care about the burdens and sanitary problems they will force upon retail establishments from the supermarket to the corner mom and pop stores?

Are these groups, who so fervently pursue a bottle bill, truly interested in reducing litter in our State? We think not.

The State Chamber is concerned about litter, but not just a small portion of the larger problem. We support total litter abatement and believe that a bottle bill, which would address at best 15% to 20% of litter at an unreasonably high cost in jobs, business, and consumer

costs, is no solution at all. A total litter abatement program would, however, result in a cleaner, healthier, more attractive New Jersey.

The State Chamber has, and continues to be, an active supporter of recycling. As such, we worked for the passage of the New Jersey Recycling Act, which is becoming a model for other states. The Act, which passed both Houses of the Legislature without a dissenting vote, is working well and is on the way to accomplishing its goal of recycling 25% of municipal solid waste. By continued hard work, we think it could even achieve 30% of recycled municipal solid waste. If the State maintains its commitment, and according to the Department of Environmental Protection's Director of the Division of Waste Management, Marwan Sadat, we see the establishment of at least seven recycling facilities in our State. Recycling will be a proud accomplishment for New Jersey.

As a member of the New Jersey Recycling Forum Board of Trustees, I recently chaired a subcommittee on litter abatement, which produced a report to the Governor that recommended a State commitment to a total litter abatement program that would include grants to counties and municipalities for litter control programs, employ New Jersey youths for a statewide litter patrol, and establish public information and education programs concerning anti-litter activities. The Governor praised the program, but unfortunately, he felt that he had no funds to implement it.

There are proposals before the Legislature that would fund the real program of litter reduction. The State Chamber urges you to consider these and perhaps other proposals that would fund total litter abatement at a fraction of the cost of a bottle bill, which just will not do the job.

The State of Washington's experience has been referred to earlier. It has had a similar law on the books for over ten years. That law has resulted in a more than seventy percent reduction in litter. Notably, it has reduced beverage container litter at least as much as in any state having a forced deposit law, and at a fraction of the cost.

Analysis of data developed by the Institute for Applied Research on a study done in California shows that newspapers represent

5.7% of urban, not roadside, litter by area. They also comprise a dominant percent of indoor litter, uncontainerized papers left on trains, buses, planes and in stations, terminals and other office buildings. Indoor litter adds to public cost. Each beverage container has the potential, if littered, to cause 12.2 square inches of visual pollution. A seventy-two page newspaper, however, if separated by the wind and blown about the landscape or against fences, can visually pollute up to 11,340 square inches.

While the New Jersey Chamber does not advocate a forced deposit on newspapers either, we use this illustration to point out the fact that the litter problem is larger than just beverage containers.

New Jersey's model Recycling Act has dramatically demonstrated that labor, business, and government and environmental groups can work together to produce positive results. A total litter abatement program would, in our view, produce a similar cooperation effort. Among its many other faults, a New Jersey bottle bill would be devisive.

Bottle bills have been characterized as the most expensive, least efficient anti-litter tax in history. Bottle bill laws are dirty, expensive, inefficient, and ineffective.

We urge you to turn your attention to enhancing the New Jersey Recycling program by complementing it with a program of total litter reduction. The fate that the forced deposit bill deserves is to be rejected by this body.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN ALBOHN: Thank you, Mr. Morford. Kindly hold your applause. Are there any questions of any members of Mr. Morford? (no response)

Thank you, sir.

We'll move on now and hear from Mr. Robert Donovan, Associate Public Affairs Manager of Owens-Illinois Glass Company. Mr. Donovan?
R O B E R T C. D O N O V A N: Mr. Chairman and members of the Legislature, we are delighted to have this opportunity. It is a unique opportunity, as Jim Morford said, to discuss deposit legislation and the position of the New Jersey beverage container manufacturers' industries.

Before I get into my testimony, I would like to cover a few points. Earlier, Peter Shapiro talked about how clean the area around Yankee Stadium was during the summer, and I don't wonder. But, the reason is not the bottle bill. There was no bottle bill at that time. The reason is because industry and an organization called Bronx 2000, which is a southern Bronx development corporation, funded a multi-material recycling center in the area. The kids have been scouring the streets in the Bronx to pick up bottles, cans, corrugated paper, and other material, which they recycle for money. It has been a very successful program. It was not necessary to have a bottle bill to clean up that area around Yankee Stadium.

One other point: I understand someone earlier said that glass cullet prices have been reduced in New Jersey. That is not true. Our cullet prices are still at the same level that they have been for the last year or so.

There was a comment about the State of Washington having three referendums on bottle bills. That is true. There have been three referendums over the past twelve years. The voters in that state -- the first time, which was ten years ago -- rejected deposit legislation by 52%; the second time by 58%. The latest referendum went down by a count of three to one. Why did it go down? It was because of the neighboring State of Oregon. The people in the State of Washington had the luxury of watching the neighboring State of Oregon for a ten-year period. They decided that their program worked better than Oregon's program.

Perhaps we might do the same thing in New Jersey. Let's watch New York for ten years before acting on any deposit legislation.

Again, as the spokesman for the New Jersey beverage container manufacturing industry, we adamantly oppose beverage container mandatory deposit legislation such as A-1753, or any version that includes mandated or forced deposits.

We strongly support the New Jersey Recycling Act and urge the New Jersey Legislature to withhold any consideration of a deposit law at least until the New Jersey Office of Recycling comes in with its report to the Legislature, as mandated by law, by October 1, 1984. That report will include not only the success or failure of the

Recycling Act, which has been successful to date, but also an opinion on mandatory deposit legislation as to whether it fits or not.

We would support a comprehensive statewide litter control program, preferably through the utilization of general funds. However, we are well aware of the budgetary constraints under which our State and local governments operate presently, and therefore, we strongly endorse the comprehensive litter control bill, A-3556, sponsored by Assemblyman Cowan, which is funded through a tax of \$150 on each \$1 million of instate sales at the manufacturing, wholesale, and retail level of fifteen categories of products most prone to littering.

A companion bill, S-3457, has also been introduced in the Senate by Senator Hurley, cosponsored by Senators Foran, Dorsey, Dalton, Rand, and Zane.

At this point, I would like to say that I have been asked by the New Jersey Department of Commerce to register their continued strong opposition to New Jersey beverage container deposit legislation, and their support of the industries involved in the distribution and sale of beverages, and of course, the manufacture of beverage containers.

Before discussing the New Jersey beverage container manufacturing industry and what it consists of and the impact of deposit legislation, you should be aware of the fact that a number of recycling experts testified before the Assembly Energy and Natural Resources Committee, stating that a deposit law at this time would be not only counter-productive, but possibly destructive of the New Jersey Recycling Program.

I have had two recyclers call me within the last day, and one gentleman talked to me today. They asked me to plead with this Legislature to save their businesses. As an example, Dick Rosen of the Monmouth County Recycling Corporation has ten communities on curbside pickup programs that have just started. He has ten communities lined up next year in Monmouth County that will go into effect. He anticipates having thirty communities on mandatory curbside pickup programs. Our bottle bill would put his business out of business.

In addition to that, Glass Cycles, Inc. -- a gentleman by the name of Jim Bolvy -- supplies crushers on a consignment basis to bars

and taverns. These bars and taverns run their soft drink containers, glass, beer containers, liquor bottles, and wine bottles through these crushers. Bolvy's company has purchased trucks, and they pick up this glass and recycle it. They have over two hundred bars that they service, and they anticipate one thousand next year. Mr. Bolvy said, "Please don't pass deposit legislation." He is out of business if you do.

Now to the New Jersey beverage container manufacturing industry and the reasons for its opposition to beverage container forced deposit legislation.

New Jersey, as you know, is the home of a large glass container industry, a can manufacturing industry, and a plastic products industry.

Within those industries, we have sixteen beverage container manufacturing plants, employing more than 6,500 persons presently, with an annual payroll in excess of \$150 million. The plants are responsible for the purchase of more than \$200 million in raw materials, goods, and services from hundreds of small and large suppliers located in New Jersey and other states. These suppliers would be impacted in proportion to the beverage container industry, as Mr. Salmon explained earlier.

In addition, more than 1,100 teamsters are employed in the transport of raw materials and finished products by those companies and would be affected, again, in proportion.

We oppose deposit legislation because it is extremely costly to the consumer, industry, and government, and it addresses at best 20% of the litter condition and could conceivably destroy the most effective recycling program in the nation. While the Recycling Act and Plan has generated an enthusiastic spirit of cooperation amongst industry, labor, State, and local governments and the recycling community, deposit legislation leads to a divisive adversarial condition which would jeopardize the promise of that program.

From a business point of view, we oppose deposit laws because of their detrimental impact on the beverage container industry and the persons employed within it.

The beverage market reacts in four ways when a deposit law is implemented, and all of them are bad for the beverage container industry. Mr. Alven touched on some of those; Barbara McConnell touched on some of those. But, just let me repeat these to indicate what happens to the container industry when a deposit law is passed.

When I use the term "market," I include, of course, the consumer, the retailer, the beverage distributor, and the brewer and bottler. They each react in their own way.

First, and this has occurred in every deposit state, there is an immediate ten to twenty percent attrition in beverage gallonage after a deposit law goes into effect. In Massachusetts, soft drink is off fourteen percent, and beer eleven percent, since the law was implemented in January. By contrast, the non-deposit State of New Hampshire reports beer gallonage up thirteen percent for the first six months, and June alone was a whopping 21.6% higher as Massachusetts residents cross that New Hampshire border in droves to purchase their beer, soft drinks, and other products in a non-deposit environment. The New York State Department of Taxation Beer Excise Tax Report for the month of September, when the New York State deposit law became effective, showed beer gallonage off 24.3%. Michigan beer sales, two years after the law's start-up, were down 10.6%, with packaged beer down 13.7% and soft drink declined an estimated 33%.

That is just a sampling, but it shouldn't take a mathematical genius to realize that a ten to twenty percent reduction in the beverage market translates into a ten to twenty percent reduction in container requirements, production, and jobs.

One example of what a market means to the container industry: The New York State market is responsible for the reduction of thirty-five glass, can, and plastic container plants and corrugated box plants -- thirty-five. Now, within the last two months, three glass container plants have announced plant shutdowns, due to the effect of the New York forced deposit law. A total of 2,000 jobs are involved.

In the first place, we had Glenshore Glass Company -- not located in New Jersey, but located in Orangeburg, New York -- a few miles north of the Bergen County border, employing many New Jersey people. They announced a shutdown, and I think the shutdown is today,

Joe, if I am not mistaken. There were roughly 600 jobs there less than a year ago. The reason -- the attrition in the New York State beverage container market.

Secondly, Brockway Glass in Freehold: That plant is not affected, but they did shut down an older Washington, Pennsylvania plant, or they are shutting it down. They employ 700 people, and that operation will be consolidated in Freehold, without any additional employment at that plant. The reason -- the effect of the New York State deposit law.

You have heard of our own plant in Bridgeton, New Jersey. That plant, at the present time, employs 637 people. We have 400 on layoff already. The market has dried up, and that will be idle on February 16. We have some hopes that we may bring it back, but I can assure you, if a deposit law were passed in New Jersey, there would be absolutely no hope.

I might point out here that a law banning refillable glass containers would have absolutely no effect on these four market reactions, and the New Jersey beverage container industry and its suppliers would still suffer the effect of a greatly reduced demand for beverage containers due to the four market reactions I just covered.

We urge the members of this legislative body to continue your support of the New Jersey Recycling Act. It does work, and it has great promise. We ask that you continue to defend the interests of all New Jersey residents, including the thousands of persons employed in the New Jersey beverage container industry and suppliers to that industry.

ASSEMBLYMAN HOLLENBECK: All right, we have some questions of Mr. Donovan. Before that, Mr. Meyer had asked a question, and I thought that possibly you might have the answer -- in reference to what the industry-wide mix is, I guess, of containers as far as what percentage of containers are for soft drinks, plastic, glass, metallic, and then for the beer industry. The other one would be, I guess, what percentage is just for syrup sales?

MR. DONOVAN: I'm afraid I can't answer that. The soft drink industry would have the answer to the mix, and I believe Mr. Alven covered that already. Dick, if you would like to comment on that again--

ASSEMBLYMAN HOLLENBECK: Maybe we should have Assemblyman Jackman ask the question. He has a better way of asking questions.

Okay, I'm sorry, he doesn't know the answer.

Yes, Assemblyman Pankok?

MR. DONOVAN: I can say this -- that the container industry in New Jersey consists, at the present time-- I'm talking about beverage container manufacturing. You have two plastic container plants, and the increase in employment in those plants during the last--

ASSEMBLYMAN JACKMAN: Thirty-three percent of plants--

ASSEMBLYMAN HOLLENBECK: No, that was from Pepsi Cola.

ASSEMBLYMAN JACKMAN: Well, the average was 33%.

MR. DONOVAN: You have got nine glass container plants, you've got two plastic beverage containers plants, and the employment in those plants has only gone up one hundred or one hundred and fifty. The dropoff doesn't come anywhere near in making up for the dropoff in the glass industry.

ASSEMBLYMAN MEYER: Will you just pursue for me approximately the total employment and total employment in the (inaudible)--

MR. DONOVAN: Okay, the glass plants: We're talking presently about 4,856 jobs. These are just the beverage container manufacturing operations. In can, you have 1,200 jobs, and that is five and one-half plants. In plastic beverage bottles, you have two plants with roughly 500 jobs -- maybe a little less than that.

ASSEMBLYMAN MEYER: Thank you.

ASSEMBLYMAN HOLLENBECK: Yes, Assemblyman Pankok?

ASSEMBLYMAN PANKOK: We have heard a lot of statements about the need for the one for bottle legislation. Do you know of any polls that have been conducted as to the feelings of the people of New Jersey as far as deposit legislation is concerned?

MR. DONOVAN: There has been no poll that I know of in New Jersey -- no meaningful poll. The only polls that I know of in the last couple of years were in 1982. You had the four referendums out on the West Coast: a bottle bill referendum in California; also, bottle bill referendums in Washington, Colorado, and Arizona. The California poll was 59 to 41 against deposit legislation, and three out of four voters in the other three states voted it down.

There is another point. There was a repeal referendum in Massachusetts that failed last year before the law went into effect. A poll by a newspaper in Massachusetts five months later turned up that eighty percent would now vote against it. The unfortunate part of the Massachusetts situation is that the law prohibits another referendum for about five years.

ASSEMBLYMAN PANKOK: My other question is, could you give me an estimate of how many jobs were lost due to the New York bottle bill, and some estimate as to how many jobs will be lost in New Jersey should we enact a deposit law?

MR. DONOVAN: Okay, in New York State, we had estimated just about a year ago, before the New York law went into effect, that the New York State law would cost a minimum of 4,100 beverage container manufacturing and teamster jobs. I think we can account for more than 2,000 right now in New Jersey. American Can in Edison closed its plant because they made a decision a year ago not to switch to an aluminum production. They were making steel cans, and they made a decision not to switch to aluminum because of the imminence of the New York State deposit law.

I understand that Reynolds in Carteret is closing for the same reason. I'm not sure of that, and maybe I shouldn't say that, but that is a possibility.

I can tell you this, though, that our plant in Brockport, New York is very shaky. So, we may have already hit that 4,000 level.

There is an interesting aspect to this. Because the glass container industry in the United States, for example, is up two percent through July of this year, our companies in the other parts of the country -- and we have nineteen glass container plants -- are relatively healthy. It is only in the East where we have taken this tremendous devastating impact.

ASSEMBLYMAN HOLLENBECK: Do you have another question?

ASSEMBLYMAN PANKOK: One more. I have heard referred to several times the beauty of New Jersey as far as litter is concerned. I respectfully submit, Mr. Speaker, that if the New Jersey Department of Transportation would do its job in mowing along the State highways and interstates, we would look a hell of a lot better, and we wouldn't

have to worry about glass containers. But, if you want to edify the beauty of New Jersey, let's start doing the job as far as the Department of Transportation is concerned in cutting the grass.

MR. DONOVAN: You know, that is an interesting point, because--

ASSEMBLYMAN HOLLENBECK: That was a rhetorical question; it didn't require an answer.

Are there any other questions?

ASSEMBLYMAN VILLANE: I have heard some testimony today. Do you think that the main thrust of the bottle bill is to conserve energy, to recycle, or to clean up the highways?

MR. DONOVAN: I don't know.

ASSEMBLYMAN VILLANE: You don't know?

MR. DONOVAN: The major thrust started out as a litter thing years ago, and then the proponents kept adding other factors. The energy factor is an interesting point because they banned refillable glass containers, and the whole rationale for any energy savings depended upon a law that would require the use of refillable glass containers and lots of refills. But, of course, that would just devastate the glass industry and the can and plastic industry.

ASSEMBLYMAN VILLANE: We have glass industries in the county. I wonder what effect that would have on the jobs in those industries in say Monmouth, Ocean, and Atlantic Counties?

MR. DONOVAN: Oh, you mean what would a bottle bill do at this time?

ASSEMBLYMAN VILLANE: Yes.

MR. DONOVAN: With a non-refillable provision or with a refillable?

ASSEMBLYMAN VILLANE: This bill states non-refillable.

MR. DONOVAN: Yes, A-1753 is a non-refillable.

ASSEMBLYMAN VILLANE: Would that affect the glass--

MR. DONOVAN: Yes, we anticipate a minimum loss, only if the market drops ten percent -- a minimum loss of between 475 and 500 jobs. As I indicated earlier, there are the four things that happen to the market when a deposit law goes into effect, and it can run as high as forty percent.

ASSEMBLYMAN VILLANE: Do you know if Florida has a bottle bill?

MR. DONOVAN: No, Florida does not.

ASSEMBLYMAN VILLANE: They have deposit bottles in Florida.

MR. DONOVAN: Yes, they do have deposit bottles, and we had deposit bottles in this State and New York State before the law went into effect. We're not opposed to deposit bottles. We have no position on that. We are not suggesting that you pass a law banning deposit bottles. We make them in some cases.

What we're suggesting is, let the consumer make the decision, and let the people who are in that business make that decision, because they know the market, and they know the costs. To mandate a system that went out about thirty years ago doesn't make any more sense to me than to go back to the old Model T or go back to the 1930 Legislature.

ASSEMBLYMAN VILLANE: Thank you.

ASSEMBLYMAN HOLLENBECK: There were two parts to your question. Do you want the second part answered? He didn't answer it. You asked asked about--

ASSEMBLYMAN VILLANE: (inaudible)

ASSEMBLYMAN HOLLENBECK: You said, in reference to the loss of jobs because of this bill, with the recyclable, is there an equivalent loss of jobs projected if it were a refillable bottle.

ASSEMBLYMAN VILLANE: There is a loss of jobs if we--

ASSEMBLYMAN HOLLENBECK: You see, the reason why-- If you originally had a refillable law, and the Committee made it into a recyclable law -- of course, if you had to have all beverages in refillable bottles, then there is no other kind of bottle that can be used other than glass. I was wondering who was going to make all of those other glass bottles, and if there would be a loss of employment. In the glass industry, I would think not, but possibly in the can or plastic bottle industry, there might be.

I am just trying to find out -- in the glass industry, how much is the loss of jobs if this bill was a refillable bill? I think that was the other part of Assemblyman Villane's question.

ASSEMBLYMAN VILLANE: Thank you for asking the question for me.

MR. DONOVAN: If it was a refillable only bill?

ASSEMBLYMAN HOLLENBECK: Yes. In other words, in a refillable only, all beverages have to be served in refillable containers. What would be the loss of jobs to the glass industry?

MR. DONOVAN: It is relatively simple. I'm assuming that we are going to get ten trips.

ASSEMBLYMAN HOLLENBECK: Between nine and ten trips.

MR. DONOVAN: All right. For nine or ten trips, that means you are going to need one glass container plant for every ten that you have now. You don't need any can plants, and you don't need any plastic plants, because they are not going to be in the business.

ASSEMBLYMAN HOLLENBECK: But, you don't have enough existing glass bottles right now. You would have to manufacture more glass bottles that could be refilled, wouldn't you?

MR. DONOVAN: No, no.

ASSEMBLYMAN HOLLENBECK: You don't have an adequate amount now.

MR. DONOVAN: In other words, all of the plants making non-refillable containers now -- you would need one for every ten that exists.

ASSEMBLYMAN HOLLENBECK: Except that there has to be a machinery change.

MR. DONOVAN: The machinery change is simple.

ASSEMBLYMAN HOLLENBECK: To make a heavier bottle which is good for nine times, but you're not having any other containers. In other words, if we don't have that thirty percent that is in metallic or plastic bottles, but if we have one hundred percent in glass to be refilled, how would that cost jobs in the glass industry in the State of New Jersey?

MR. DONOVAN: Because you would only need one plant. You would need one employee for every ten that you have right now to make refillable containers. You make refillable containers the same as you do--

ASSEMBLYMAN HOLLENBECK: But, if you have to make ten times as many bottles, doesn't that even it out?

MR. DONOVAN: No, making a returnable or a non-returnable glass container is the same process. It is exactly the same process -- nearly the same machinery. That is not a problem.

ASSEMBLYMAN VILLANE: If we only have glass--

MR. DONOVAN: Yes.

ASSEMBLYMAN VILLANE: We don't make glass anymore, we don't make cans anymore. But, the question is, what happens to the glass industry? Is there a trade-off? Do you gain as many jobs?

MR. DONOVAN: No, no, there is no real trade-off because you are still cutting it down to ten percent of what it had been. I can tell you this: We are not going to invest in a diminishing market -- my company. I doubt whether anyone in the industry would invest in a diminishing market.

What would happen to the five and one-half can plants and the two plastic plants in the State? What do they do? What do they invest in? What do those people do?

ASSEMBLYMAN VILLANE: I'm trying to point out that that could happen. We could lose a lot of jobs no matter--

MR. DONOVAN: Oh, yes, absolutely. Right. Either way there are job losses; there is no way to avoid it.

ASSEMBLYMAN HOLLENBECK: The point was, obviously if we said that, there would a loss in the can industry and the plastic bottle manufacturing, but it would disagree whether or not it would happen in the glass industry. That is the main point that was brought up.

Yes, Assemblyman Meyer?

ASSEMBLYMAN MEYER: How many manufacturing facilities do you have in the United States?

MR. DONOVAN: In glass we have nineteen.

ASSEMBLYMAN MEYER: Nineteen facilities. You say that in all of your facilities other than the Eastern or Northeastern sections of the United States, you are at this time experiencing an appreciation of business.

MR. DONOVAN: The United States Department of Commerce's published figures on glass container production for the first seven months of the year indicate that the industry is up two percent. Of our nineteen plants, there are two in trouble -- Bridgeton and our Brockport, New York plants.

ASSEMBLYMAN MEYER: Thank you.

MR. DONOVAN: Both because of the New York law.

ASSEMBLYMAN HOLLENBECK: Assemblyman Muziani?

ASSEMBLYMAN MUZIANI: Don, I have a question to ask, and I would ask that you answer it with a more explicit number than you answered before. I am of the understanding that the operations of Owens-Illinois will cease as far as manufacturing bottles is concerned on December 22, and that the operation itself will shut down completely in February. I think I understand two of the main reasons why that is happening. Could you be more explicit about them?

There is less demand, and over-production has caused the need for discounting prices in order to be competitive. No one has talked about that -- the fact that in order to be competitive, you would have to discount prices, and that has had a negative impact on the bottom line.

In addition, due to the deposit bill which was passed in New York last September, it is anticipated by your company that it will be shipping 700 million less gross bottles to New York. Because of that, the volume represents the capacity of one high-speed piece of operating machinery of yours that employs 120 people. Is that statement correct?

MR. DONOVAN: I'm not sure about the 700 thousand gross.

ASSEMBLYMAN MUZIANI: Yes.

MR. DONOVAN: I think that might be a little high.

ASSEMBLYMAN MUZIANI: That was given to me by one of your plant executives.

MR. DONOVAN: If Dan (inaudible) gave that to you, then that is the right figure.

ASSEMBLYMAN MUZIANI: Okay, would you explain a little more about that -- about the discounting features that you would have to contend with?

MR. DONOVAN: Well, Mr. Alven touched on that before. Whenever a market shrinks, the capacity left in the market scrambles for that business. The only final resolution is a shakedown in the capacity.

Right now in the East, there is an overcapacity in the container industry -- not only the glass industry, but the can industry is going through the same thing. The plastic industry is going through the same thing. As a result, with the overcapacity -- people fighting for that business -- prices come down, and what you end up with is, you

sell fifty dollar watches for twenty-five dollars. You just can't do that for very long. Therefore, there has to be a shakedown, and that is the main reason for Bridgeton. That capacity has no place to go. As you know, we invested over ten million dollars during the last two years to modernize that plant. It has the most modern equipment, and we couldn't make it. Does that answer your question?

ASSEMBLYMAN MUZIANI: How about the New York plant?

MR. DONOVAN: Well, the attrition in the New York market and the seven hundred thousand gross-- I think what Dan was talking about was our production out of Bridgeton for the New York market, but that is not the total New York market. The New York market is much bigger than that.

ASSEMBLYMAN MUZIANI: From the plant at Bridgeton?

MR. DONOVAN: Yes. That has dried up. We literally have nothing to make after December 19.

ASSEMBLYMAN HOLLENBECK: Are there any other questions of Mr. Donovan? Assemblyman Jackman?

ASSEMBLYMAN JACKMAN: I know I'm a pain in the neck. I don't mean to be, but I wanted to ask Mr. Donovan, because I have had the privilege of discussing the subject matter all across the State -- is the recycling plant still operating in North Bergen?

MR. DONOVAN: Yes, it is.

ASSEMBLYMAN JACKMAN: Has there been an increase in the productivity in that particular plant recycling-wise?

MR. DONOVAN: Our New Jersey cullet is up something like seventeen percent so far this year.

ASSEMBLYMAN JACKMAN: Seventeen percent this year. So, there is a direct input taking place right now, even with the shutdown of that glass plant. While I'm on the floor, and I think for the edification of some of my colleagues who are still here, Mr. Donovan, you can attest to the fact that you shut down my corrugated plant, and there are one hundred and twenty-eight people out of work. That is because of the bottles.

ASSEMBLYMAN HOLLENBECK: Are there any other questions? (no response) Thank you very much, Mr. Donovan.

Mayor Fiorelli of Vineland? Mayor, I am going to have to ask you to give abbreviated remarks. I know you have a prepared statement, I believe, and if you will, please, you are on a speaker's time.

MAYOR PATRICK R. FIORELLI: Thank you, Mr. Chairman. This is the second time I've appeared regarding this bill and have had abbreviated time. I'm getting used to it now.

Let me point out to you some real cold figures, because most of what I've heard today is speculation on what the bill will or will not do -- pros and cons.

I'm going to give you the national unemployment averages and the Cumberland County unemployment average for certain times:

December 1981: The national average was 8.3%; Cumberland County was 14.4%.

June 1982: The national average was 9.8%; Cumberland County was 16.1%.

December 1982: The national average was 10.5%; Cumberland County was 17.3%.

Let me point out that in June of 1982, we were designated by the Federal government as the fifth highest unemployment area in the United States of America.

June 1983: The national average was 10.2%; Cumberland County was 15.9%.

We don't need any help for unemployment.

I sit here and I hear people talk about litter, and I made an observation when I walked into this building -- walking along this side of the building. I can tell you that from the driveway to the door, there was not one single bottle, there was not one single can -- aluminum or steel. But, there were four Coca Cola containers, thirteen styrofoam cups, and four boxes that contained food. Do you plan to put a deposit on those, because that is the bulk of the litter along our streets and highways today?

To penalize the glass worker and put him out of work for something that someone else does is approaching the victim at the wrong end. It is like a doctor giving someone who is dying of cancer two aspirins and saying, "That will make you well again." That is not the approach, and we have the unemployment figures to show it. We don't need a decreasing glass industry.

In the Atlantic City Press just a few weeks ago, there were two headlines -- one, "Bottle Bill Hearing Set in Assembly" -- great. But, right above it, "State Owens Officials Meet Today on Plant Closing" -- directly affected by any bottle bill.

I'm speaking today as the Mayor of Vineland and as Chairman of the Legislative Action Committee of the New Jersey Conference of Mayors. The New Jersey Conference of Mayors voted unanimously at the legislative committee meeting to oppose this bill and any bottle bill that will create unemployment. As the Mayor of Vineland, I certainly feel the same way.

If you want to solve litter, let's look at it realistically. Over a year ago, the Conference of Mayors proposed to the Legislature a bill enabling legislation that would allow a municipality to pass a litter ordinance with no fine, but with a minimum penalty of forty days in jail to be served on weekends, so as not to interrupt the family income, which could be converted at the request of the person convicted -- which bypasses the Fourteenth Amendment -- to be forty hours of cleaning up litter along streets and highways.

Let me tell you, we've done that in some senses to some people, and they become overnight environmentalists.

Don't put the glass worker out of work. Get the guy who threw it out there and put him out to work.

Don't talk about putting welfare people out there because you have got to have supervisors for them. Municipal budgets can't withstand that. But, give a man who is under penalty of the court a selected area, and say, "You've got one mile to clean today, buddy." And, if he comes back at the end of the day and he only did a quarter of a mile, put him back on the program of forty days in jail, served on weekends. That will do something if you want to clean up litter.

Let's look at it realistically, and let's go after the culprit, not the glass worker.

I would rather see the headline read, "Litterbugs Put in Jail," and the second headline read, "Glass Workers Back to Work and Feeding Their Families." If that was the case--

AUDIENCE: (Applause)

MR. FIORELLI: If that was the case, New Jersey would win. We've all heard the complaint by industry that New Jersey is the most difficult State in the Union to do business in. We spend hundreds of millions of dollars to attract industry to New Jersey to create jobs. We are now considering passing legislation that will drive one of the industries out of the State. Can you imagine what the industry we are trying to attract will think? They will say, "Do you have that little loyalty to our ability to employ?"

I urge you to reject this bill and any similar bill, and consider the suggestion of the Conference of Mayors.

Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mayor. Thank you for being brief.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: The Speaker has asked to say something. Mr. Speaker?

ASSEMBLY SPEAKER KARCHER: I want you to know that I have been through that list privately on more than one occasion with a number of people. I want to thank Robert, because I think Robert has been through that list privately with everybody on the list in the past as well.

I have heard much of it from my office, which is upstairs, and as I said, there is nothing that I haven't heard before.

I want to take this time to commend Bob Hollenbeck, a man of great patience, as well as a person who has really dedicated himself to a major portion of his legislative time. That is a commitment that is a model for other legislators, Bob, and you are to be commended for the work you've done.

AUDIENCE: (Applause)

ASSEMBLY SPEAKER KARCHER: I want to also thank all of the participants who testified today. I didn't mean that facetiously. I think that the vast majority of them generally spend a lot of time

together, and a number of other people who appeared today have had the opportunity privately to discuss this matter with me. As I said at the opening of this, it is a matter of such grave importance to New Jersey that it warranted this kind of open discussion, so that everybody had the opportunity through their staffs to hear all of the arguments -- pros and cons -- not only on the bottle bill itself, but on alternatives to it.

Before I turn this back over to Bob, who I am sure wants to make some concluding remarks, let me indicate to you that this problem -- the question of the appearance of the State, the question of the image of this State -- is something that is on the front burner here in the New Jersey Assembly. This is not going to go away. It is not trash in the bottles and the plastic containers. They are not something that can be swept under the rug. There is just too much of it to sweep under any rug. Something has to be done.

The next step in this process is that I am going to ask both Majority Leader Doyle and Minority Leader Gallo, on December 8, within their respective party conferences, to discuss the testimony you have heard today, and to run through with their respective conferences, if you will, a reaction, and to test the sentiment for the various proposals, and to encourage perspective amendments to the legislation that is presently pending. Hopefully on the eighth, from those respective party conferences, some consensus will emerge about where New Jersey should be going.

Let me finally say that New Jersey must go somewhere in cleaning up the litter problem. You have my assurances that New Jersey will attack and address this problem, and hopefully, we will be able to at least do it in the Assembly before the end of this session.

Robert, once again, thank you. I appreciate it personally, and the entire Assembly appreciates it. The New Jersey public should appreciate your forbearance and your stamina. Thank you again.

ASSEMBLYMAN HOLLENBECK: Thanks, Mr. Speaker. For people like myself and members of the Committee -- Harry McEnroe, Catherine Costa, Art Albohn -- I'm trying to think of the other two -- who have gone through a year of hearings on this particular subject, we have to make a decision. It is something, I guess, that the whole Legislature has to make.

The first decision is-- and the Speaker said it and he reached it -- is litter a problem in the State of New Jersey? If you have reached a positive answer, then you must proceed. Do we do nothing and let the Recycling Act take care of the litter problem? Does the Recycling Act take care of that problem? If you investigate the Recycling Act and find that it does not take care of litter, then you have to proceed. Then you have to go to some type of program. What do you do? Do you have to go to a litter tax and place a tax on every object sold in this State that is in packaging -- from narcotics and drugs in hospital packagings to magazines and newspapers -- to develop a fund of money to cause a cleanup that would have to have a fairly extensive operation and administration? Or, do we try something more reasonable, and go to some sort of deposit legislation? If you reach that decision, then do you want refillable or do you want recyclable?

After we looked into the question of recyclable and refillable, we thought refillable was the best and purest way to go. It was the best energy conservation measure. However, when we did it, we lost jobs -- not to the glass industry, but we lost jobs in the can industry and the plastic industry in this State. They are also part of it, not just the glass industry.

So, we had a refillable bottle, which helps the others. It puts a deposit on every bottle. Now, it is not easy. It is very hard and very difficult to maintain, but there has to be something out there, because we had 232 municipalities and elected officials agree by passing resolutions for some type of deposit legislation. We had ten counties approach us. We have the agriculture communities in the whole State urging us to do something because of the problem of litter and what it is doing to their livestock and how it is hurting their farms and businesses.

So, once we've reached that conclusion, we must proceed and find the answer. Now, it is not Utopia; no legislation is, but we have to work out something. It is a bipartisan measure, and it crosses party lines.

We have a great glass industry in New Jersey. We don't want to see it hurt. We're trying to protect it. But, if we have to do

something here because of peoples' concerns in reference to a recycling act, we are willing. We need something, but we have to work hard at it. That is what we're talking about, and that is why it is taking so long. That is why I thank the people who have participated, and the legislators who took the time to come down and listen.

Thank you.

AUDIENCE: (Applause)

(Forum concluded)

N E W S P A P E R C L I P P I N G S

SUBMITTED BY

FREEHOLDER EDWARD H. SALMON

MY NAME IS FRED GUARNIERI AND I AM THE OWNER OF A PACKAGE STORE. I AM ALSO PRIVELEDGED TO SERVE AS PRESIDENT OF THE NEW JERSEY LIQUOR STORES ASSOCIATION, AN ASSOCIATION WHICH DIRECTS ITS ATTENTION AND ITS RESEARCH TO THE BETTERMENT OF THOUSANDS OF PACKAGE STORES IN THIS STATE. OUR ORGANIZATION STRENUOUSLY OPPOSES ASSEMBLY BILL A-1753 BECAUSE THIS FORCED DEPOSIT PROPOSAL WILL SERIOUSLY AND EXPENSIVELY DISRUPT OUR STORE OPERATIONS; WILL RESULT IN HIGHER PRICES TO THE CONSUMERS AND WILL ALSO RESULT IN CONSUMER INCONVENIENCE AND A REDUCTION IN CONSUMER CHOICE. FURTHER, A-1753 IS FAR FROM A COMPLETE SOLUTION TO NEW JERSEY'S LITTER PROBLEM SINCE IT APPLIES ONLY TO A PART OF THE PROBLEM; PERHAPS 10% OF HIGHWAY LITTER AND A SOMEWHAT HIGHER PERCENTAGE OF NON-HIGHWAY LITTER.

OUR FIRST CONCERN IS THE DISRUPTION OF OUR NORMAL OPERATIONS. WE WILL NOW HAVE TO FIND SPACE FOR THE RETURNABLES WHICH ALL OF US HERE MUST ADMIT WILL COME BACK MOSTLY IN HAPHAZARD FASHION, PAPER BAGS FOR EXAMPLE. FURTHER, BASED ON OUR CONVERSATIONS WITH FELLOW RETAILERS IN THE FEW DEPOSIT STATES, WE KNOW THAT WE CAN EXPECT UNCLEAN BOTTLES, PARTIALLY FILLED BOTTLES AND CANS, BROKEN CONTAINERS AND BUG INFESTATION. CERTAINLY NO RETAILER WILL RISK THE STORAGE OF SUCH RETURNABLES IN HIS OR HER FILLED GOODS STORAGE SPACE. WE WILL BE FACED WITH TWO BAD ALTERNATIVES; EITHER TO BUILD A SEPARATE SPACE OR PLACE THE RETURNABLES OUTSIDE IN THE BACK OR SIDES OF OUR STORES. MEDIUM SIZE OPERATORS WILL FIND IT MOST DIFFICULT FINANCIALLY TO CONSTRUCT A SEPARATE SPACE ASSUMING THAT SUCH CONSTRUCTION IS EVEN POSSIBLE DUE TO THE SIZE OF THE PLOT ON WHICH THE STORE IS LOCATED. THE PLACING OF RETURNABLES OUTSIDE THE STORE WILL CREATE PUBLIC EYESORES; WILL UNQUESTIONABLY ATTRACT MORE BUGS AND EVEN RODENTS, AND WILL SERVE AS OPEN TARGETS FOR PETTY THIEVERY.

A FURTHER DISRUPTION OF OUR OPERATIONS WILL BE CAUSED BY THE COUNTING OF THE RETURNABLES, THE CONSUMER REFUND OF THE DEPOSIT, AND OF COURSE THE RECORD KEEPING. WE CAN EXPECT FRICTION POINTS TO DEVELOP WITH GOOD CUSTOMERS WHO RETURN BRANDS WE NEVER HANDLED OR WHO RETURN DAMAGED CONTAINERS. AFTER THE CUSTOMER LEAVES WE THEN HAVE TO STORE THE CONTAINERS IN SEPARATE PILES DEPENDING UPON THE BRANDS OUR VARIOUS WHOLESALERS SELL TO US. THEN COMES THE TIME WHEN WE HASSLE WITH THE VARIOUS WHOLESALER DRIVERS OVER THE COUNT AND OVER UNCLEAN AND DAMAGED PACKAGES. WHAT WE ARE TALKING ABOUT HERE IS THE ADDED TIME, THE ADDED EXPENSE AND THE DAILY AGGRAVATION CAUSE BY A PROPOSED SYSTEM THAT ATTACKS ONLY A PART OF THE TOTAL SOLID WASTE PROBLEM.

THE ADVENT OF A FORCED DEPOSIT LAW IN THOSE SEVERAL STATES THAT HAVE ONE HAS RESULTED IN HIGHER CONSUMER PRICES THAN ADJACENT NON-DEPOSIT STATES. PRICES IN THE NORTHEASTERN DEPOSIT STATES, FOR EXAMPLE, ARE OVER 30 CENTS HIGHER FOR A SIX-PACK OF BEER AND OVER 20 CENTS HIGHER FOR SOFT DRINKS THAN IN NON-DEPOSIT STATES. IF A-1753 EVER BECOMES LAW THE HIGHER COST OF RETAILER-WHOLESALER OPERATIONS WILL RESULT IN HIGHER PRICES IN NEW JERSEY. THIS MUST HAPPEN. FURTHER, OUR FELLOW RETAILER ORGANIZATIONS IN NEW HAMPSHIRE AND RHODE ISLAND REPORT THAT AS SALES DROPPED IN ADJACENT DEPOSIT STATES THEIR SALES HAVE GONE UP NOT JUST BECAUSE THEY HAVE LOWER PRICES THAN ADJACENT DEPOSIT STATES BUT BECAUSE DEPOSIT STATE CONSUMERS CROSS OVER TO AVOID THE INCONVENIENCE OF STORING AND RETURNING EMPTIES. WE ALSO HAVE BEEN ADVISED BY OUR NORTHEASTERN RETAILERS THAT THE SALES DROP IN MASSACHUSETTS AND CONNECTICUT HAVE CAUSED THESE TWO STATES TO SUSTAIN SUBSTANTIAL AMOUNTS OF LOST EXCISE AND SALES TAX REVENUES. FINALLY ON THIS ONE POINT, WE FIND THAT RETAILERS IN DEPOSIT STATES IN AN ATTEMPT TO CUT HANDLING AND ANNOYANCE PROBLEMS HAVE, PARTICULARLY IN THE SMALLER STORES, REDUCED THE NUMBER OF BRANDS THAT THEY PREVIOUSLY HANDLED. THE SLOW MOVING BRANDS ARE DISAPPEARING FROM THEIR SHELVES THUS REDUCING CONSUMER CHOICE.

THE POSITION OF MY ORGANIZATION ON ENVIRONMENTAL PROBLEMS HAS NOT BEEN A NEGATIVE ONE. WE STRONGLY SUPPORTED THE PASSAGE OF NEW JERSEY'S RECYCLING ACT WHOSE PROVISIONS WE BELIEVE ALL OF AMERICA WILL EVENTUALLY ADOPT. WE COOPERATE IN THOSE HUNDREDS OF NEW JERSEY COMMUNITIES WHERE RECYCLING PROGRAMS ARE FLOWERING. WE WERE PARTICULARLY PLEASED TO LEARN AS OF NOVEMBER 16, 1983 THAT OUR STATE DISTRIBUTED ALMOST ONE AND A HALF MILLION DOLLARS TO 244 COMMUNITIES FOR THEIR RECYCLING EFFORTS. THE AMOUNT EACH MUNICIPALITY RECEIVED WAS BASED ON THE TONNAGE OF RECYCLED MATERIAL SUCH COMMUNITIES ACCOMPLISHED IN 1982. WE CONTINUE TO SUPPORT THIS VALUABLE RECYCLING PROGRAM.

I CLOSE BY STATING THAT MY ASSOCIATION ALSO SUPPORTS THE LITTER CONTROL BILLS IN BOTH THE ASSEMBLY AND THE SENATE. SUCH BILLS, AS YOU LEGISLATORS KNOW, PROPOSE TO:

1. AMEND NEW JERSEY'S RECYCLING ACT SO AS TO INCLUDE LITTER CONTROL.
2. CREATE A LITTER CONTROL ACCOUNT TO IMPLEMENT A STATEWIDE PROGRAM OF LITTER CONTROL, PREVENTION AND ELIMINATION.
3. MAKE LITTERING OF PUBLIC PLACES A PETTY DISORDERLY OFFENSE SUBJECT TO A FINE AND POSSIBLE COURT ORDER TO PICK UP LITTER.
4. DESIGN AND DISTRIBUTE LITTER RECEPTACLES AND LITTER BAGS.

THE FUNDS TO BE RAISED FOR THIS COMPLETE PROGRAM WILL BE DERIVED FROM A TAX ON MANUFACTURERS, WHOLESALERS AND RETAILERS OF LITTER-GENERATING PRODUCTS SOLD WITHIN OUR STATE. THESE PROPOSALS FOLLOW THE WASHINGTON STATE ACT APPLICABLE TO LITTER CONTROL; A STATE THAT IN FOUR YEARS TIME REDUCED THEIR LITTER BY TWO THIRDS. WE URGE THE CONSIDERATION OF THESE LITTER CONTROL BILLS WHICH ARE DIRECTED, AS IN

WASHINGTON STATE, TO ALL KINDS OF LITTER AND WHICH TAXES THOSE MANUFACTURERS AND WHOLESALERS WHOSE PRODUCTS WIND UP AS MISSILES FOR THE LITTER BUGS IN OUR SOCIETY. PENALIZE THE LITTER BUGS AND NOT THE INNOCENT RETAILER AND WHOLESALER.

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Automatic Merchandising Council of New Jersey

A State Council of National Automatic Merchandising Association
1930 ISAAC NEWTON SQUARE BUILDING, RESTON, VIRGINIA 22090, (703) 435-1210

STATEMENT BY LOUIS G. AVOGLIA, PRESIDENT TO ASSEMBLY HEARING ON A-1753 DECEMBER 1, 1983

We represent some 100 New Jersey companies which dispense a variety of food and beverages through vending machines.

The mandatory deposit legislation currently before you--A-1753 ACS--focuses on the retail sale of beverage containers at such conventional outlets as supermarkets, convenience stores, delicatessens and package stores. In concentrating on these retail outlets, the bill fails to anticipate the particular problems which it poses for operators and users--schools, factories, offices, hospitals and other institutions--of vending machines.

A-1753 makes no distinction between the vending machines which, in effect, are the retailers and conventional retailers.

The bill would require vending machines, as the retailer, to collect container deposits, accept empty cans and bottles (after determining whether the container is clean and is a type sold by the machine) and pay back the deposit. Except for collecting the deposit by adding to the price, vending machines can't perform these functions--only people can--and the people we employ to stock and service the machines are only at each vending machine location for a few minutes each day.

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Joseph Camm

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Warren Staub

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In some cases, our customers, such as a school or hospital, will own the machine which one of our companies will stock and service. Such owners, are hardly better prepared than the machines to become involved in redeeming, storing and returning empty cans or bottles.

As presently written, the deposit legislation is inherently incompatible with an industry that relies on machines to sell its products. We ask that you either exempt or make special provision for vending machine sales in this or any other "bottle bill" to which you give consideration.

The food and beverage vending industry is vital to the efficient functioning of a large segment of our economy. If the Legislature establishes conditions which make it infeasible for us or the institutions which rely on us to function effectively, the damage in terms of lost work or study time, lost jobs by our employees and lost taxes by the various levels of government will more than cancel out the benefits that are claimed for the "bottle" legislation.

"BRIAR'S BARK BREWED BIRCH BEER"
BEST BRAND BEVERAGE CO., INC.
890 KING GEORGE ROAD
FORDS, NEW JERSEY 08863
ERNEST TANGERI, PRESIDENT

November 30, 1983

N.J. State Assembly
The Honorable Alan Karcher
Speaker of the House
Trenton, New Jersey

Honorable Assemblymen:

SUBJECT: Proposed Bottle Bill

I am a small bottler who has been having a trying experience caused by our economic crisis. I have weathered the recessions, strived to compete with the large beverage companies and maintain a small percentage of the beverage sales in our food markets.

After all of the years I have spent in working to get my product established and upon the shelves of these stores, I am about to be wiped out, eliminated by a very inappropriate and unjust bill which is being presented to you. This so called bottle bill will NOT CLEAN UP LITTER, WILL NOT HELP OUR RECYCLING PROGRAM, WILL NOT RAISE REVENUE FOR THE STATE OF N.J. AND, WILL NOT BE BENEFICIAL TO OUR CONSUMERS WHO WILL BE FORCED TO PAY HEAVILY THROUGH THIS BILL!!!

The only thing this bill would create is the elimination of many soft drink manufacturers from the market that are already struggling to keep their products on store shelves.

While it has been beneficial for the store owners to have many items on their shelves in order to accommodate their customers, it no longer becomes feasible when he has to store, sort, and return "The Empties!" Many soft drinks such as Briars Birch Beer, 7-up, numerous root beer drinks, many cola drinks, and all of your specialty drinks will be eliminated. This bill will only create a monopoly for the coke and Pepsi type bottlers who have a complete line of flavors. Therefore those storeowners who presently have little room for their already existing product line will resort to cutting down on his number of suppliers.

There are dozens of other small bottlers like myself. We have many Distributors who retail our products. We all employ Salesmen, Drivers, and production workers. The first result of this bill will be the death of all of these from the job market.

Sincerely,



Ernest Tangeri



168 West State St., Trenton, New Jersey, 08608 tel. (609) 393-7163

BEVERAGE CONTAINER DEPOSIT LEGISLATION STATEMENT ON (A-1753 Acs)

Submitted to the N.J. General Assembly

December 1, 1983

New Jersey Farm Bureau and virtually the entire farm community in New Jersey has had a longstanding policy of favoring the concept of mandatory beverage container deposit legislation. We are primarily concerned with the litter abatement aspects of this proposal, since farmers are perhaps one of the most severely affected groups by litter in general and roadside litter in particular. We support state legislation that would impose a mandatory deposit on beverage containers because we believe it will substantially reduce the haphazard disposal of beverage containers in farm areas, which in turn will reduce the serious time, cost, and safety problems caused by this litter.

NATURE OF THE PROBLEM

Agriculture in New Jersey - consisting of grain crops, vegetable, dairy and other livestock, nursery products, horse breeding, fruit, berries, and other crops - is a \$500 million industry occupying over 20 percent of the state's land area. Much of the roadfront in farm areas, particularly in semi-rural areas of most counties, receive a constant stream of beverage containers thrown from automobiles passing by. In fact, many of these containers are thrown into fields, requiring farmers to actually pick up the litter prior to plowing and planting his fields. This takes precious time away from his many other chores and even still, tires are punctured by unseen bottles and bottle fragments. Many farmers farm rental properties and must take their tractors and other vehicles along the shoulders of roads where they frequently encounter more bottles. To illustrate the consequences of this problem, the cost of a rear tire on a tractor can be about \$500. This is a cost a farmer simply must absorb without any way of being reimbursed for the carelessness of others.



Glass fragments and aluminum can pop-tops are a serious hazard for cows and other pastured farm animals. Ingestion of this material by these animals is a constant fear for those farmers, which when it happens can result in an expensive veterinarian's bill or even death for that animal. Farm fields are also favorite places for beer parties, which results in cans and bottles being strewn all over the place. Bottle fragments also find their way into baled hay, causing jeopardy for those customers of farm commodities. We have research material on the litter problems of farmers available should any member of the Legislature be interested.

OTHER STATES

Farm Bureau is the largest farmers organization in the country, counting over 3.3 million members throughout the United States. Nearly all of our sister state organizations also have policies endorsing beverage container deposit legislation because of the severe litter problem. In states where deposit legislation is in effect, those state farm bureau offices report that the amount of roadside beverage containers has been reduced and that farmers are pleased with the results. The exact terms of these programs vary from state to state, but the basic concept of placing a mandatory deposit seems to achieve the desired results of litter abatement.

SUMMARY

New Jersey Farm Bureau and many of its member county boards of agriculture support the concept of deposit legislation, because of the obnoxious and costly nature of the beverage container litter problem. We are not absolutely tied to the exact provisions of A-1753 Acs, regarding such issues as compulsory participation of retail outlets as redemption centers. We applaud the attempt by the sponsor and Assemblyman Hollenbeck to be responsive to the concerns of private industry on the bill. We believe that deposit legislation is in fact a means of expediting the recycling of bottles and cans and support the concept also as a way of conserving natural resources.

It is unfortunate that so many people carelessly and thoughtlessly discard their can and bottle litter on the private property of other people. There will, perhaps, be some inconvenience created as a result of this legislation because of the bad habits of others. Nonetheless, the problem detracts greatly from the image we should

Statement on A-1753 Acs
December 1, 1983
Page #3

be working toward in the Garden State and the farm community strongly endorses beverage container deposit legislation for the above-stated reasons.

Thank you for your consideration. Please contact us if we can provide further details.

#

Peter J. Furey
Secretary/Administrator
December 1, 1983

Mercer County Board of Agriculture

Telephone 989-6830

930 Spruce Street
Trenton, N. J. 08648

September 22, 1983

Mr. Peter Furey, Secretary
New Jerwey Farm Bureau
168 West State St.
Trenton, N. J. 08608

Dear Peter:

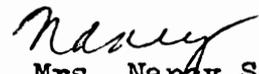
The Mercer County Board of Agriculture voted at its September meeting to support A 1753, the beverage container deposit bill.

The litter left along the roads in our state causes considerable damage to farm equipment and is a hazard to farm animals. Trash must be cleared from road sides near cultivated fields several times each year in order to avoid damage to tires and machinery, to protect our farm animals, and to maintain an attractive appearance for our farm lands.

All citizens of our state will benefit from the improved appearance of our public lands and parks and will enjoy keeping New Jersey the attractive Garden State.

Mercer County Board of Agriculture asks that N. J. Farm Bureau support A 1753.

Sincerely,



Mrs. Nancy S. Ellis
Secretary



Eayrestown-Red Lion Road R.D. 1
Medford, New Jersey 08055

609-267-8100

September 25, 1983

FARM BUREAU
168 West State St.
Trenton, NJ 08608

Attention: Mr. Peter Furey

Re: "Can and Bottle Bill"

Dear Mr. Furey,

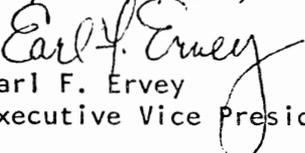
This brief correspondence is to convey our total support for the endorsement, promotion and passage of A-1753!

Contamination of our agricultural production acreage with glass bottles (these are the worst as they break and cut tires, feet of humans and animals, etc.) and cans as well as our property surrounding our homes is bad and getting worse. Certainly, the ugliness of this littering is also a major factor.

Many of our neighboring states have already passed similar legislation, certainly, we need not delay further in doing what should have been done earlier. Possible lost jobs at bottle manufacturing plants should be more than offset by new jobs as a result of the need to collect and re-process bottles/cans.

Please -- FARM BUREAU -- support this bill -- A-1753!!

Very truly yours,


Earl F. Ervey
Executive Vice President

WE ARE FARM BUREAU MEMBERS

POSITION PAPER

By: Assemblyman Guy F. Muziani

Re: Assembly Bill No. *A-1753* - "Bottle Bill"

While the arguments, both pro and con, relative to forced deposits were initially based upon speculation, the issue has become highly emotional in light of results in independent studies conducted in states where such laws have been passed. The members of this Assembly must separate a maze of allegations and opinions to determine the actual facts which have come to light following passage of similar laws in other states. The economic realities would appear to outweigh the minimal benefit generated by such legislation.

The Glass Industry is accused of contributing to the litter and solid waste problems of the state, and that the solution or answer is the imposition of a statewide forced deposit system. A system that will cause the Glass industry and other support industries to suffer severe economic disruption, with many people losing their jobs. This just isn't fair.

On philosophical grounds, this isn't right. Forcing a deposit by law on a package or material because it ends up as litter or solid waste would make the most sense on newspaper, a much larger factor in both categories. Yet I know of no bill introduced to accomplish this.

It is now more than 11 years since Oregon's lawmakers levied forced deposits on beer and soft drink containers. Since 1972, eight other states - Vermont, Maine, Michigan, Iowa, Connecticut, Massachusetts, Delaware and New York -

have implemented these so-called "bottle bills" while in the other 41 states voters and legislators rejected them.

Why does this phenomenon persist? Who wants bottle bills? And most important are they working? Are they the most effective way to clean up our roadsides and reduce solid waste?

What do they cost in terms of consumer prices, jobs and energy?

The answer I have to offer is made up of 6 issues.

1. Litter:

Supporters of mandatory deposit laws most often site "litter reduction" as their primary goal, promising significant improvement at little or no cost. Let us examine the accuracy of this proposition in three deposit law states, Oregon, Vermont and Michigan.

Significant reductions in roadside litter clean-up costs failed to materialize in any of these states. Litter crews are as busy and expensive today as they were before the law.

The reason for the disappointing results in these states is simple. You can't deal effectively with any problem by attacking only a part of it. And this litter problem is only partially a matter of bottles and cans.

2. Solid Waste:

Is solid waste - garbage significantly reduced through forced deposits?

After an exhaustive two-year study the Federal Resource Conservation Committee concluded that a federal deposit law would reduce the nation's solid waste by no more than 2%.

Solid waste, like litter, consists of much, much more than beverage cans and bottles. According to the U.S. Environmental Protection Agency, beverage litter makes up only some 5% of solid waste. There are cost-effective alternatives to forced deposits that deal with solid waste disposal as well as litter at the same time. Recycling is the answer.

3. Prices:

Forced deposit laws have increased the price of beer and soft drinks to consumers everywhere every time bottle bills have become law. The price of a six-pack typically increases as much as 30 cents plus deposit.

According to the WALL STREET JOURNAL, the price of a six-pack of beer in Maine increased from \$1.80 to \$2.20 plus 30¢ deposit - a hike of 22% in real cost alone and 38% increase counting the deposit.

In Michigan, the DETROIT NEWS reported that, not counting the deposit the average price for a six-pack-pack of beer jumped 25% since the state's bottle bill became effective in 1978. Michigan beer prices have been found to be as much as 75% higher than comparable brands in neighboring states. Prices for soft drinks have also increased dramatically in Michigan. A 1982 study done by a Detroit

bottler found that the price for a six-pack of 12-ounce cans was 28% higher than the national average.

These increased prices are the direct result of significantly increased handling costs - at all points in the beverage distribution system. Deposit law proponents who promise lower prices refuse to recognize that a well-oiled, one-way beverage distribution system cannot change overnight without incurring sizeable initial and recurring costs.

As billions of empty containers come back to them, grocers in every deposit state must hire new can and bottle sorters, purchase new equipment, use badly needed space to store empties, and spend additional money for sanitation. Beer wholesalers and soft drink bottlers must buy trucks, hire additional drivers, and build more warehouse space.

4. Sales Effects:

Deposit laws and accompanying higher prices, hurt the sales of beer and soft drinks. Some will dig deeper into their pockets, but many will simply drink less of their favorite beverage.

In Massachusetts, whose deposit law took effect in January 1983, beer sales dropped 9.7% during the law's first five months vs. the same period in 1982.

A pattern of a decline in sales is consistent everywhere. In Vermont, beer sales declined 9.1% in the first year. In Maine, sales slumped 6.8%. In Connecticut beer sales declined 9.1%.

Sales slumps hurt smaller retail stores the most since their earnings depend heavily on strong beverage sales - a top profit maker.

Experience will indicate that whenever a product is increased in cost - sales demand lessens. With less demand there is less production; with less production there are lay offs and possible closings.

Another side effect is the loss of State excise tax revenues. In 1981, Michigan lost \$5.2 million in beer taxes, bringing the cumulative loss to 11.5 million since the deposit law took effect in 1978.

In the first five months of its law, Massachusetts lost \$685,000.00 in beer excise tax revenues.

What will be the revenue loss to New Jersey?

5. Jobs:

Advocates of deposits often cite the creation of a number of low-level minimum wage jobs as a desirable by-product of such legislation. This is true.

But new jobs come at the expense of old, better paying positions. In Oregon in the early 1970's, several hundred container manufacturing jobs were lost and plans for additional hiring were cancelled. More than 800 skilled workers in two can and five glass manufacturing plants lost their jobs as a direct result of Michigan's forced deposit law. The latest plant to be closed due to the deposit law in Michigan is the Coca-Cola Company canning plant in Columbus, Ohio.

Connecticut's Labor Commissioner states that 556 employees were "dislocated" during the law's first year - meaning that they became temporarily or permanently unemployed. The \$95,000.00 set aside by the Connecticut legislature to compensate citizens who might lose their jobs has turned out to be too little. In late 1980, the state's Labor Department reported that at least \$532,000 would be needed to compensate the 556 employees who had thus far qualified for the funds. The impact of forced deposit laws in the New England region led to the permanent shutdown of a glass manufacturing plant in Mansfield, Massachusetts, early in 1983. At full production the plant employed 372 workers.

The state of Minnesota studied the problem in 1977 and reported "A mandatory deposit law in Minnesota would have a negative impact on employment". And, "The potential job losses would significantly disrupt the economic security of hundreds of families, with no guarantee that a job at a comparable wage could be found."

Case in point: Recently Owen-Illinois, a giant in the glass industry for over a hundred years, announced it is closing down the Glass manufacturing operations on February 16, 1984, laying off 634 people.

The two main reasons for the closing - less demand and over production has caused the need for discounting prices in order to be competitive.

Due to the deposit bill passage in New York in September of this year, it is anticipated that Owen-Illinois will be shipping 700,000,000^{Less} gross bottles.

This volume loss represents the capacity of one high speed bottle machine and would employ 120 people on a four shift basis.

6. Energy:

Deposit law proponents consistently promise substantial energy savings. If all energy uses under deposit systems are considered, these claims are suspect.

First of all, more and larger trucks are required in a deposit environment. Figures compiled by a major west coast soft drink company show that forced deposits require the use of twice as much gasoline as beverage systems in non-deposit states.

In Michigan, consumption of gasoline and diesel fuel has increased by an average of 25% per case for beer and 32% per case for soft drinks since the state's law went into effect. These percentages translate into a total of \$4,380.00 extra gallons of fuel used in 1979 - or a equivalent of 325,000 barrels of oil, enough fuel to run 6,820 passenger cars at 17 miles a gallon for 15,000 miles apiece.

STATEMENT

BY

JOHN J. GARRITY, EXECUTIVE DIRECTOR
BEER WHOLESALERS' ASSOCIATION OF NEW JERSEY

"OPPOSITION TO FORCED CONTAINER DEPOSIT BILLS"

NEW JERSEY GENERAL ASSEMBLY

DECEMBER 1, 1983

MR. CHAIRMAN, MEMBERS OF THE NEW JERSEY GENERAL ASSEMBLY, LADIES
AND GENTLEMEN:

I AM JACK GARRITY, EXECUTIVE DIRECTOR OF THE BEER WHOLE-
SALERS' ASSOCIATION OF NEW JERSEY. OUR ASSOCIATION REPRESENTS
95% OF THE BEER WHOLESALERS IN THE STATE. WE APPRECIATE THE
OPPORTUNITY TO APPEAR HERE AND OFFER REASONS WHY WE ARE OPPOSED
TO THE ENACTMENT OF A FORCED CONTAINER DEPOSIT BILL. BASED ON THE
EXPERIENCE OF OTHER STATES, IT IS BAD LEGISLATION AND WILL NOT
ACCOMPLISH THE OBJECTIVES OF SUBSTANTIAL LITTER REDUCTION OR
SELECTED LITTER REDUCTION. THERE ARE BETTER WAYS AS WE SHALL
POINT OUT. WE COMMEND THOSE WHO WANT A CLEANER ENVIRONMENT AND
FOR HAVING A NOBLE OBJECTIVE. WE JUST RESPECTFULLY DISAGREE ON
HOW IT CAN BE DONE.

THESE BILLS ADDRESS SOFT DRINK AND BEER CONTAINERS ONLY. IN
OTHER WORDS, THEY SPEAK TO ONLY A SMALL FRACTION OF TOTAL LITTER.
NINETY-THREE PERCENT OF ALL BEER AND SOFT DRINKS ARE CONSUMED IN
THE HOMES, PRIVATE PROPERTY AND SPORTS ARENAS. THE CONTAINERS ARE
DISPOSED OF PROPERLY. WHAT WE SEE AS LITTER IS A MINUSCULE NUMBER
OF THE CONTAINERS SOLD AND IS THE WORK OF UNCARING AND IRRESPONSIBLE
INDIVIDUALS WHO HAVE NO REGARD FOR PUBLIC PROPERTY OR THE PRIVATE
PROPERTY OF OTHERS. THEY ARE A SMALL MINORITY, YET THE DAMAGE THEY
DO IS VERY VISIBLE. THIS LEGISLATION WOULD TAX AND INCONVENIENCE
THE MAJORITY OF GOOD CITIZENS WHO ROUTINELY DISPOSE OF TRASH AND
BEVERAGE CONTAINERS IN A RESPONSIBLE MANNER. IT WOULD REQUIRE THEM
TO LAY OUT MONEY FOR DEPOSITS; 30¢ FOR A SIX PACK OR \$1.20 A CASE
OF 24 BEER OR SOFT DRINK CANS OR BOTTLES. EXPERIENCE IN OTHER STATES
HAS SHOWN THAT THE PRICE OF THESE BEVERAGES HAVE BEEN INCREASED

SIGNIFICANTLY TO COVER THE ADDITIONAL HANDLING COSTS USUALLY BY 30¢ - 40¢ PER SIX PACK OR \$1.20 - \$1.60 PER CASE. ADD THE INCONVENIENCE OF HAVING TO TRANSPORT THEM BACK TO THE STORES AND HAVING TO WAIT WHILE THEY ARE CHECKED BY A CLERK. IN ADDITION, RETAILERS ARE DEMANDING HANDLING COSTS. IN NEW YORK RETAILERS ARE GIVEN 36¢ A CASE FOR HANDLING.

VERMIN COLLECTS IN THE EMPTY CONTAINERS. THEY ARE STORED IN PLACES AROUND THE HOME, GARAGES, BASEMENTS, CLOSETS, ETC. UNTIL READY TO BE RETURNED. THEY ARE BREEDING PLACES FOR ALL SORTS OF INSECTS. VERMIN INFESTED CONTAINERS ARE BROUGHT BACK TO THE PLACES WHERE PEOPLE BUY OTHER FOOD ITEMS. CONTROLLING VERMIN IN EMPTY FOOD CONTAINERS IS A NIGHTMARE FOR EXTERMINATORS.

THE HIGHER COSTS MUST BE PASSED ON TO CONSUMERS. WHOLESALERS WILL NEED EXTRA TRUCKS TO HAUL THE EMPTY CONTAINERS. IF THIS BILL IS ENACTED, THEY WILL HAVE TO LEAVE IN THE MORNING WITH AT LEAST 25% TO 30% OF THE TRUCK EMPTY TO ACCOMMODATE THE EMPTIES RETURNED. DELIVERY EFFICIENCY WILL BE DESTROYED, MAKING FOR HIGHER DELIVERY COSTS. IN MANY INSTANCES, THERE WILL BE REQUIRED SEPARATE RUNS BY EMPTY TRUCKS TO PICK UP RETURNS. RETAILERS AND WHOLESALERS WILL NEED MORE STORAGE SPACE.

THE RETURNED CONTAINERS WILL HAVE TO BE PROTECTED AND SECURED BECAUSE THEY REPRESENT MONEY. CARELESSNESS AND NEGLIGENCE CAN RESULT IN SUBSTANTIAL LOSSES TO BOTH RETAILER AND WHOLESALERS. IF NOT CAREFUL, THEY MAY BE REDEEMING THE SAME PACKAGES MANY TIMES OVER.

NEW JERSEY SHOULD BE EXTREMELY CAUTIOUS ABOUT THE LOSS OF SALES AND TAX REVENUE IF THESE BILLS ARE ENACTED. WE HAVE A LONG BORDER WITH PENNSYLVANIA, AND PENNSYLVANIA RETAILERS ARE EASILY ACCESSIBLE TO NEW JERSEY RESIDENTS.

CURRENTLY THOUSANDS OF CASES OF PENNSYLVANIA BEER AND SOFT DRINKS COME INTO NEW JERSEY, ESPECIALLY IN THE VACATION SEASON. THIS WILL BE GREATLY ACCELERATED IF THESE BILLS ARE ENACTED. WE WILL BE THE DUMPING GROUND FOR THOUSANDS OF CONTAINERS OF UNTAXED BEER. IT WOULD INDEED BE AN UNFORTUNATE PIECE OF LEGISLATION AND A CRUEL IMPOSITION ON THE 98% MAJORITY OF PEOPLE WHO ROUTINELY DISPOSE OF LITTER PROPERLY. THE PROPONENTS OF THIS TYPE OF LEGISLATION SEE ONLY ONE NARROW ASPECT OF THE ENTIRE SITUATION, THE VISIBLE LITTER ALONG THE ROADS, PARKS AND OCCASIONALLY THE CAN OR BOTTLE THROWN ON THEIR OWN PROPERTY. GIVEN THE CHOICE, I'M SURE THE AVERAGE MICHIGAN OR NEW YORK CITIZEN WOULD NOW RATHER PICK UP THAT STRAY BOTTLE OR CAN THEMSELVES THAN HAVE TO SHELL OUT HIS GOOD MONEY IN HIGHER PRICES, DEPOSITS AND THE INCONVENIENCE OF HOLDING EMPTIES AND RETURNING THEM FOR REDEMPTION.

MUCH OF THE LITTER IN PARKS AND PUBLIC AREAS IS DUE TO INADEQUATE NUMBER OF RECEPTACLES. THERE AREN'T ENOUGH AND IN SOME INSTANCES THEY AREN'T EMPTIED FREQUENTLY ENOUGH. HOW OFTEN WE SEE THEM OVERFLOWING, INDICATING THAT THE VAST MAJORITY DO USE THEM.

PENALTIES FOR LITTERING ARE NOT ENFORCED AND ARE NOT STRINGENT ENOUGH. MORE PUBLIC EDUCATION AND PRIDE IN COMMUNITY IS NEEDED. WHEN SEEN LITTERING, PERSONS SHOULD BE TOLD AND WARNED, NOT BY THE POLICE ALONE, BUT BY ALL CITIZENS. TOO OFTEN, WE DON'T WANT TO GET INVOLVED. THERE MAY BE A REBUFF OR AN INSULT RETURNED, BUT THE LITTERER WILL BE AWARE OF BEING OBSERVED.

ALL STATES THAT HAVE ADOPTED DEPOSIT LEGISLATION HAVE FOUND THEMSELVES IN THE SITUATION OF HAVING TO EMPLOY ADDED LITTER PATROLS

TO KEEP UP THE IMAGE OF LITTER-FREE PUBLIC AREAS. WE FIND NO FAULT WITH LITTER PATROLS, IN FACT, WE APPLAUD THEIR USE. IT MAKES MORE SENSE FROM A COST STANDPOINT TO PAY FOR LITTER PATROLS THEN TO HAVE TO BURDEN THE PUBLIC WITH DEPOSITS, HIGHER COSTS, SANITATION PROBLEMS, AND THE GREAT INCONVENIENCE OF THE HANDLING OF EMPTY UNSANITARY BEVERAGE CONTAINERS AND PUTTING WHOLESALERS AND RETAILERS IN THE JUNK BUSINESS. THE STATE OF WASHINGTON IS A GOOD EXAMPLE OF HOW WELL A PROGRAM DEALING WITH THE TOTAL LITTER PROBLEM CAN WORK. ITS LITTER HAS BEEN REDUCED MORE EFFECTIVELY AND AT MUCH LOWER COSTS THAN ITS NEIGHBORING STATE, OREGON; (55% CLEANER IN URBAN AREAS AND 17% CLEANER IN RURAL AREAS). I'M SURE THE WASHINGTON PLAN IS KNOWN TO YOU. I RECOMMEND YOU GIVE IT SERIOUS CONSIDERATION AS A MEANS OF DEALING WITH THIS PROBLEM IN NEW JERSEY.

PLEASE DO NOT BE MISLEAD. FORCED DEPOSITS MEANS HIGHER PRICES AS MUCH AS 15% - 20%. HANDLING COSTS MUST BE PASSED ON TO CONSUMERS. BREAKAGE AND OTHER LOSSES ARE ALL ON THE CONSUMER. THESE LAWS DO NOT ANSWER THE PROBLEM. THEY DEAL WITH ONLY A SMALL FRACTION OF THE VISIBLE LITTER.

WE COMMEND THE ASSEMBLY FOR HOLDING THIS HEARING IN ORDER THAT ALL SIDES OF THIS CONTROVERSIAL ISSUE MAY BE HEARD. WE APPRECIATE THE OPPORTUNITY TO PRESENT OUR VIEWPOINTS.

THANK YOU.

Why Washington State is Proud of its Model Litter Control and Recycling Act.



63x

The Model Law and how it works

Washington led the nation by enacting the first comprehensive litter abatement legislation in 1971. Recycling was added to the law in 1979.

Entitled the Model Litter Control and Recycling Act, the measure is commonly called the "Model Law" because of the standards it has set. Many states have adopted similar legislation.

The Model Law programs, administered by the Department of Ecology (DOE), are funded entirely by industry. The DOE receives nearly \$2 million annually for its programs, with the money coming from special assessments on industries that sell, manufacture or distribute potential litter-producing products.

By law, nearly one-half of the budget is spent on the Youth Corps, a cadre of 500 youth

employed to pick up litter along highways, roads and streets, and recreational areas. The balance of the budget is divided between litter control and recycling programs, with a substantial portion spent on public education as well as classroom curricula.

One program example is the Recycling Hotline (1-800-RECYCLE), a statewide toll-free service that provides information about more than 1,000 recycling locations.

Under the Model Law, litter bags are required in all vehicles and boats. Failure to comply carries a \$50 fine. Drivers of vehicles with loose or falling materials are subject to a \$108 fine. Littering violations may be reported on a toll-free number (1-800-LITTERS).

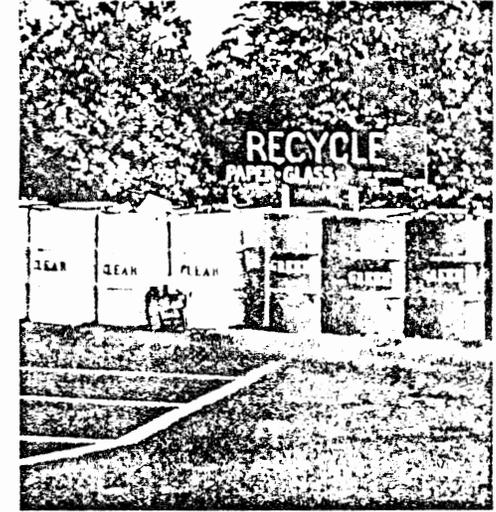
The Model Law and its accomplishments

The unique industry-funded Model Law, designed to reduce litter and promote recycling, has produced outstanding results in both areas—at no cost to the taxpayers.

Washington not only has become one of the cleanest states in the nation, it grows cleaner each year! And the state's independent recycling industry, operating totally without government subsidy, is one of the largest and most successful in the nation.

According to a survey made by the Institute for Applied Research, the state has achieved a ten percent reduction rate in litter each year since 1977. Furthermore, Washington has the lowest litter rate of eight surveyed states, including Oregon, and its litter levels were found to be 61 percent below those of states with no litter control programs.

Nearly 2,500 workers are employed in the state's private recycling industry, which collects nearly 400,000 tons of materials annually that have a recycling value of \$34



million. The recycling industry provides an important supplementary income to many individuals as well as non-profit organizations, churches, schools and other groups who bring their recyclables to the more than 1,000 locations throughout the state.

The Model Law and why it works

Funded by industry, administered by the Department of Ecology, supported by the people; that's the alliance that has made the Model Law work.

Their cooperation and commitment to a common goal has produced a clean state and a conservation ethic among its citizens.

Washington now has a proven track record. An important environmental responsibility is being shouldered. The Model Law has pointed the way.

STATEMENT OF CARMEN GILETTO, PRESIDENT, NEW JERSEY
LICENSED BEVERAGE ASSOCIATION, BEFORE ASSEMBLY HEARING
ON CONTAINER DEPOSIT AND RECYCLING LEGISLATION, STATE
HOUSE, TRENTON, N.J., DECEMBER 1, 1983

MY NAME IS CARMEN GILETTO AND I AM PRESIDENT OF THE NEW JERSEY LICENSED BEVERAGE ASSOCIATION WHICH REPRESENTS 8,000 TAVERN, RESTAURANTS AND OTHER ON-PREMISE LICENSEES LOCATED IN OVER 500 NEW JERSEY COMMUNITIES.

MY ORGANIZATION HAS OPPOSED AND CONTINUES TO OPPOSE ASSEMBLY BILL 1753, A DISCRIMINATORY PROPOSAL, WHICH WOULD IMPOSE A 5¢ DEPOSIT ON SOFT DRINK AND MALT BEVERAGE CONTAINERS. SUCH PROPOSAL IS DISCRIMINATORY IN THAT IT AFFECTS JUST A PORTION OF THE SOLID WASTE STREAM; A PORTION SOMEWHERE IN THE NEIGHBORHOOD OF APPROXIMATELY 10%. DISCRIMINATORY IN THE SENSE THAT IT PENALIZES THE VAST MAJORITY OF OUR CITIZENS WHO DO NOT CONTRIBUTE TO THE LITTER SCENE. DISCRIMINATORY IN THAT IT SINGLES OUT AS GUILTY PARTIES PERFECTLY INNOCENT RETAILERS WHO SELL SUCH PRODUCTS.

IF THE PROPONENTS OF A-1753 WERE SERIOUS ABOUT AN EFFORT TO MINIMIZE, IF NOT ELIMINATE, NJ'S LITTER PROBLEM, YOU WOULD EXPECT THAT THEY WOULD BE STRONGLY ENDORSING BROAD BASED LITTER TAX BILLS NOW PRESENT IN BOTH THE SENATE AND THE ASSEMBLY IN THE FORMS OF S-3457 AND A-3556. SUCH BILLS ARE DIRECTED AGAINST ALL COMPONENTS OF THE LITTER SCENE, NOT JUST A PORTION. SUCH BILLS CREATE A LITTER CONTROL ACCOUNT SUPPLIED BY REVENUE RAISED THROUGH A TAX ON ALL MANUFACTURERS AND DISTRIBUTORS WHO SELL LITTER GENERATING PRODUCTS IN OUR STATE. THIRTY PERCENT OF THE MONEY RAISED WOULD FINANCE THE EMPLOYMENT OF YOUTHS TO MAN A LITTER

PATROL PROGRAM DESIGNED TO REMOVE LITTER FROM THE VARIOUS AREAS WHERE SUCH LITTER APPEARS. FIFTY PERCENT WOULD BE DISTRIBUTED IN DIRECT GRANTS TO MUNICIPALITIES AND COUNTIES FOR THEIR LITTER CONTROL PROGRAMS. WE SEE NO SUPPORT TO DATE FROM THOSE PRESSURING FOR THE PASSAGE OF A-1753, A PARTIAL EFFORT AT BEST, FOR THE BROAD BASED LITTER TAX BILLS WHICH REPRESENT A COMPLETE EFFORT.

THE FORCES BEHIND A-1753 ALSO EXPRESS AN INTEREST IN THE ^{WASTE}~~RAGE~~ OF RAW MATERIALS WHICH AT THE PRESENT TIME THEY CLAIM IS HEADED FOR LANDFILLS. APPARENTLY THESE FORCES ARE DELIBERATELY OVERLOOKING THE COMPREHENSIVE REMEDIAL STEPS BEING TAKEN UNDER THE BANNER OF NEW JERSEY'S RECYCLING ACT. WE ATTENDED AN AWARDS DINNER HELD ON NOVEMBER 20TH BY THE NEW JERSEY RECYCLING FORUM, INC., A POSITIVE ORGANIZATION WHICH BELIEVES RECYCLING IS THE CONSTRUCTIVE ANSWER, A BELIEF THAT THEY ARE BRINGING MORE AND MORE INTO REALITY. FROM THE STANDPOINT OF NEW JERSEY'S ON PREMISE LICENSEES, I REPEAT AGAIN THAT OUR FEARS BASED ON THE CERTAINTIES OF THE PAST WHEN RETURNABLES WHERE THE ONLY CONTAINERS, THAT A-1753 WILL BRING TO OUR DOORS A MESS OF UNWASHED, SMELLY AND PARTIALLY FILLED CONTAINERS. IN SHORT A PERFECT BREEDING GROUND FOR DISEASE LADEN RODENTS AND INSECTS. THE IMMEDIATE PROBLEM WOULD BE ONE OF SANITATION; THE IMMEDIATE EFFECT, BECAUSE OF THE TIME AND COSTS INVOLVED, WILL BE A TAX, A DEPOSIT TAX, ON THE PUBLIC IN THE FORM OF HIGHER PRICES. NEW JERSEY LICENSED BEVERAGE ASSOCIATION SUPPORTS A POSITIVE APPROACH, A FAIR APPROACH, A CONSTRUCTIVE APPROACH, A COMPLETE APPROACH NOW EMBRACED IN BROAD BASED LITTER TAX PROPOSALS NOW PENDING IN THE LEGISLATURE. WE OPPOSE THE PIECEMEAL, UNFAIR, DISCRIMINATORY APPROACH SUGGESTED BY A-1753. THANK YOU.

STATEMENT

Deposit Legislation Hearing

New Jersey Assembly,

December 1, 1983

Louis E Schindel

496 Richmond Avenue

Maplewood 201-763-4411

(For identification only: President, Maplewood environACTION Group
 Chair, Recycling, Maplewood League Women Voters
 Member, New Jersey Recycling Advisory Comm.
 Active in recycling and environmental affairs since 1970. Several
 memberships, awards and frustrations !)

1st Section

As a State that has led the pack in environmental affairs, New Jersey should have had a deposit legislation system ten years ago.

We, the taxpayers-consumers, know that "deposits" are part of the solution of our massive solid wastes problem. Hundreds of municipal resolutions and thousands of petitions attest to this fact. Still/^{no} decisive action has been taken to give us that which we ^{have} demanded. An alliance of forces acting in response to false or selfish motives has blocked us. Yes, governors, legislators, bureaucrats and know-and-do-nothing personalities are aligned with industrialists and merchants (and their trade associations) to deprive US of incentive to take care of our own earth ! The irony is that government agencies give incentives to industry (and farmers) to do (or not to do) something but we abused taxpayers get nothing even though the need is great. This must change..

Governor and legislators (indeed, labor leaders) have been conned by the glass industry into believing that they will leave the State if a deposit bill is passed. Let all read annual reports that boast of new technologies ---plastics, robotization---and plans to move closer to markets and cheap labor and then search/^{their} conscience . How can they continue to shoot craps with the future and the rights of their children and mine to a healthy environment ? How can they endorse the industry plan to blame New Jersey users of their products for their demise ? This must change.....

I am proud to have served on the New Jersey Recycling Advisory Committee and salute those who are making a success. Let the record show that the Executive Committee of the Recycling Committee

rejected a request by members at large for a minority report to explain the virtues of deposit systems. Reading the roster of the Committee will quickly explain the reason---a majority were industry representatives.

From the Office of Recycling we have heard statements requesting that deposits be postponed to allow the Recycling Act to function. The Act runs through 1986. Logic dictates that we plan now to augment it. Stronger logic tells us that universal participation in recycling ---citizen participation through incentive---will enhance programs..

We should note that much recycling is done at drop-off centers. Compared to the efficiency of source separation and collection, this system does not stand a chance to survive. Further, the volunteer who delivers uses his time, his gasoline to get to the drop-offs. How much abuse and waste are we supposed to tolerate? Finally we should note that the Office of Recycling is funded from the Act. What credence should we give to those who are really only interested in protecting their own turf? This must change.....

There are many, many fictions in the world of solid wastes. 1- Waste does not exist. All matter, ^{per} laws of thermodynamics, take new forms when "disposed of" (there is no such thing). 2- Taxpayers-users-homeowners are called "generators" of used materials. Industry generates the stuff. We, poor suckers, are nothing more than DISTRIBUTORS. These are public relations boys to--again--blame us, the victims. This must change.....

Operating through their front, the New Jersey Food Council, the food merchants have dumped soda and beer cans full of dough into the effort to prevent passage of "deposits". They use money from sales to us to prevent us from undertaking our duty to protect ourselves. Isn't that a hellova way to treat customers? They should be in the forefront of the battle to solve the solid waste problem.. Instead, following the example of American industries such ^{as} automobiles,

they abuse the consumers. When will they learn that their future prosperity depends on the natural resources such as aluminum and paper? How long will the kindly geniuses who have built the chain system stop allowing their propaganda staffs to hoodwink them into injuring their own customers? This must change.....

Deposit legislation---and we must not think of it in terms of containers alone----are a basic tool in the development of sustainable systems to solve solid waste problems, conserve our resources, reduce impact on our landfills and provide incentive to correct the rotten litter problem. Let us not forget, each of us, whether parents or not, we must plan now for a sustainable future for those who will live here next year and in the next century. ¶ I challenge the members of this body to see through the smokescreens of selfish motives that prevent passage of deposit legislation .. ¶ Please remember---"We have not inherited the earth from our parents, we have borrowed it from our children."

A handwritten signature in cursive script, reading "James T. Schindel". The signature is written in dark ink and is positioned at the bottom right of the page, below the main body of text.

The Orchard Street Association, Inc.

Mutual Aid Since 1968

78 Orchard Street -:- Newark, New Jersey 07102

(201) 624-8278

WRITTEN TESTIMONY OF ANDY CAPPON SUBMITTED TO THE NEW JERSEY STATE ASSEMBLY FORUM ON DECEMBER 1, 1983.

My name is Andy Cappon; I am the Secretary of the Orchard Street Association, a neighborhood association in Newark, N.J. I am a conservation activist involved in organic urban gardening, solar energy and recycling.

Our neighborhood is currently recycling glass containers at a rate of 2 to 3 tons per week or between 5000 and 10,000 bottles per week using two methods.

1) A retired neighborhood resident, owner of a pick-up truck, collects bottles, breaks the bottles and returns them, color separated in barrels to the Owen-Illinois glass recycling center in North Bergen. He receives \$55 per ton or about \$75 per load.

2) A number of 10 - 14 year old kids collect bottles and aluminum cans from the streets, empty lots, bars, households, etc. after school and on weekends. Using old grocery carts they turn these bottles and cans in at our neighborhood center - a spacious garage-type building - receiving 1 cent per unit regardless of bottle size. One cent per bottle averages to about \$30 - \$35 per ton. I myself then truck the glass to North Bergen, receiving the difference of about \$20 per ton to pay for my expenses.

I would like to point out that both methods became feasible only after Owen-Illinois raised the price paid for recycled glass to \$55 per ton, starting Sept. 1, 1983, the inauguration of the New York State Bottle Bill.

I am also convinced that either of the two methods could become popular all over New Jersey if the money received were increased by another \$25 per ton. This could be done under the present recycling act if the \$25 per ton grant money now paid to the municipalities for increased recycling were turned over to the collectors for presentation of their recycling slips. The \$25 bonus will accomplish all and more than that which the environmentalists are preparing under A1753 without the disadvantages of forbidding the switch to newspapers and the high price of the consumers of having to pay a deposit and incur handling costs. Some of the laudable and desirable features of the present act also would be realized under the proposed system. The youths actually are doing a good deed and the collection of a deposit is a simple matter. If the control program, they are doing a good deed.

Finally, I would like to draw your attention that a... that the most... litter is... containers, and plastic... substitutes for

biodegradable and recyclable materials such as paper, wood, glass and metals. While they use imported oil as their raw material they cannot be returned to the raw materials supply stream. For these reasons I believe a litter tax applied to these materials at their source on a per pound of plastic used basis would be most appropriate and beneficial to the health and well being of New Jersey's citizens.

